

SETTLEMENT AGREEMENT

I. Introduction

This Settlement Agreement (“Agreement”) is hereby entered by and between Defendant Highland Arms Enterprises, Inc. dba Precision Door Service (“Defendant” or “Precision Door”) and the named Plaintiff, Caleb Oltmanns (“Plaintiff”), who is acting both individually and in his capacity as the proposed class representative for the proposed settlement class defined herein and in the proposed class action entitled *Caleb Oltmanns v. Highland Arms Enterprises, Inc.*, King County Superior Court, Case No. 23-2-14774-0 SEA (the “Case”).

II. Class Certification

Solely for the purposes of this Settlement, Plaintiff and Defendant (collectively, the “Parties” and each individual, a “Party”) agree that this Case should be certified and finally adjudicated as a class action on behalf of the Settlement Class defined herein.

III. Investigations and Due Diligence

The Parties have conducted substantial formal and informal discovery and investigation of the facts and the law during their respective prosecution and defense of this Case. As part of this review and investigation, the Parties and their counsel have (a) interviewed witnesses; (b) collected and analyzed extensive electronic and paper time records, payroll data, and other information concerning the composition of the Settlement Class and the merits and possible extent of Plaintiff’s claims and Defendant’s defenses; and (c) amply considered and analyzed their respective claims and defenses.

IV. Settlement Negotiations

The Parties engaged in settlement negotiations between August 2023 and the date of this Agreement and in connection therewith outlined the conceptual terms of the Settlement during a January 5, 2024, mediation before Marc Cote of Washington Arbitration and Mediation Services (WAMS). All of the Parties’ settlement negotiations have been conducted in good faith and at arm’s length. Through the Parties’ investigations and communications, the Parties have reached a class action settlement of this Case that they believe to be fair, adequate, and reasonable, and that Plaintiff believes is in the best interest of the proposed Settlement Class. This Agreement memorializes the terms of the final Settlement agreed to by the Parties as the result of the negotiations just described.

V. Defendant’s Denials of Wrongdoing and Non-Admission of Allegations

Defendant has denied and continues to deny each of the claims and contentions alleged by Plaintiff on his own behalf and on behalf of any members of the proposed class alleged by Plaintiff in the Case. Defendant has asserted, and continues to assert, defenses and objections to the proposed maintenance of this Case as a class action as if it were to proceed through litigation instead of settlement. Furthermore, Defendant has expressly denied, and continues to deny, any wrongdoing or legal liability arising out of any of the facts or conduct alleged in this Case. Neither the Settlement, this Agreement, or any document referred to or contemplated herein—nor any

action taken to carry out this Agreement—is, may be construed as, or may be used as an admission, concession or indication by or against Defendant of any fault, wrongdoing, or liability whatsoever. Defendant expressly denies any such fault, wrongdoing, or liability. If the Parties had not reached the Settlement, then Defendant would have continued to vigorously defend against Plaintiff's claims, including seeking denial of full or partial class certification and a full defense verdict at trial. Defendant agrees to this Settlement solely to avoid the burden and expense of further litigation.

VI. Stipulated Settlement and Dismissal

NOW, THEREFORE, IT IS HEREBY STIPULATED by the Parties, subject to the approval of the Superior Court, that this Case is hereby being compromised and settled on a class action basis pursuant to the terms and conditions outlined in this Agreement and that, if the Parties' Settlement is finally approved by the Superior Court, this Case shall be fully dismissed on the merits and with prejudice, subject to the following terms and conditions:

1. Definitions

a. **"Effective Date"** means the date when both (1) the Settlement has been finally approved by the Superior Court, and (2) the Superior Court's anticipated order approving the Settlement and dismissing this Case with prejudice (the "Final Judgment") becomes final. For purposes of this subsection, the Superior Court's Final Judgment "becomes final" upon the later of either (a) thirty-one (31) days following the Superior Court's entry of an order granting final approval of the Settlement; or (b) if an appeal is timely filed or other appellate review is sought, the date the Mandate or other final affirmance is issued by the appellate court affirming the Final Judgment.

b. **"Settlement"** means the settlement reached by the Parties through the negotiation process described in Paragraph IV above.

c. **"Settlement Administrator"** means a third-party administrator jointly approved by the parties, subject to the Superior Court's approval.

d. **"Settlement Class Period"** means the period from August 9, 2017, through and including December 31, 2023.

e. **"Proposed Class"** or **"Proposed Class Members"** means Plaintiff and all other individuals who were employed by Defendant in the State of Washington in the non-exempt roles of Technician, Estimator, and/or Door Designer and who were paid on a commission basis at any time during the Settlement Class Period and who received one or more commission payments during such period.

f. **"Settlement Class"** or **"Settlement Class Members"** means all Proposed Class Members, exclusive of any person who timely opts out of the Settlement pursuant to the procedures set forth below. All persons who timely opt out from the Settlement in conformity with this Agreement shall not be bound by the terms of this Agreement or any Final Judgment entered by the Superior Court and shall retain the right to pursue (or not pursue) any alleged individual claim(s) against Precision Door in a separate action.

- g. The “**Notice of Settlement**” means the form attached hereto as **Exhibit A**.
- h. The “**Initial Mailing Date**” is the date the Settlement Administrator first mails the Notice of Settlement approved by the Superior Court to all Proposed Class Members.
- i. The “**Notice Deadline**” is sixty (60) days after the Initial Mailing Date.
- j. “**Class Counsel**” means the attorneys with the law firm Schroeter Goldmark & Bender, subject to the Superior Court’s approval.
- k. “**Class Fund**” means the aggregate, gross amount the Parties propose be paid to the Settlement Class as Settlement Awards pursuant to this Settlement. The Class Fund shall be calculated by subtracting the Court-approved Service Award, Settlement Administration Expenses Award, and Attorney’s Fees and Costs Award from the Maximum Settlement Amount. Subject to approval by the Superior Court, the Parties anticipate the aggregate, gross amount paid to the Settlement Class as part of the Settlement of this Case is estimated to be no less than **\$390,000.00**.
- l. “**Settlement Awards**” means the amounts the Parties propose be paid to members of the Settlement Class pursuant to this Agreement.
- m. “**Service Award**” means the amount the Parties propose be paid to Plaintiff as a service award in recognition of his efforts in prosecuting the Case. Subject to approval by the Superior Court, the amount paid to Plaintiff for his Service Award shall be **\$10,000.00**.
- n. “**Settlement Administration Expenses Award**” means the amount the Parties propose be paid to the Settlement Administrator for the processing of the Settlement. Subject to approval by the Superior Court, the amount paid to the Settlement Administrator for the processing of the Settlement shall be up to **\$20,000.00**.
- o. “**Attorney’s Fees and Costs Award**” means the amounts the Parties propose be paid to Class Counsel as attorney’s fees and costs in connection with their prosecution and settlement of the Case. The proposed award for attorney’s fees is twenty-five percent (25%) of the Maximum Settlement Amount, or **\$142,500.00**. Class Counsel will seek approval to be paid their actual costs, which are currently \$3,079.50, and are projected to remain under **\$5,000**. The proposed amounts the Parties propose be paid to Class Counsel as attorney’s fees and costs are subject to approval by the Superior Court.
- p. “**Maximum Settlement Amount**” means the maximum amount Precision Door may be required to pay pursuant to this Settlement, which is the sum of **\$570,000.00**, excluding only Precision Door’s employer-side share of FICA, FUTA, and other similar, mandatory employer-side payroll taxes. In no event shall the Maximum Settlement Amount exceed the foregoing sum.
- q. “**Released Claims**” means any and all claims, whether known or unknown, that were brought or that could have been brought based on any facts alleged in the Case with respect to a failure to timely or properly pay all commissions. The Released Claims specifically include, but are not limited to, any and all claims relating to any alleged unpaid commissions,

improper deductions from commissions, late payment of commissions, and any other claims arising out of or relating to the allegations set forth in the Case against Precision Door, as well as any attendant claims for unpaid wages, overtime payments, premium payments, interest, exemplary damages, liquidated damages, and attorney's fees and costs arising out of or relating to any of the foregoing.

r. **“Defendant”** as used in this Agreement, and as released through the Releases described in Section VI.2., below, includes: (1) Defendant Highland Arms Enterprises, Inc. dba Precision Door Service, as well as any of its past, current, or future successors and assigns, together with each of their respective parent companies, subsidiaries, related or affiliated companies, members, shareholders, owners, officers, directors, employees, agents, attorneys, and insurers; and (2) any other individual or entity who could be jointly or severally liable for any of the claims alleged in the Case or released by this Agreement.

2. Releases

As of the Effective Date, the Settlement and this Agreement will constitute a full and final settlement, release, and waiver by Plaintiff and all members of the Settlement Class of all Released Claims.

3. Payment by Precision Door

Subject to approval of the Settlement by the Superior Court, Precision Door agrees to deposit the Maximum Settlement Amount into a Qualified Settlement Fund (“QSF”) set up by the Settlement Administrator for purposes of processing the Settlement and paying the Service Award, the Settlement Administration Expenses Award, the Attorney's Fees and Costs Award, and the Settlement Awards. Precision Door will not be responsible for making any additional payments except as expressly set forth below, whether to the Settlement Class Members, to Plaintiff, to Class Counsel, to the Settlement Administrator, or otherwise (with the exception that Precision Door agrees to pay its share of FICA, FUTA, and other similar, mandatory employer-side payroll taxes). By funding the Qualified Settlement Fund, Precision Door will fully discharge Defendant's financial obligations under this Agreement and Defendant shall have no further financial obligations under this Agreement, whether to the Settlement Class Members, to Plaintiff, to Class Counsel, to the Settlement Administrator, or otherwise (again with the exception that Precision Door agrees to pay its share of FICA, FUTA, and other similar, mandatory employer-side payroll taxes).

4. Calculation of Settlement Awards

a. Subject to approval by the Superior Court, the calculations of gross (pre-tax) Settlement Awards for Settlement Class Members will be made by Class Counsel based on records that have been or will be submitted to Class Counsel by Precision Door, which records are presumed to be accurate. Precision Door has provided or will provide data to Class Counsel reasonably necessary for the calculation of the Settlement Awards in the form of an Excel spreadsheet (or spreadsheets), which shall contain data regarding the amount of commissions earned by each Proposed Class Member during each year of the Settlement Class Period (to the extent Precision Door's pay periods do not align to a calendar year, these annual figures shall reasonably approximate a calendar year). To the extent not already produced to Class Counsel,

Precision Door shall provide the Excel spreadsheet(s) containing the foregoing data to Class Counsel by February 16, 2024. Any data provided to Class Counsel or the Settlement Administrator pursuant to this Agreement shall be used solely for the purposes of administering this Settlement and not for any other purpose. Class Counsel and the Settlement Administrator shall maintain any data provided pursuant to this Agreement as private and confidential and shall not use or disclose such data to any persons or entities except as required by this Settlement, law or Court order. Notwithstanding the above, Class Counsel may disclose individual commissions data to individual Proposed Class Members who request such information.

b. Class Counsel shall be responsible for calculating the gross amounts of the Settlement Awards for Settlement Class Members in conformity with this Agreement. Each Settlement Class Member shall receive a minimum settlement payment of fifty dollars (\$50.00). The remaining monies from the Class Fund will be allocated to individual Settlement Class Members pro rata based on commissions paid and prejudgment interest accrued on such wages (together, "individual damages") during the Settlement Class Period, with the amounts being calculated by dividing each Settlement Class Member's total individual damages by the total aggregate damages calculated for all Settlement Class Members during the Settlement Class Period and then multiplying the resulting ratio by the portion of the Class Fund allocated to these payments.

c. Class Counsel shall provide Defendant and the Settlement Administrator with an electronic report setting forth the results of their calculation of the gross Settlement Awards for Settlement Class Members. Defendant and the Settlement Administrator shall have ten (10) days after receiving this electronic report to review Class Counsel's gross Settlement Award calculations for compliance with the terms of this Agreement and to submit any concerns in writing to the Class Counsel. Thereafter, the Parties shall confer within five (5) days in an attempt to resolve any disputes relating to the calculations of the gross amounts of Settlement Awards. If the Parties are unable to resolve any disputes about calculating the gross Settlement Awards pursuant to this Agreement, they shall submit their respective positions in writing to the Superior Court, which shall make the final decision regarding any disputed calculations of any Settlement Awards for any Settlement Class Members.

d. **Allocation of Settlement Awards Between Wages and Non-Wages.** Forty percent (40%) of each Settlement Award will be treated as wages and subject to normal payroll tax withholdings and payments, and these amounts shall be reported to the taxing authorities and the Settlement Class Members on IRS Forms W-2. Sixty percent (60%) of each Settlement Award will be treated as non-wages (penalties, enhancements, and prejudgment interest) on which there will be no tax withholding and for which IRS Forms 1099 (marked "Other Income") shall be issued to the taxing authorities and Eligible Settlement Class Members.

e. **Separate Payment of Employer-Side Payroll Taxes.** Precision Door will separately fund the payment of the required employer share of the payroll taxes associated with the W-2 payments made to Settlement Class Members (including, but not limited to, employer's share of FICA, Medicare, FUTA (if applicable), and any other employer-paid, federal, Washington state, or local requirements).

5. Attorney's Fees and Costs Award

As part of seeking the Superior Court's final approval of this Settlement, Class Counsel will apply to the Superior Court for an Attorney's Fees and Costs Award of no more than twenty-five percent (25%) of the Maximum Settlement Amount (i.e., **\$142,500**), plus up to an additional **\$5,000.00** for actual litigation costs.

6. Service Award

Subject to approval by the Superior Court, in addition to a Settlement Award computed as described above, Plaintiff Caleb Oltmanns shall receive a separate Service Award, which monies will be treated as non-wages and on which there will be no payroll tax withholdings and for which an IRS Form 1099-MISC (marked "Other Income") shall be issued to the taxing authorities and Plaintiff. Subject to approval by the Superior Court, the amount paid to Plaintiff as a Service Award shall be **\$10,000.00**.

7. Settlement Administration

a. The Settlement Administrator shall be responsible for mailing the Notice of Settlement to the Proposed Class, tracing undeliverable mailings, recording and tracking responses to the mailings to the Proposed Class, tracking and responding to any inquiries made by any member of the Proposed Class, reviewing Class Counsel's calculation of the Settlement Awards, and any other related tasks mutually agreed to by the Parties. The Settlement Administrator shall also be responsible for establishing a Qualified Settlement Fund ("QSF") pursuant to Section 468B(g) of the Internal Revenue Code for purposes of administering this Settlement, as well as issuing the necessary checks for all Settlement Awards, issuing all required tax documents (such as Forms W-2 and 1099-MISC), performing all related tax reporting to taxing authorities and to Precision Door, and issuing the Service Award, the Settlement Administration Expenses Award, and the Attorney's Fees and Costs Award.

b. The Settlement Administrator will perform the foregoing duties based on data provided by Class Counsel and Precision Door, which data shall be presumed to be correct. In addition to the data described in Section VI.4., above, Precision Door shall, by February 16, 2024, provide the Settlement Administrator with an Excel spreadsheet containing the following information for each member of the Settlement Class: (i) name; (ii) last known address; (iii) last known telephone (if known and reasonably accessible); (iv) email address (if known and reasonably accessible); and (v) social security number. Other data will be provided, upon request from the Settlement Administrator, as reasonably necessary to complete their settlement administration duties under this Agreement. All such data shall be treated as private and confidential, and the Settlement Administrator shall not use or disclose any such data to any persons or entities except as required by this Settlement, law or Court order.

c. The Settlement Administrator shall also have the responsibility to determine any Proposed Class Member's eligibility for a Settlement Award (i.e., to determine whether any Proposed Class Member is a Settlement Class Member). Each Proposed Class Member who does not submit a valid and timely request for exclusion will automatically be a Settlement Class Member and eligible to receive a Settlement Award. Within five (5) days after the Notice Deadline, the Settlement Administrator shall provide Precision Door and Class Counsel with (1) an

electronic report setting forth the names and identities of all Proposed Class Members who submitted a valid and timely Exclusion Form in conformity with this Agreement; (2) an electronic report setting forth the names and identities of all Proposed Class Members who did not submit a valid and timely letter requesting exclusion in conformity with this Agreement (“Exclusion Letter”); (3) copies of all Exclusion Letters returned or received; and (4) copies of all objections returned or received. Defendant and Class Counsel shall be entitled to review the eligibility determinations made by the Settlement Administrator for compliance with the terms of this Agreement. The Settlement Administrator shall retain the originals of all Exclusion Letters returned, along with their envelopes, and objections received. Defendant and Class Counsel shall have seven (7) days after receiving the electronic report and related documentation from the Settlement Administrator to challenge any Exclusion Letter and/or eligibility determination in writing directed to the Settlement Administrator. Within five (5) days after submitting such concerns to the Settlement Administrator, the Parties shall meet and confer in an attempt to resolve any disputes relating to the subject Exclusion Letters and/or eligibility determinations. In the event the Parties are unable to reach resolution on any disputes relating to the subject Exclusion Letters and/or eligibility determinations, the Parties shall submit their respective positions in writing to the Superior Court, which shall make the final decision regarding the subject Exclusion Letters and/or eligibility determinations. Thereafter, the Settlement Administrator shall provide the final results of its eligibility determinations to Defendant and Class Counsel, which results will include the names of all Settlement Class Members and the names of all individuals who opted out of the Settlement.

d. In the event the number of Proposed Class Members who have timely requested exclusion from the Settlement exceeds seven and a half percent (7.5%) of the total number of Proposed Class Members, Defendant has the right, in its sole discretion, to terminate or not to terminate the Settlement. If Defendant chooses to exercise this right, it shall give written notice to Class Counsel within ten (10) days after receiving the report from the Settlement Administrator required by Section VI.7.c., above.

e. As part of seeking the Superior Court’s final approval of this Settlement, Class Counsel will apply to the Superior Court for a Settlement Administration Expenses Award of no more than **\$20,000.00**. The costs, fees and expenses incurred by the Settlement Administrator in administering this Settlement shall be paid from the Settlement Administration Expenses Award approved by the Court.

8. Notice/Approval of Settlement Class Certification and Settlement Agreement

As part of this Settlement, the Parties agree to the following procedures for obtaining preliminary Superior Court approval of the Settlement, certifying the Settlement Class, notifying the members of the Proposed Class, obtaining final Superior Court approval of the Settlement, and implementing payment of Settlement Awards to Settlement Class Members:

a. Class Counsel shall file a motion with the Superior Court to obtain preliminary approval of the Settlement in conformity with this Agreement and authorizing the issuance of the Notice of Settlement to members of the Proposed Class.

b. For purposes of this Settlement, Class Counsel will ask the Superior Court to enter an order preliminarily certifying the Settlement Class, preliminarily approving the

Settlement and this Agreement, approving Notice of Settlement to the Proposed Class, and setting a date for a Fairness Hearing to determine whether the Court will grant final approval of the Settlement and this Agreement (the “Preliminary Approval Order”). Class Counsel shall provide Defendant with a draft of the proposed motion for preliminary approval and Preliminary Approval Order for review and comment at least one (1) court day before the motion is filed. Class Counsel agrees to consider in good faith all comments of Defendant on the draft. Defendant will not oppose Plaintiff’s motion, so long as the motion for preliminary approval and Preliminary Approval Order are in conformity with this Agreement.

c. Subject to the Superior Court’s approval, Notice of the Settlement shall be provided using the following procedures:

(1) Within thirty (30) days of the date the Superior Court grants preliminary approval to the Settlement and issues its Preliminary Approval Order, the Settlement Administrator shall send the Notice of Settlement to all Proposed Class Members by mail.

(2) The Notice of Settlement shall provide that Proposed Class Members who do not opt out (i.e., who wish to become Settlement Class Members) and who wish to object to the Settlement must submit to the Settlement Administrator a written statement objecting to the Settlement. Such written statement must be postmarked or delivered to the Settlement Administrator on or before the Notice Deadline.

(3) The Notice of Settlement shall also provide that Proposed Class Members who wish to exclude themselves (i.e., opt out) from the Settlement must mail a letter to the Settlement Administrator requesting exclusion from the Settlement on or before the Notice Deadline. Proposed Class Members who fail to submit a valid and timely Exclusion Letter on or before the Notice Deadline shall be deemed Settlement Class Members and shall be bound by all terms of the Settlement and any Final Judgment entered in this Case if the Settlement is approved by the Superior Court, regardless of whether they have objected to the Settlement.

(4) The Notice of Settlement shall also advise Settlement Class Members that they need do nothing (other than not affirmatively opt out) in order to receive a Settlement Award.

d. The Parties agree that neither they nor their counsel will solicit or otherwise encourage any of the Proposed Class Members to opt out or object to the Settlement or to appeal from the Superior Court’s Final Judgment approving the Settlement.

e. Should any Notice of Settlement be returned as undeliverable without a forwarding address, the Settlement Administrator will perform a reasonable “skiptrace” search using the National Change of Address database to obtain an updated address and, if located, shall make a second attempt at mailing the Notice of Settlement. If such Notice of Settlement is again returned as undeliverable, no further attempts at delivery of the Notice of Settlement are required to be made. Notwithstanding the foregoing, the Settlement Administrator or Class Counsel may mail or email a Notice of Settlement and/or Exclusion Form to a Proposed Class Member at an address or email address obtained by other means if the Notice of Settlement is returned as undeliverable or upon the Proposed Class Member’s request for the same.

f. Within the later of twenty-one (21) days after the Notice Deadline, or seven days following resolution of challenge as set forth in Section IV.7.c., above, Class Counsel must file with the Superior Court a supplemental memorandum in support of final approval of the Settlement to inform the Court of any Proposed Class Members who have opted out of the settlement, to provide the Court with copies of all written objections received from any Proposed Class member with copies of their envelopes, and to respond to any objections to the settlement.

g. Subject to the Superior Court's availability and direction but no sooner than thirty (30) days after the Notice Deadline, a Fairness Hearing shall be held for the Superior Court to determine whether to grant final approval of the Settlement, including Class Counsel's Attorney's Fees and Costs Award, the Settlement Administration Expenses Award, and the Service Award to the Plaintiff. If the Superior Court finally approves the Settlement, the Parties will promptly and jointly ask the Superior Court to enter a Final Judgment dismissing the Case with prejudice and without an award of attorney's fees, expenses or costs to any Party except as provided herein.

h. After entry of the Final Judgment, and subject to Rule 7.2 of the Washington Rules of Appellate Procedure, the Superior Court shall have continuing jurisdiction solely for the purposes of enforcement of the Settlement Agreement and addressing (a) settlement administration matters, and (b) such post-Final Judgment matters as may be appropriate under Court rules.

i. Within two (2) business days after the Effective Date, Precision Door shall initiate a transfer of the Maximum Settlement Amount into the QSF. Precision Door also will transfer into the QSF an amount equal to the estimated employer share of the payroll taxes required on the W-2 payments made to Settlement Class Members (including employer's share of FICA, Medicare, FUTA (if applicable), and any other employer-paid, federal, Washington state, or local requirements) as estimated by the Settlement Administrator. Such payment shall be made by Precision Door upon the later of two (2) business days after the Effective Date or within two (2) business days after the Settlement Administrator provides its estimate of the employer-side payroll taxes. Thereafter, if there is any dispute relating to the amount needed for the employer share of required payroll taxes, the Parties and Settlement Administrator shall confer within five (5) days in an attempt to resolve this dispute. In the event they are unable to reach resolution of any such dispute, the Parties shall submit their respective positions in writing to the Superior Court, which shall make the final decision regarding the amount required for the employer share of payroll taxes. The QSF will hold all funds transferred by Precision Door pending the issuance of the Settlement Awards to Settlement Class Members. Until the date that Precision Door's funding of the QSF is due, Precision Door shall have sole and complete control over all such funds and shall have no obligation to segregate such funds or to place them in escrow or to otherwise earmark them before the funding deadline.

j. Within five (5) business days after the Maximum Settlement Amount is deposited into the QSF, the Settlement Administrator shall issue and mail checks for the Service Award, the Settlement Administration Expenses Award, and the Attorney's Fees and Costs Award to the respective recipients thereof. Within ten (10) business days after the Maximum Settlement Amount is deposited into the QSF, the Settlement Administrator shall issue and mail the Settlement Award checks. Settlement Award checks for each Settlement Class Member shall include an

amount for wages and a separate amount for non-wages (penalties, enhancements, and prejudgment interest). The Settlement Administrator shall withhold and pay to the appropriate taxing authority(ies), all federal, Washington state, and local withholding taxes from each amount for wages, and shall issue appropriate IRS Forms W-2 for each amount for wages. The non-wages (penalties, enhancements, and prejudgment interest) amount shall not be subject to withholdings and shall be reported on an IRS Form 1099 (marked "Other Income") issued by the Settlement Administrator. Using the funds transferred into the QSF by Precision Door for the employer share of the payroll taxes required on the W-2 payments, the Settlement Administrator will also pay all of the required employer share of payroll taxes in connection with issuing the wage checks to Settlement Class Members, including the employer's share of FICA, Medicare, FUTA (if applicable), and any other employer-paid, federal, Washington state, and local requirements.

k. Should any Settlement Award checks be returned as undeliverable without a forwarding address, the Settlement Administrator will perform a reasonable "skiptrace" search using the National Change of Address database to obtain an updated address and, if located, shall make a second attempt at mailing the Settlement Award Check. The Settlement Administrator shall mail any Settlement Class Member his or her Settlement Award check if he or she contacts the Settlement Administrator and provides a correct mailing address within ninety (90) days after the initial distribution of the Settlement Award checks. If contacted by a Settlement Class member, Defendant shall instruct the member to contact the Settlement Administrator or Class Counsel. No later than one hundred twenty (120) days after the initial distribution of the Settlement Award checks, the Settlement Administrator shall provide both Parties with an accounting indicating which funds have been distributed to Settlement Class Members and which, if any, checks to Settlement Class Members have not been negotiated by that time. At this same time, the Settlement Administrator shall also provide Defendant with copies of all IRS Forms W-2 and IRS Forms 1099 documents issued in connection with the payment of the Settlement Awards, and any other tax documentations reasonably required by Defendant. If any checks to Settlement Class Members have not been negotiated within one hundred twenty (120) days after distribution, the residuals created by those uncashed or undeliverable settlement checks will be distributed fifty percent (50%) to the Legal Foundation of Washington and fifty percent (50%) to the Fair Work Center. There will be no reversion to Defendant. Defendant will not receive funds from any uncashed or undeliverable checks.

l. If the Superior Court does not enter an Order preliminarily or finally approving the Settlement, or if the Settlement does not become final for any other reason, this Agreement shall be null and void. In such case, the parties shall proceed in all respects as if this Agreement had not been executed. In the event an appeal is filed from the Superior Court's Final Judgment, or from any other appellate review that is sought prior to the Effective Date, funding and administration of the Settlement shall be stayed pending final resolution of the appeal or any other form of appellate review.

9. No Effect on Employee Benefits

This Settlement, and any payments made under the Settlement to Settlement Class Members, shall have no effect on the eligibility for and/or calculation of employee benefits of any Settlement Class Members.

10. Miscellaneous Provisions

a. The Parties agree to stay all further proceedings in this Case, except such proceedings as are necessary to implement and complete this Settlement and/or to implement this Agreement, pending the Fairness Hearing to be conducted by the Superior Court and the Effective Date of the Settlement.

b. This Agreement may be amended or modified only by a written instrument signed by counsel for all Parties or their successors-in-interest.

c. This Agreement constitutes the entire Agreement among these Parties. No representations, warranties or inducements have been made to any Party concerning this Agreement, other than the representations, warranties and covenants contained and memorialized in this Agreement and the documents it requires (such as the Notice of Settlement and Exclusion Form).

d. Counsel for all Parties warrant and represent that they are expressly authorized by the Parties whom they represent to enter into this Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to implement this Settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement this Settlement or this Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement or this Agreement, then either Party may seek the Superior Court's assistance to resolve such disagreement.

e. This Agreement shall be binding upon, and shall inure to the benefit of, the successors of the Parties hereto, as previously defined.

f. All terms of this Agreement shall be governed by and interpreted according to the laws of the State of Washington.

g. Plaintiff and Defendant believe that this is a fair, reasonable and adequate settlement, and have arrived at this Settlement through arm's-length negotiations, taking into account all relevant factors, present and potential.

h. Class Counsel and/or the Settlement Administrator may create a notice website with information about this Settlement after preliminary approval of this Settlement is obtained from the Superior Court, which notice website may include a copy of this Agreement and any other documents filed with the Superior Court.

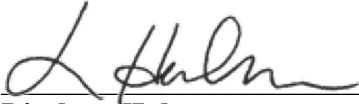
IT IS SO AGREED.

**COUNSEL FOR PLAINTIFF
CALEB OLTMANNS AND
PROPOSED CLASS COUNSEL**

**COUNSEL FOR HIGHLAND ARMS
ENTERPRISES, INC.**

SCHROETER GOLDMARK & BENDER

JACKSON LEWIS P.C.



Lindsay Halm
Counsel for Named Plaintiff and Proposed
Class Counsel

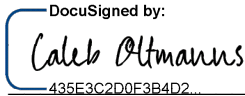
Peter H. Nohle
Counsel for Defendant

Dated: January 31, 2024

Dated: January 26, 2024

**PLAINTIFF AND PROPOSED CLASS
REPRESENTATIVE**

HIGHLAND ARMS ENTERPRISES, INC.

DocuSigned by:

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Caleb Oltmanns, individually and on
behalf of the Settlement Class

Kevin Spratt, CEO

Dated: 1/30/2024 | 1:34 PM PST

Dated: 1/26/2024

EXHIBIT A
NOTICE OF
SETTLEMENT