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CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Class Action and PAGA Settlement Agreement ("Agreement") is made by and between plaintiffs Coyote Denali and Jeremy Jackson ("Plaintiffs") and defendant LBS, Inc. ("Defendant"). This Agreement refers to Plaintiffs and Defendant collectively as the "Parties," or, individually, as a "Party."

1. DEFINITIONS

In addition to other terms defined in this Agreement, the terms below have the following meaning in this Agreement:

1.1. "Action" means the Plaintiffs' lawsuit alleging wage and hour violations against Defendant, which is captioned *Coyote Denali, et al. v. Highland Arms Enterprises, LLC, et al.,* Case No. 37-2024-00008618-CU-OE-CTL, initiated on February 23, 2024, and pending in Superior Court of the State of California, County of San Diego.

1.2. "Administrator" means CPT Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3. "Administration Expenses Payment" means the amount the Administrator will be paid from the Gross Settlement Amount as reimbursement for its reasonable fees and expenses in accordance with the Administrator's "not to exceed" bid submitted to the Court in connection with Preliminary Approval. The Administration Expenses Payment will be split pro rata between the combined Gross Settlement Amounts between the two Defendants (*i.e.*, Highland Arms Enterprises, LLC and LBS, Inc.), each of whom are executing separate settlement agreements as further detailed and subject to the conditions set forth in paragraph 13.23 below—*i.e.*, the Administrator will receive a maximum of $15,000 in one Administration Expenses Payment.

1.4. "Aggrieved Employees" means all non-exempt employees, including those employees as to whom a reasonable dispute regarding non-exempt classification may exist (including employees with the following job titles: Technician, Residential Garage Door Technician, Commercial Garage Door Technician, Garage Door Technician, Lead Technician, Residential Garage Door Estimator, Field Manager, Installer, Senior Installer, Lead Installer, Residential Garage Door Installer, Administrative Assistant, Commercial Administrator, Customer Experience - Lead, Purchase Clerk, Warehouse Associate, Warehouse Manager, Welder, Lead Welder, Lead Welder - Shop, Welder - Shop), who are employed or have been employed by Defendant in California at any time during the PAGA Period.

1.5. "Class" means all non-exempt employees, including those employees as to whom a reasonable dispute regarding non-exempt classification may exist (including employees with the following job titles: Technician, Residential Garage Door Technician, Commercial Garage Door Technician, Garage Door Technician, Lead

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Technician, Residential Garage Door Estimator, Field Manager, Installer, Senior Installer, Lead Installer, Residential Garage Door Installer, Administrative Assistant, Commercial Administrator, Customer Experience - Lead, Purchase Clerk, Warehouse Associate, Warehouse Manager, Welder, Lead Welder, Lead Welder - Shop, Welder - Shop), who are employed or have been employed by Defendant in California at any time during the Class Period.

1.6. "Class Counsel" means Anthony J. Orshansky and P. Bartholomew Quintans of CounselOne, PC.

1.7. "Class Counsel Fees Payment" and "Class Counsel Litigation Expenses Payment" mean the amounts to be paid to Class Counsel for fees and expenses, respectively, as approved by the Court, to compensate Class Counsel for their legal work in connection with the Action, including their pre-filing investigation, their filing of the Action, all related litigation activities, all settlement work, all post-settlement compliance procedures, and related litigation expenses incurred in connection with the Action. Subject to Court approval, Class Counsel will receive a Class Counsel Fees Payment of one-third (1/3) of both the Gross Settlement Amount in this agreement as well as one-third (1/3) of the Gross Settlement Amount in the parallel and separate agreement with Highland Arms Enterprises, LLC, as further detailed and subject to the conditions set forth in paragraph 13.23 below.

1.8. "Class Data" means Class Member-identifying information in Defendant's possession including the Class Member's name, last-known mailing address, Social Security number, email address (if known and available to Defendant), dates of employment and number of Workweeks and PAGA Pay Periods.

1.9. "Class Member" means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non- Participating Class Member who qualifies as an Aggrieved Employee).

1.10. "Class Member Address Search" means the Administrator's investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members by use of available email addresses, phone numbers, social security numbers, credit reports, LinkedIn and Facebook.

1.11. "Class Notice" means the Notice of Pendency of Class and Representative Action Settlement, to be mailed to Class Members in English attached as Exhibit A and incorporated by reference into this Agreement.

1.12. "Class Notice Packet" means the Class Notice to be provided to the Class Members by the Administrator in the form set forth as Exhibit A to this Agreement (other than formatting changes to facilitate printing by the Administrator).

1.13. "Class Period" means the period of time from February 23, 2020 through May 27, 2025.

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1.14. "Class Representatives" means the named Plaintiffs in the operative Complaint in the Action seeking Court approval to serve as Class Representatives.

1.15. "Class Representative Service Payments" means the service payments made to the Plaintiffs as Class Representatives in order to compensate them for initiating the Action, performing work in support of the Action, undertaking the risk of liability for Defendant's expenses, and for the general release of all claims against Defendant. Defendant will not oppose a request at the time of seeking final approval of the settlement for a service payment of $7,500 to each Plaintiff, pending the Court's approval, totaling $15,000 in service payments for all named Plaintiffs. Any portion of the service payment allocation not approved by the Court will revert to Participating Class Members. The Class Representative Service Payments will be split pro rata between the combined Gross Settlement Amounts between the two Defendants, each of whom are executing separate settlement agreements as further detailed and subject to the conditions set forth in paragraph 13.23 below—*i.e.*, each Plaintiff will receive a maximum of $7,500 in one Class Representative Service Payment each.

1.16. "Court" means the Superior Court of California for the County of San Diego.

1.17. "Defendant" means LBS, Inc.

1.18. "Defense Counsel" means Michael W. Healy of Higgs Fletcher & Mack.

1.19. "Effective Date" will be the date of entry of the Final Approval Order and Judgment if no objections to the settlement are filed. If objections are filed but no appeal is taken, then the Effective Date will be the date that the appeal period has run. If an appeal is taken, then the Effective Date will be the date the judgment is final and no longer subject to appeal.

1.20. "Final Approval" means the Court's order granting final approval of the settlement consistent with the terms of this Agreement as binding upon the Parties.

1.21. "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement to determine whether to approve finally and implement the terms of this Agreement and enter judgment thereon.

1.22. "Gross Settlement Amount" means One Hundred Fifteen Thousand Dollars and Zero Cents ($115,000.00), which is the total amount to be paid by Defendant as provided by this Agreement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay the Individual Class Payments, Individual PAGA Payments, LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payments, and the Administration Expenses Payment. This Gross Settlement Amount is an all-in amount without any reversion to Defendant, and excludes any employer-side payroll taxes, if any, due on the portion of the Individual Class Payments allocated to wages which shall not be paid from the Gross Settlement but shall be the separate, additional obligation of Defendant.

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1.23. "Individual Class Payment" means each Participating Class Member's pro rata share of the Net Settlement Amount, calculated according to the number of Workweeks worked during the Class Period.

1.24. "Individual PAGA Payment" means each Aggrieved Employee's pro rata share of 25% of the PAGA Penalties, calculated according to the number of PAGA Pay Periods worked during the PAGA Period.

1.25. "Judgment" means the judgment entered by the Court based upon Final Approval and shall constitute a judgment respecting the Parties within the meaning and for purposes of Code of Civil Procedure sections 577, 581d, and 904.1, subdivision (a), and on the PAGA claims for purposes of enforcing the rule announced in *Arias v. Superior Court* (2009) 46 Cal. 4th 969.

1.26. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subdivision (i).

1.27. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subdivision (i).

1.28. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The Net Settlement Amount is to be paid to Participating Class Members as Individual Class Payments.

1.29. "Non-Participating Class Member" means a Class Member who opts out of the class settlement by submitting a valid and timely Request for Exclusion to the Administrator.

1.30. "PAGA Pay Period" means any pay period during which an Aggrieved Employee worked for Defendant on at least one day during the PAGA Period.

1.31. "PAGA Period" means the period of time from December 20, 2022 through May 27, 2025.

1.32. "PAGA" means the Private Attorneys General Act (Lab. Code, § 2698 et seq.).

1.33. "PAGA Notices" means the November 1, 2023, November 9, 2023 and December 8, 2023 letters from Plaintiffs to LBS, Inc. and the LWDA providing notice pursuant to Labor Code section 2699.3, subdivision (a).

1.34. "PAGA Penalties" means the total amount of PAGA civil penalties of $10,000 to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees ($2,500) and 75% to the LWDA ($7,500) in settlement of PAGA claims.

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1.35. "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion.

1.36. "Plaintiffs" means Coyote Denali and Jeremy Jackson, the named Plaintiffs in the Action.

1.37. "Preliminary Approval" means the Court's Order granting preliminary approval of the Settlement consistent with this Agreement.

1.38. "Released Class Claims" means all claims alleged or that could have been alleged based on the facts alleged in the operative complaint arising during the Class Period, whether known or unknown, including: failure to pay wages and overtime compensation, including unpaid off-the-clock, on-call and non-productive work time; failure to provide compliant meal periods and pay all associated premiums, failure to provide compliant rest breaks and pay all associated premiums; failure to provide accurate itemized wage statements; failure to maintain payroll records; failure to timely pay wages during employment and upon separation; failure to reimburse necessary business expenses; failure to pay sick pay; failure to pay vested vacation upon termination; and any other claims whatsoever that were or could have been alleged in this case, including without limitation claims predicated upon violations of Labor Code sections 200-204, 210, 218, 218.5, 223, 226, 226.3, 226.7, 227.3, 246, 510, 512, 558, 1174, 1174.5, 1182.11, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2698 et seq., 2800, and 2802, Code of Civil Procedure section 1021.5, any violations of California Code of Regulations, title 8, sections 11010-11170, all related claims for restitution and other equitable relief under Business and Professions Code section 17200 et seq., and all other related claims under local, state and/or federal law that could have been asserted based on the factual allegations in the operative Complaint, as well as conversion, liquidated damages, punitive damages, waiting-time penalties, and any other related claims and/or penalties.

1.39. "Released PAGA Claims" means all claims against Released Parties under the Private Attorney Generals Act of 2004 ("PAGA") based on the PAGA Notices submitted by the Plaintiffs to the LWDA, which include any claims under PAGA arising out of or related to allegations set forth in the operative complaint, including but not limited to claims for: failure to pay wages and overtime compensation, including unpaid off-the-clock, on-call and non-productive work time; failure to provide compliant meal periods and pay all associated premiums, failure to provide compliant rest breaks and pay all associated premiums; failure to provide accurate itemized wage statements; failure to maintain payroll records; failure to timely pay wages during employment and upon separation; failure to reimburse necessary business expenses; failure to pay sick pay; failure to pay vested vacation upon termination; and any other claims whatsoever that were or could have been alleged in this case, including claims predicated upon violations of Labor Code sections 200-204, 210, 218, 218.5, 223, 226, 226.3, 226.7, 227.3, 246, 510, 512, 558, 1174, 1174.5, 1182.11-1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2800, and 2802, and any violations of California Code of Regulations, title 8, sections 11010-11170; and

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all other related claims under local, state and/or federal law that could have been asserted based on the factual allegations in the operative complaint, and any other related claims and/or penalties. The Parties agree that there is no statutory right for any Aggrieved Employees to opt-out or otherwise exclude himself or herself from the Individual PAGA Payment and the associated Released PAGA Claims.

1.40. "Released Parties" means: Defendant and all its present and former parent companies, direct and indirect subsidiaries, affiliates, joint ventures, owners, principals, agents, successors, and related parties and all of their directors, officers, shareholders, members, managers, joint employers, co-employers, integrated enterprises, representatives, employees, and any individual or entity which could be liable for any of the Released Class Claims. The Released Parties herein do not include Highland Arms Enterprises, LLC or its present and former parent companies, direct and indirect subsidiaries, affiliates (including Highland Arms Enterprises, Inc.), joint ventures, owners, principals, agents, successors, and related parties and all of their directors, officers, shareholders, members, managers, joint employers, co-employers, integrated enterprises, representatives, and employees, who are covered separately in the accompanying settlement agreement.

1.41. "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.42. "Response Deadline" means the date that is forty-five (45) calendar days after the Administrator mails the Class Notice Packet to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) submit Requests for Exclusion from the class settlement, or (b) submit objections to the class settlement. Class Members to whom Class Notice Packets are remailed after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline to submit Requests for Exclusion or objections to the class settlement.

1.43. "Settlement" means the disposition of the Action and all related claims effectuated by this Agreement and the Court's judgment.

1.44. "Workweek" means any week during the Class Period in which a Class Member worked for Defendant as a Class Member on at least one day.

2. RECITALS

2.1 On February 23, 2024, Plaintiffs commenced the Action by filing a class and representative action complaint against Defendant in the Court. Plaintiffs' operative Complaint asserted claims that Defendant:

(a) Failed to pay minimum wages;

(b) Failed to pay overtime wages

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(c) Failed to provide compliant meal breaks and/or pay all associated premiums pursuant to Labor Code section 226.7;

(d) Failed to provide compliant rest periods and/or pay all associated premiums pursuant to Labor Code section 226.7;

(e) Failed to pay vested vacation time upon termination of employment pursuant to Labor Code section 227.3;

(f) Failed to pay sick pay pursuant to Labor Code section 246;

(g) Failed to provide accurate itemized employee wage statements;

(h) Failed to pay all wages owed timely and upon separation of employment;

(i) Failed to reimburse business expenses pursuant to Labor Code section 2802;

(j) Violated Labor Code section 1174, subdivision (d);

(k) Violated Business and Professions Code section 17200 et seq.; and

(l) Owes penalties pursuant to PAGA, Labor Code section 2698 et seq.

2.2 Defendant denies the allegations in the operative Complaint, denies any failure to comply with the laws identified in the operative Complaint and denies any and all liability for the causes of action alleged.

2.3 The Parties participated in a full-day mediation before Jonathan Andrews, Esq., a respected mediator with experience in wage and hour representative and class actions. Following the mediation, each side, represented by their respective counsel, agreed to settle the Action based upon a mediator's proposal that was then memorialized in a memorandum of understanding. This Agreement replaces and supersedes the Memorandum of Understanding and any other agreements, understandings, or representations between the Parties.

2.4 Prior to mediation, Plaintiffs obtained sufficient documents and information to adequately investigate the claims, such as to satisfy the criteria for court approval set forth in *Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116.

2.5 This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended to or will be construed as an admission by Defendant that Plaintiffs' or the Class's claims in the Action have merit or that Defendant bears any liability to Plaintiffs or the Class on those claims or any other claims, or as an admission by Plaintiffs that Defendant's defenses in the Action have merit. The Parties agree to certification of the class for purposes of this Settlement only. If for any reason the Settlement set forth herein does not become effective, this Agreement will be void and the Parties will be restored to their

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respective positions as if the Class had never been certified. The Parties further agree that this Agreement will not be admissible in this or any other proceeding as evidence that: (i) a class action should be certified or not decertified; (ii) either matter may proceed as a representative action; or (iii) Defendant has any obligation or liability to Plaintiffs or any Class Member other than according to this Agreement's terms. In the event the Settlement set forth in this Agreement is not approved or otherwise voided, Defendant expressly reserves all rights to challenge certification of a class, or Plaintiffs' ability to maintain a representative action.

2.6 The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that would be extinguished or affected by the Settlement.

3. MONETARY TERMS

3.1 Gross Settlement Amount. Except as otherwise provided in Paragraph 9 below, Defendant promises to pay the amount of One Hundred and Fifteen Thousand Dollars ($115,000.00), and no more, as the Gross Settlement Amount. This amount is inclusive of all payments contemplated in this resolution, excluding any employer-side payroll taxes on the portion of the Individual Class Payments allocated to wages, which shall be separately paid by Defendant to the Administrator. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

3.2 Payments from the Gross Settlement Amount. Subject to the terms and conditions of this Agreement, the Administrator will make the following payments from the Gross Settlement Amount, in the amounts approved the Court:

(a) To Plaintiffs: Class Representative Service Payments to the Class Representatives of not more than $7,500 each (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representatives are entitled to receive as Participating Class Members). Defendant will not oppose Plaintiffs' request for Class Representative Service Payments that do not exceed this amount. As part of the Final Approval Motion, Plaintiffs will seek Court approval for any Class Representative Service Payments If the Court approves an amount less than requested herein for the Class Representative Service Payments, the Administrator will revert the remainder of the amount allocated to the Class Representative Service Payments to the Net Settlement Amount. The Administrator will report each of the Class Representative Service Payments on an IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service Payments. The Class Representative Service Payments will be split pro rata between the combined Gross Settlement Amounts

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between the two Defendants, each of whom are executing separate settlement agreements as further detailed and subject to the conditions set forth in paragraph 13.23 below—*i.e.*, each Plaintiff will only receive one $7,500 payment across the entire global settlement.

(b) To Class Counsel: A Class Counsel Fees Payment of not more than one-third (1/3) of the Gross Settlement Amount, which is currently estimated to be $38,333.33, and a Class Counsel Litigation Expenses Payment of not more than $15,000, to Class Counsel. The Class Counsel Litigation Expenses Payment will be split pro rata based on the sum of the Gross Settlement Amounts between the two Defendants, each of whom are executing separate settlement agreements as further detailed and subject to the conditions set forth in paragraph 13.23 below—*i.e.*, Class Counsel will receive (subject to Court Approval) one Class Counsel Litigation Expenses Payment of up to $15,000. However, Class Counsel will receive a Class Counsel Fees Payment of one-third (1/3) of both the Gross Settlement Amount in this agreement as well as one-third (1/3) of the Gross Settlement Amount in the parallel and separate agreement, again as further detailed and subject to the conditions set forth in paragraph 13.23 below, and subject to Court approval. Defendant will not oppose these requests. Plaintiffs and/or Class Counsel will request these payments in the Motion for Final Approval of the Settlement. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment in amounts less than requested herein, the Administrator will allocate the remainder of the amounts set aside for these payments to the Net Settlement Amount. In the event the Court awards less, Released Parties shall have no liability to Class Counsel arising from any claim to any portion of the Class Counsel Fees Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will report the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment using IRS Form 1099. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment, and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these payments..

(c) To the Administrator: An Administration Expenses Payment in an amount not to exceed $15,000 except for a showing of good cause, and as approved by the Court. To the extent the Court approves an Administration Expenses Payment in an amount less than $15,000, the Administrator will retain the remainder of the amount allocated to the Administration Expenses Payment in the Net Settlement Amount for distribution to Participating Class Members. The Administration Expenses Payment will be split pro rata between the combined Gross Settlement Amounts between the two Defendants, each of whom are executing separate settlement agreements as further detailed and subject to the conditions set forth in paragraph 13.23 below—*i.e.*, the Administrator will receive one Administration Expenses Payment across the entire global Settlement in an amount of up to $15,000.

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(d) To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of $10,000 to be paid from the Gross Settlement Amount, with 75% ($7,500) allocated to the LWDA PAGA Payment, and 25% ($2,500) allocated to the Individual PAGA Payments.

i. The Administrator will calculate each Individual PAGA Payment by (a) dividing the Aggrieved Employees' 25% share of PAGA Penalties ($2,500) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period, and (b) multiplying the result by each Aggrieved Employee's individual PAGA Pay Periods worked during the PAGA Period. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payments.

ii. If the Court approves PAGA Penalties in an amount less than requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report Individual PAGA Payments on IRS Form 1099.

(e) To Each Participating Class Member: The Administrator will calculate each Individual Class Payment by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period, and (b) multiplying the result by each Participating Class Member's individual Workweeks worked during the Class Period.

i. Tax Allocation of Individual Class Payments. 15% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portion shall be subject to tax withholding and will be reported on an IRS Form W-2. 85% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for non-wages, expense reimbursement, interest and penalties (the "Non-Wage Portion"). The Non-Wage Portion shall not be subject to wage withholdings, and will be reported on an IRS Form 1099. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

ii. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive Individual Class Payments. The Administrator will retain amounts equal to the Non-Participating Class Members' Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

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4. SETTLEMENT FUNDING

4.1 Class Workweeks and Aggrieved Employee Pay Periods. Based on its records, Defendant represented at mediation that the Class consists of 42 Class Members who collectively worked a total of 2,958 Workweeks, and 16 Aggrieved Employees who worked a total of 456 PAGA Pay Periods.

4.2 Class Data. Not later than ten (10) business days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted Class Member identifying information, and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3 Funding of the Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendant's share of employer-side payroll taxes by transmitting the funds to the Administrator no later than ten (10) business days after the Effective Date.

5. PAYMENTS FROM THE GROSS SETTLEMENT AMOUNT

5.1 Within ten (10) business days after the Gross Settlement Amounts contemplated herein and in the parallel settlement agreement are fully funded, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, LWDA PAGA Payment, Administration Expenses Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment.

5.2 The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via first class U.S. Mail, postage prepaid. The face of each check shall prominently state the "void date," which is 180 days after the date of mailing. Before checks are mailed, the Administrator shall update Class Members' address information by running it through the National Change of Address ("NCOA") database. The Administrator will send checks for Individual Class Payments and Individual PAGA Payments to all Participating Class Members and Aggrieved Employees, including Non-Participating Class Members who qualify as Aggrieved Employees and those for whom the Class Notice was returned as undeliverable. The Administrator may send Participating Class Members who are also Aggrieved Employees a single check combining their Individual Class Payment and Individual PAGA Payment. If a

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Participating Class Member's or Aggrieved Employee's check is not cashed within 120 days after its last mailing to the affected individual, the Administrator will also send the individual a notice informing him or her that unless the check is cashed by the void date, it will expire and become non-negotiable, and offer to replace the check if it was lost or misplaced but not cashed.

5.3 The Administrator must conduct a Class Member Address Search for all Participating Class Members or Aggrieved Employees whose checks are returned as undeliverable without a USPS forwarding address. Within 7 days of receiving a returned check, the Administrator must re-mail check said check to the USPS forwarding address provided, or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to those whose re-mailed checks are returned as undeliverable. The Administrator shall promptly send a replacement check to any Participating Class Member or Aggrieved Employee whose original check was lost or misplaced if requested by the Participating Class Member or Aggrieved Employee prior to the void date.

5.4 For any Participating Class Member or Aggrieved Employee whose check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California State Controller's Unclaimed Property Fund to be held in the name of such Participating Class Member or Aggrieved Employee until such time as he or she may claim it.

5.5 The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

6. RELEASE OF CLAIMS. Effective on the date that Defendant fully funds the entire Gross Settlement Amount and funds all employer-side payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, Participating Class Members, and Aggrieved Employees and the LWDA will release claims against the Released Parties as follows:

6.1 Plaintiffs' Release. Plaintiffs and their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all known and unknown claims against the Released Parties, including without limitation any Released Class Claims as well as other wage and hour claims, claims under Business & Professions Code section 17200, claims under the Labor Code, including, but not limited to, claims under the PAGA, all claims for indemnity or reimbursement of business expenses, overtime compensation, minimum wages, penalties, liquidated damages, and interest, and all other claims under state, federal, and local laws, including, without limitation, the California Fair Employment and Housing Act, Title VII of the Civil Rights Act of 1964, the Family and Medical Leave Act, the Americans with Disabilities Act, the Fair Credit Reporting Act, the Employee Retirement Income Security Act of 1974, and all of their implementing regulations

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and interpretive guidelines, as well as the common law, including laws related to discrimination, harassment, or retaliation, whether known or unknown, and whether anticipated or unanticipated, arising from or relating to Plaintiff's relationship, or termination of relationship, with any Released Party through the date of Final Approval for any type of relief ("Plaintiffs' Release"). Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, or workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiffs further covenant that they will not become a member of any other legal actions against the Released Parties, as that term is defined, asserting any of Plaintiffs' Released Claims, and will opt out of any such actions if necessary. For the avoidance of doubt, this is a complete and general release to the maximum extent permitted by law.

(a) Plaintiffs' Waiver of Rights Under Civil Code Section 1542. For purposes of Plaintiffs' Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of California Civil Code section 1542, which reads:

> 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.

Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true, but agree, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

6.2 Release by Participating Class Members. All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from the Released Class Claims.

6.3 Release of PAGA Claims. All Aggrieved Employees and the LWDA are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from the Released PAGA Claims. Class Members who were employed during the PAGA Period and opt out of the class settlement will still be bound by the Release of PAGA Claims.

7. **MOTION FOR PRELIMINARY APPROVAL.** Subject to the considerations set forth in paragraph 13.23 below, Plaintiffs will move the Court for an order granting preliminary approval of this Settlement consistent with the terms of this Agreement, certifying the Class

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for settlement purposes only, and setting a date for the Final Approval Hearing. Class Counsel shall be responsible for preparing the Motion for Preliminary Approval, supporting declarations, and exhibits thereto. Plaintiffs shall obtain a hearing date on the Motion for Preliminary Approval agreed upon by all counsel. The Parties agree to work diligently and cooperatively to have this Settlement presented to the Court for preliminary approval. On the same date on which the Settlement is filed with the Court, Class Counsel shall concurrently submit it to the LWDA in compliance with PAGA. The Parties must meet and confer and make all reasonable efforts to agree on any modifications to this Agreement or other supporting documents that will result in entry of the order granting preliminary approval.

8. SETTLEMENT ADMINISTRATION

8.1 Selection of Administrator. The Parties have jointly selected CPT Group, Inc. to serve as the Administrator and verified that, as a condition of appointment, CPT Group, Inc. agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for the Administration Expenses Payment. The Administrator's duties will include preparing, printing, and mailing the Class Notice Packet to all Class Members; conducting a National Change of Address search to update Class Member addresses before mailing the Class Notice Packets; re-mailing Class Notice Packets that are returned as undeliverable to any newly ascertained address; setting up a toll-free telephone number, email address, and fax number to receive communications from Class Members; receiving and reviewing for validity completed Requests for Exclusion; providing the Parties with weekly status reports regarding delivery of Class Notice Packets and receipt of Requests for Exclusion, objections, and disputes; calculating Individual Class Payments and Individual PAGA Payments; issuing checks to effectuate payments under the Settlement; issuing the tax reports required under this Settlement; and otherwise administering the Settlement pursuant to this Agreement. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator, other than a professional relationship arising out of prior experiences administering settlements.

8.2 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.

8.3 Notice to Class Members.

(a) No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks, and PAGA Pay Periods in the Class Data.

(b) Using best efforts to perform as soon as possible, and in no event later than ten (10) business days after receiving the Class Data, the Administrator will send the Class Notice, substantially in the form attached to this Agreement as

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Exhibit A, by first class U.S. mail to all Class Members and Aggrieved Employees identified in the Class Data. The Class Notice shall state the estimated dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member or Aggrieved Employee, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

(c) Not later than seven (7) calendar days after the Administrator's receipt of any Class Notice returned as undeliverable, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notices to Class Members or Aggrieved Employees whose Class Notice is returned undeliverable a second time.

(d) The deadlines for Class Members' written objections, challenges/disputes as to Workweeks and/or PAGA Pay Periods, and Requests for Exclusion will be extended an additional fourteen (14) days beyond the Response Deadline provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

(e) If the Administrator, the Parties, Defense Counsel or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received a Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith. in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will become Class Members, entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of the Class Notice, or the deadline dates in the Class Notice, whichever is later

8.4 Requests for Exclusion (Opt-Outs).

(a) Class Members who wish to exclude themselves (opt-out of) the class settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than the Response Deadline (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

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(b) The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

(c) Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraph 6.2 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

(d) Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 6.3 of this Agreement and are eligible for an Individual PAGA Payment. If a Class Member submits both a Request for Exclusion and an objection, only the Request for Exclusion will be accepted and the objection will be void.

8.5 Challenges to Calculation of Workweeks. Each Class Member shall have until the Response Deadline (plus an additional 14 days for Class Members whose Class Notices are re-mailed) to challenge the number of Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and the Administrator's determination as to the challenges.

8.6 Objections to Settlement.

(a) Only Participating Class Members may object to the class settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or

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amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Class Representative Service Payments.

(b) Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, or in addition to a written objection, Participating Class Members may appear in Court (or hire an attorney to appear on their behalf) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so no later than the Response Deadline (plus an additional 14 days for Class Members whose Class Notices are re-mailed).

(c) Non-Participating Class Members have no right to object to the class settlement. If a Class Member submits both a Request for Exclusion and an objection, only the Request for Exclusion will be accepted and the objection will be void.

8.7 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

(a) Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members, including the date, time and location of the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, Preliminary Approval Order, Class Notice, Motion for Final Approval, and Final Approval Order and Judgment. The Administrator will also maintain and monitor an email address, a fax number, and a toll-free telephone number to receive Class Member calls, faxes, and emails.

(b) Request for Exclusion (Opt-Outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 7 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall contemporaneously provide to Counsel the Exclusion List with names and contact information of the Class Members excluded, but containing unique identifiers for the individuals on the Exclusion List along with the number of Workweeks and/or PAGA Pay Periods at issue in the Request for Exclusion. The Administrator shall also email a list to Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid). Plaintiff will include the names of the individuals who have opted-out of the Settlement in the Proposed Final Approval Order submitted to the Court.

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(c) Workweek and/or PAGA Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement regarding all Class Member challenges to the calculation of Workweeks and/or PAGA Pay Periods. The Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.

(d) Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or PAGA Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments ("Weekly Report"). The Weekly Reports must include provide the Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

(e) Administrator's Declaration. Not later than seven (7) days before the date that Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will provide a signed declaration to Class Counsel and Defense Counsel attesting to its due diligence and compliance with all of its obligations under this Agreement, including but not limited to its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), a list of the employee identification numbers of the Class Members who submitted a valid Request for Exclusion, and the number of written objections received. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) with the Court.

(f) Final Report by Administrator. Within ten (10) days after the Administrator disburses all funds of the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing all disbursements by employee identification number only of all payments made under this Agreement. At least 7 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration with the Court. If a second declaration attesting to the distribution of uncashed checks is required, the Administrator shall provide this second declaration at least 7 days before any deadline set to do so, and Class Counsel shall be responsible for filing the second declaration with the Court.

9. **CLASS SIZE MODIFICATION AND ESCALATOR CLAUSE**. At Defendant's election, Defendant may either end the Class Period and/or PAGA Period, or lengthen the

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Class Period and/or PAGA Period, by paying, on a pro-rata basis, for any Workweeks and/or PAGA Pay Periods that exceed the number of Workweeks and/or PAGA Pay Periods worked by the Class Members and Aggrieved Employees as of May 27, 2025.

10. OPTION TO VOID. If 10% or more of the Class Members opt-out of the class settlement, Defendant may void the Settlement by giving written notice to the Administrator within fifteen (15) business days after the Response Deadline. If Defendant exercises the option to void, Defendant will be liable for all administration expenses incurred up to the deadline to void.

11. MOTION FOR FINAL APPROVAL. Unless otherwise ordered by the Court, not later than 16 court days before the Final Approval Hearing, Plaintiffs will file with the Court a Motion for Final Approval of the Settlement (including the PAGA settlement under Labor Code section 2699(l)), and requesting approval of the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment, Administration Expenses Payment, and Class Representative Service Payments, as well as supporting evidence, and submit a proposed Final Approval Order and Judgment (collectively, "Motion for Final Approval"). Plaintiffs shall provide drafts of these documents to Defense Counsel not later than 7 days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in good faith to resolve any disagreements concerning the Motion for Final Approval.

11.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

11.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of the release by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Administration Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

11.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement under Code of Civil Procedure section 664.6 solely for purposes of (i) enforcing this Agreement and/or the Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-judgment matters as are permitted by law.

11.4 Waiver of the Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected herein, the

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Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs, or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the Net Settlement Amount.

11.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of the release by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on an equal basis, any additional Administration Expenses reasonably incurred at the time of remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payments or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

12. AMENDED JUDGMENT. If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

13. ADDITIONAL PROVISIONS

13.1 No Admission of Liability, Class Certification, or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If for any reason the Court does not grant Preliminary Approval, Final Approval, or Judgment pursuant to this Agreement, Defendant reserves the right to contest certification of any class for any reasons and reserves all available defenses to the claims in the Action, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement and the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation, except for proceedings to enforce or effectuate the Settlement and this Agreement.

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13.2 No Joint and Several Liability. No joint and several liability exists between Defendant Highland Arms Enterprises, LLC and Defendant LBS, Inc. Defendant LBS, Inc. shall have no liability for any alleged wage and hour violations that may be been committed by Defendant Highland Enterprises, LLC.

13.3 Arbitration Agreements and Class Action Waivers. The settlement class will include otherwise-eligible employees who may have executed arbitration agreements with class action waivers. For settlement purposes only, Defendant agrees to waive the enforcement of arbitration agreements and class-action waivers as to employees in the settlement class. Participating Class Members who have executed arbitration agreements and who have not opted out of the settlement will likewise be deemed to have waived enforcement of any applicable arbitration agreements for settlement purposes. In the event the Settlement does not receive court approval, while Plaintiffs reserve all other rights and arguments with respect to enforceability of any arbitration agreements and class action waivers, the Parties agree that Plaintiffs will not rely on this Agreement to prevent Defendant or other employees from seeking to enforce arbitration agreements or the class action waivers contained therein. Should the Settlement not receive final court approval, Defendant or its employees may seek to enforce any arbitration agreements, including any class action waivers contained therein.

13.4 Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Defendant, and Defense Counsel separately agree that, until the Motion for Preliminary Approval of the Settlement is filed, they and each of them will not disclose, disseminate, and/or publicize, or cause or permit another person to disclose, disseminate, or publicize, any of the terms of the Agreement, directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) to counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Defendant, and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication before the filing of the Motion for Preliminary Approval with any third party regarding this Agreement or the matters giving rise to this Agreement, except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations.

13.5 No Solicitation. The Parties separately agree that they and their respective counsel and employees have not and will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations.

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13.6 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

13.7 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendant, respectively, 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 reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

13.8 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

13.9 Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Parties in this Settlement.

13.10 Tax Advice. Neither Plaintiffs, Class Counsel, Defendant, nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

13.11 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

13.12 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

13.13 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.

13.14 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

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13.15 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

13.16 Use and Return of Class Data. Information provided to Class Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and for no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a declaration confirming the final payout of all Settlement funds, Plaintiffs shall destroy all paper and electronic versions of Class Data received from Defendant.

13.17 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

13.18 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

13.19 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiffs and the Class:

Anthony J. Orshansky
P. Bartholomew Quintans
COUNSELONE, PC
9465 Wilshire Boulevard Suite 300
Beverly Hills, CA 90212
Tel.: (310) 277-9945
Fax: (424) 277-3727
anthony@counselonegroup.com
bart@counselonegroup.com

To Defendant:

Michael W. Healy
HIGGS FLETCHER & MACK
401 W A St., Ste. 2600
San Diego, CA 92101-7913

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Tel. (619) 236-1551
healym@higgslaw.com

13.20 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (*i.e.*, DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

13.21 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under Code of Civil Procedure section 583.310 for the entire period of this settlement process from the mediation on January 27, 2025, until the earlier of the Effective Date or the date this Agreement shall no longer be of any force or effect.

13.22 Fair Settlement. The Parties, Class Counsel, and Defense Counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arms-length negotiations, taking into account all relevant factors, both current and potential.

13.23 Contingency Clause for Settlement Approval. The Parties further agree that the effectiveness of this Agreement is expressly contingent upon the Court's approval of a separate settlement agreement between Plaintiffs and Highland Arms Enterprises, LLC. Defendant and Highland Arms Enterprises, LLC will each execute separate settlement agreements with Plaintiffs that release all claims against each Defendant separately for the entire Class Period. Plaintiffs will file a joint Motion for Preliminary Approval as set forth in both agreements which will move the Court to approve both settlement agreements (as to each Defendant), or otherwise, to approve neither settlement agreement. In the event the Court approves both settlements, Plaintiffs will send one joint Class Notice and effectuate one administration process encompassing both settlements. In the event the Court does not approve the separate settlement agreement between Plaintiffs and Highland Arms Enterprises, LLC, the Parties may file a motion for good faith settlement to address any issues raised by the Court.

WHEREFORE, Plaintiffs, on behalf of themselves and the Class Members and Aggrieved Employees, and Defendant have executed this Agreement as of the dates set forth below.

[Signatures on following page.]

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IT IS SO AGREED:

Dated: 04 / 23 / 2026

Coyote Denali

Plaintiff Coyote Denali

Dated: 04 / 23 / 2026

Plaintiff Jeremy Jackson

Dated: 4/16/2026

DocuSigned by:
Dione Leone
D8E8C61236AE44E...

Dione Leone
President
LBS, Inc.

APPROVED AS TO FORM AND CONTENT:

Dated: April 21, 2026

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Dated: 4/16/2026

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