

CLASS ACTION SETTLEMENT AGREEMENT

Subject to court approval, this Class Action Settlement Agreement (“Agreement”) is made by and between Plaintiff John Taylor (“Plaintiff”), individually and on behalf of the Settlement Class, and Defendant Valley Machine Shop, Inc. (hereinafter, “Defendant”). The Agreement refers to Plaintiff and Defendant collectively as the “Parties” or as a “Party.”

1. DEFINITIONS.

1.1. “Action” means Plaintiff’s lawsuit alleging class wide wage and hour violations against Defendant captioned *John Taylor v. Valley Machine Shop, Inc.*, Case No. 25-2-04136-1, pending in King County Superior Court in the State of Washington.

1.2. “Address Search” means the Administrator’s search for Class Members’ mailing addresses using all reasonably available sources, including but not limited to the National Change of Address database, skip traces, and direct contact by the Administrator.

1.3. “Administrator” means CAC Services Group, LLC, subject to the Superior Court’s approval.

1.4. “Administration Expenses” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its costs in accordance with the Administrator’s bid as approved by the Court. The Administration Expenses shall not exceed \$5,000, except for a showing of good cause and as approved by the Court.

1.5. “Attorneys’ Fees” mean the amounts allocated to Plaintiff’s Counsel for reimbursement of reasonable attorneys’ fees in connection with this Settlement in an amount not to exceed 33.33% of the Gross Settlement Amount.

1.6. “Class” or “Class Member(s)” means all current and former non-exempt employees who worked for Defendant in Washington at any time from February 11, 2022, through February 2, 2026, and who are not owners of Defendant.

1.7. “Class Counsel” or “Plaintiff’s Counsel” means Ferraro Vega Employment Lawyers, Inc. and Rekhi & Wolk, P.S.

1.8. “Class Period” means the period from February 11, 2022, through February 2, 2026.

1.9. “Class Notice” means the Notice of Class Action Settlement, attached as **Attachment A** and including the Request for Exclusion, attached as **Attachment B**, to be mailed to Class Members and incorporated by reference into this Agreement.

1.10. “Class Response Deadline” means 45 days after the Administrator mails Notice to Class Members and shall be the last date on which Class Members may: (a) email or mail Requests for Exclusion from the Settlement, or (b) email or mail an Objection to the Settlement. Class Members to whom the Class Notice is re-sent after being returned undeliverable

to the Administrator shall have an additional 14 calendar days beyond the Response Deadline expiry.

1.11. “Class Representative” or “Named Plaintiff” refers to John Taylor.

1.12. “Court” means the King County Superior Court.

1.13. “Defense Counsel” means captioned counsel of record from the law firm of Gordon Rees Scully Mansukhani, LLP.

1.14. “Effective Date” means the date on which the Court enters Judgment on its order granting Final Approval of the Settlement and the Judgment is final. The Judgment is final as of the latest of the following occurrences: (i) the day after the deadline for filing a notice of appeal from the Judgment; or (ii) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.15. “Employee Data” means all information identifying Class Members in Defendant’s possession including their names, last-known mailing addresses, Social Security numbers, and hours and payroll data.

1.16. “Final Approval” means the Court’s order granting final approval of the Settlement.

1.17. “Final Approval Hearing” means the Court’s hearing on the final motion for approval of the Settlement.

1.18. “Gross Settlement Amount” means **\$550,000.00**, which is the total amount Defendant agrees to pay under and pursuant to the Settlement, subject to the terms and conditions of this Settlement, except that Defendant shall also pay its share of payroll taxes separately, as set forth below.

1.19. “Individual Class Payments” means the Participating Class Member’s pro rata share of the Net Settlement Amount, calculated according to Class Counsel’s damages calculations and the strength of their respective claims as determined by Class Counsel.

1.20. “Judgment” means the judgment entered by the Court based upon the Final Approval of the Settlement.

1.21. “Litigation Costs” means the amount incurred by Plaintiff’s Counsel to prosecute the Action, according to proof and subject to Court approval, not to exceed \$15,000.

1.22. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Service Payment, Attorneys’ Fees, Litigation Costs, and Administration Expenses.

1.23. “Non-Participating Class Member” means any Class Member who submits a valid and timely Request for Exclusion from the Settlement.

1.24. “Operative Complaint” means the most recently filed complaint, including amended complaints, filed by Plaintiff.

1.25. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.26. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.

1.27. “Released Claims” means the claims being released in connection with this Settlement, as set forth in full below.

1.28. “Released Parties” means: Defendant and each former, present and future director, officer, shareholder, owner, employee, vendor, agent, attorney, insurer, predecessor, successor, assign, subsidiary, and affiliate of Defendant.

1.29. “Request for Exclusion” means a Class Member’s submission of a signed written request to be excluded from the Class Settlement, including on the form provided with the Class Notice.

1.30. “Service Payment(s)” means the payment to the Named Plaintiff for initiating and providing services in support of the Action in an amount up to \$10,000.00, subject to Court approval, which also constitutes consideration for Plaintiff’s general release of all claims, as set forth in this Agreement.

1.31. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

2. MONETARY TERMS.

2.1. Gross Settlement Amount. Subject to all terms of this Agreement, Defendant shall pay the Gross Settlement Amount in connection with this Settlement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Class Members to submit any claim or form as a condition of payment. The Gross Settlement Amount is non-reversionary.

2.1.1. Employer Payroll Taxes Paid Separately. The Gross Settlement Amount does not include any employer payroll taxes owed on the Wage Portion of the Individual Class Payments, which shall be paid separately by Defendant.

2.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts approved by the Court.

2.2.1. To Named Plaintiff: The Service Payment, in addition to any Individual Class Payment he may be entitled to receive as a Class Member. If the Court approves a Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Service Payment using IRS Form

1099. An award of less than the requested amount for the Service Payment will not give rise to a basis to abrogate the Settlement Agreement and the Court has authority under this Agreement to reduce (or increase) the Service Payment, at its discretion at the final approval stage.

2.2.2. To Plaintiff's Counsel: Attorneys' Fees and Litigation Costs to Plaintiff's Counsel. Defendant will not oppose requests for these payments, provided the requests do not exceed the amounts set forth in this Agreement. If the Court approves Attorneys' Fees and/or Litigation Costs in an amount less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will pay the Attorneys' Fees and Litigation Costs using one or more IRS 1099 Forms.

2.2.3. To the Administrator: Administration Expenses to the Administrator. To the extent the Administration Expenses are less or the Court approves payment less than the Administration Expenses set forth in this Agreement, the Administrator will allocate the remainder to the Net Settlement Amount.

2.2.4. To Each Participating Class Member/Tax Allocation: Each member of the Settlement Class will receive a pro rata payment from the Net Settlement Amount (their "Individual Class Payment"). Individual Class Payments shall be calculated pro rata in proportion to each Participating Class Member's hours worked and hourly wage, or gross wages, during the Settlement Class Period, and based on the strength of the respective claims, as determined and calculated by Class Counsel. One-third of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The remaining two-thirds of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and exemplary damages (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3. SETTLEMENT FUNDING AND PAYMENTS.

3.1. Delivery of Employee Data. Not later than 20 days after the Court grants Preliminary Approval, Defendant will deliver the Employee Data to the Class Counsel and the Administrator in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy, Class Counsel and the Administrator must maintain the Employee Data in confidence, use the Employee Data only for purposes of this Settlement, and restrict access to the Employee Data to only those who need access to the Employee Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Employee Data omitted Class Members' identifying information and to provide corrected or updated Employee Data as soon as reasonably feasible. Without any extension of the foregoing deadline the Parties and their counsel must expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Employee Data.

3.2. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount and fund the amounts necessary to fully pay its share of payroll taxes by transmitting the funds to the Administrator no later than 15 days after the Effective Date.

Defendant will not be responsible for making any additional payments, except as expressly set forth regarding payment of payroll taxes, whether to the Participating Class Members, to Plaintiff, to Class Counsel, to the Administrator, or otherwise. By funding the Gross Settlement Amount, Defendant will fully discharge its financial obligations under this Agreement and Defendant shall have no further financial obligations under this Agreement, whether to the Participating Class Members, to Plaintiff, to Class Counsel, to the Administrator, or otherwise.

3.3. Payments from the Gross Settlement Amount. Within 10 days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, the Administration Expenses, Attorneys' Fees, Litigation Costs, and Service Payment.

3.3.1. The Administrator will issue checks for the Individual Class Payments and send them to Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

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

3.3.3. Funds unpaid after distribution due to returned or void checks (*i.e.*, checks issued to Class Members that are not cashed or presented for payment within six (6) months from the date of issuance) shall be distributed to the State of Washington's Unclaimed Property Division.

3.4. Payments to the Responsible Tax Authorities. The Administrator will pay the Participating Class Members' portion of normal payroll withholding taxes out of each person's Individual Class Payment. The Administrator shall also pay Defendant's portion of payroll taxes as the current or former employer (including the employer's payment of applicable FICA, FUTA, and SUI contributions, etc.) to the appropriate local, state, and federal taxing authorities. The Administrator will calculate the amount of the Participating Class Members' and Defendant's portion of payroll withholding taxes and forward those amounts to the appropriate taxing authorities.

4. RELEASES OF CLAIMS.

In consideration for Defendant's payment of the Gross Settlement Amount, upon the Final Approval Hearing (and except as to such rights or claims as may be created by this Settlement Agreement) the Named Plaintiff and all Participating Settlement Class Members fully, finally, and

forever release, settle, compromise, relinquish, and discharge any and all of the Released Parties from any and all claims, causes of action, debts, penalties, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, liquidated or exemplary damages, punitive damages, losses, fines, liens, interest, restitution or other equitable relief, actions, omissions, or causes of action of whatever kind or nature, whether known or unknown, that were alleged in the Action or that could have been alleged in the Action arising out of the facts or circumstances alleged in the Action from the beginning of time through the Final Approval Hearing, including federal and state claims based on common law, contract, statutes, ordinances, or regulations, lawsuits, administrative actions, arbitrations, and participation to any extent in any pending or future class, collective, or representative actions, or other action of any kind based on or related in any way to the allegations in the Complaint, including but not limited to, for alleged violations of RCW Chapters 49.12, 49.46, 49.48, and 49.52; WAC Chapter 296-126; and all parallel obligations under federal, state, and local law. The foregoing release by Participating Class Members excludes claims that are not reasonably related to the claims or allegations asserted in the Action, including claims for discrimination, retaliation, wrongful termination, unemployment, workers' compensation, and any claims that may not be lawfully released under this Settlement Agreement without Court approval.

Further and in addition to the release above, upon the Final Approval Hearing (and except as to such rights or claims as may be created by this Settlement Agreement), Plaintiff hereby releases all Released Parties, from any and all claims, causes of action, debts, penalties, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, liquidated or exemplary damages, punitive damages, losses, fines, liens, interest, restitution or other equitable relief, actions, or causes of action of whatever kind or nature, whether known or unknown from the beginning of time through the Final Approval Hearing, including federal, state, and municipal claims based on common law, statutes, ordinances, or regulations, lawsuits, administrative actions, arbitrations, and participation to any extent in any pending or future class, collective, or representative actions, or other action of any kind. Notwithstanding the breadth of the foregoing release by Plaintiff, Plaintiff's release excludes unemployment claims, workers' compensation claims, and any claims that may not be lawfully released under this Settlement Agreement without Court approval.

5. MOTION FOR SETTLEMENT APPROVAL.

5.1. Preliminary Approval. Not later than 9 court days before the Preliminary Approval Hearing, Named Plaintiff shall move for an order conditionally certifying the Class for settlement purposes only, granting Preliminary Approval of the Settlement, setting a date for the Final Approval Hearing, and approving the Class Notice. Defendant shall accept service of the Motion (or any other motions, stipulations, declarations, proposed orders, exhibits, or other documents filed in connection with this Settlement) via electronic service at the email addresses set forth in this Agreement or, if an electronic service agreement is already in place, at the email addresses in the Parties' electronic service agreement.

5.2. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Settlement or forthcoming motions or joint stipulations for approval, Plaintiff's Counsel and Defense Counsel will expeditiously work together in good faith on behalf of the Parties to resolve the disagreement. If the Court does not grant settlement approval or conditions any approval or

review on any material change to this Agreement, Plaintiff's Counsel and Defense Counsel will expeditiously work together in good faith on behalf of the Parties to modify the Agreement and satisfy the Court's concerns. Should the Court decline to approve all material aspects of the Settlement, the Settlement will be null and void, and the Parties will have no further obligations under it.

6. SETTLEMENT ADMINISTRATION.

6.1. Selection of Administrator. The Parties have jointly selected the Administrator to administer this Settlement. The Administrator agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. 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.

6.2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number to calculate payroll tax withholdings and report to state and federal tax authorities.

6.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund under U.S. Treasury Regulation section 468B-1.

6.4. Notice to Class Members.

6.4.1. No later than 3 business days after receipt of the Employee Data, the Administrator shall notify Plaintiff's Counsel that the list has been received and state the number of Class Members in the Employee Data.

6.4.2. Using best efforts to perform as soon as possible, and no later than 14 days after receiving the Employee Data, the Administrator will send to all Class Members identified in the Employee Data, via first-class United States Postal Service ("USPS") mail, the Class Notice substantially in the form attached to this Agreement as Attachment A. Before mailing Class Notices, the Administrator shall update Class Members' addresses using the National Change of Address database.

6.4.3. Not later than 3 business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, 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 an 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 Notice to Class Members whose Class Notice is returned by the USPS a second time.

6.4.4. The deadlines for Class Members' written objections and Requests for Exclusion will be extended an additional 14 days beyond the time otherwise 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.

6.4.5. If the Administrator, Defendant or Plaintiff's Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Employee Data and should have received Class Notice, the Parties will expeditiously meet and confer in a good-faith effort to agree on whether to include them as a Class Member. If the Parties agree, such persons will be 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 Class Notice, or the deadline dates in the Class Notice, whichever are later.

6.5. Requests for Exclusion (Opt-Outs).

6.5.1. 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 45 days after the Administrator mails the Class Notice (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 their 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.

6.5.2. 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.

6.5.3. 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 paragraph of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

6.5.4. 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, nor shall they have the right to object to the class action components of the Settlement.

6.6. Objections to Settlement.

6.6.1. Only Participating Class Members may object to the Settlement, including contesting the fairness of the Settlement.

6.6.2. Participating Class Members may send written objections to the Administrator, by email or mail. Alternatively, Participating Class Members may appear in Court (or hire an attorney to appear in Court) 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 not later than the Response Deadline (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

6.6.3. Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

6.7. Administrator Duties. The Administrator has a duty and is authorized to perform and observe all tasks necessary to effectuate and administer the Settlement in a manner consistent with the terms of this Agreement.

6.7.1. Email Address and Toll-Free Number. The Administrator will establish, maintain, and use its own company website with their contact information included so that Class Members may find the Administrator on the World Wide Web. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member telephone calls and emails.

6.7.2. Requests 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 5 days after the Response Deadline, the Administrator shall email a list to Plaintiff's Counsel and 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).

6.7.3. Weekly Reports. The Administrator must, on a weekly or biweekly basis, provide written reports to Plaintiff's Counsel and Defense Counsel that tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, and checks mailed for Individual Class Payments. The Weekly Reports must provide the Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

6.7.4. Administrator's Declaration. Not later than 14 days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Plaintiff's Counsel and Defense Counsel, a signed declaration suitable for filing in Court 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), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Plaintiff's Counsel is responsible for filing the Administrator's declaration(s) in Court.

6.7.5. Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Plaintiff's Counsel and Defense Counsel with a final report detailing its disbursements of all

payments made under this Agreement. At least 15 days before any deadline set by the Court, if applicable and if requested by either Party, the Administrator will prepare, and submit to Plaintiff's Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement.

7. EMPLOYEE ESTIMATE. Defendant represents that the total number of Class Members is not more than 100. If the total number of Class Members exceeds this total by 5% or more, for the applicable Class period, the Gross Settlement Amount shall automatically increase proportionately for each additional Class Member.

8. MOTION FOR FINAL APPROVAL. Not later than 9 court days before the Final Approval Hearing, Named Plaintiff will file in Court and serve on Defendant a Motion for Final Approval of the Settlement that includes a Proposed Final Approval Order. Plaintiff's Counsel will provide drafts of the Proposed Final Approval Order to Defense Counsel in advance of filing for Defense Counsel's review. Defendant shall accept service of the Motion for Final Approval (or any other motions, stipulations, declarations, proposed orders, exhibits, or other documents filed in connection with this Settlement) via electronic service at the email addresses set forth in this Agreement or, if an electronic service agreement is already in place, at the email addresses in the Parties' electronic service agreement.

8.1. 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 prior to the Final Approval Hearing, or as otherwise provided by the Court.

8.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement, the Parties will expeditiously work together through counsel, in good faith, to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval.

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

8.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Attorneys' Fees and Litigation Costs set forth in this Settlement, the Parties, their respective counsel, and all Class Members, excluding opt outs, as applicable and 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.

8.5. 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 release to be granted by Class Members), this Agreement shall be null and void. The Parties shall agree to expeditiously work together in good faith to address the appellate court's concerns and to obtain

Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. However, if the material modification of this Agreement relates to Class Counsel's attorneys' fees and costs, the Parties agree that Plaintiff is responsible for any additional Administration Expenses.

9. AMENDED JUDGMENT. If any amended judgment is required, the Parties will work together in good faith to jointly submit a proposed amended judgment.

10. ADDITIONAL PROVISIONS.

10.1. 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 the Parties that any of the allegations or the defenses in the Operative Complaint or Answer thereto have merit or that there is any liability for any claims asserted or that any claims may proceed on a class, collective, or representative basis. 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).

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

10.3. 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.

10.4. Attorney Authorization. Plaintiff's Counsel and Defense Counsel separately warrant and represent that they are authorized by the Parties, 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.

10.5. Cooperation. The Parties and their counsel will cooperate and use their best efforts, in good faith, to implement the Settlement by modifying the Settlement Agreement, submitting supplemental evidence, and supplementing points and authorities as requested by the Court, among other things. 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.

10.6. No 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 and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

10.7. No Tax Advice. Neither the Parties, Plaintiff's Counsel, 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.

10.8. 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 Plaintiff's Counsel and Defense Counsel, as their legal representatives.

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

10.10. Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the laws of the State of Washington, without regard to conflict of law principles.

10.11. 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.

10.12. 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.

10.13. 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.

10.14. Notice. All notices or other communications between the Parties required in connection with this Agreement shall be in writing and shall be deemed to have been duly given as of the 3rd business day after mailing by U.S. Mail or the same day if sent by email, addressed as follows:

To Plaintiff:

Ferraro Vega Employment Lawyers, Inc.

Attn: Nicholas J. Ferraro
3333 Camino del Rio South, Suite 300
San Diego, CA 92108 USA
nick@ferrarovega.com / classactions@ferrarovega.com
www.ferrarovega.com

Gregory A. Wolk
Rekhi & Wolk, P.S.
529 Warren Avenue N., Ste. 201
Seattle, Washington 98109
websiteinquiry@rekhiwolk.com

To Defendant:

Nicole E. Demmon WSBA No. 45322
ndemmon@grsm.com
Rachael A. Curtis, WSBA No. 48932
rcurtis@grsm.com

701 Fifth Avenue, Suite 2100
Seattle, WA 98104
Phone: (206) 695-5100

10.15. Execution in Counterparts. This Agreement may be executed using physical and/or electronic signatures (i.e. DocuSign, SignRequest, Adobe Sign, etc.), which shall be accepted as originals for purposes of this Agreement. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

SIGNATURES

I have read this Agreement and agree to its terms.

Plaintiff John Taylor

Date: 03 / 16 / 2026



John Taylor

Defendant Valley Machine Shop, Inc.

Date: March 17, 2026

Signed by:


30D0D76896DC4ED...

Name: victor dalosto

Title: president

Attachment A

Notice of Class Action Settlement

NOTICE OF CLASS ACTION SETTLEMENT

John Taylor v. Valley Machine Shop, Inc.

Superior Court of the State of Washington for the County of King

Case No. 25-2-04136-1

This notice is to the following individuals in connection with a pending class action settlement:

All current and former non-exempt employees who worked for Defendant in Washington at any time from February 11, 2022, through February 2, 2026, and who are not owners of Defendant.

Read this notice carefully. Your legal rights could be affected whether you act or not.

The Superior Court of the State of Washington for the County of King (the “Court”) has preliminarily approved this class action lawsuit filed by John Taylor (“Class Representative”) against Valley Machine Shop, Inc. (“Defendant”) for alleged wage and hour violations (the “Lawsuit”).

The Lawsuit alleges the following legal causes of action: (1) Minimum Wage Act Violations: RCW 49.46 *et seq.*, (2) Failure to Pay Overtime Wages: RCW 49.46.130, (3) Meal Period Violations: RCW 49.12.020 and WAC 296-126-092, (4) Rest Break Violations: RCW 49.12.020 and WAC 296-126-092, (5) Unpaid Wages on Termination: RCW 49.48 *et seq.*, (6) Willful Refusal to Pay Wages: RCW 49.52.050. Defendant denies all claims and maintains it has fully complied with the law.

<u>YOUR OPTIONS</u>	
DO NOTHING	You do not have to do anything in response to this notice. If you do nothing, you will remain eligible to automatically receive an Individual Class Payment if the Court grants final approval of the settlement. In such case, you will be bound by the release provisions in the settlement and release your claims in exchange for compensation.
OPT OUT	You may opt out of the Settlement by submitting a Request for Exclusion form. If you opt out, you may not object to the Settlement, you will not receive an Individual Class Payment, and you shall not be bound by the release provisions in the settlement.
OBJECT	You may object to the Settlement by submitting a written objection. If the Court grants final approval of the settlement despite your objection, you will remain eligible to automatically receive an Individual Class Payment if the Court grants final approval of the settlement. In such case, you will be bound by the release provisions in the settlement.

The Court's final approval hearing is scheduled to take place on **[[Final Approval Hearing Date]]** at **[[Final Approval Hearing Time]]** before the Hon. Taki Flevaris of the King County Superior Court, located at 401 4th Ave. N., Room 2D, Kent, WA 98032. You do not have to attend but you do have the right to appear. *For more information, please carefully read this notice.*

1. WHAT IS THE ACTION ABOUT?

The Class Representative is a former employee of Defendant. The Class Representative alleged Defendant violated Washington labor and employment laws as follows: (1) Minimum Wage Act Violations: RCW 49.46 *et seq.*; (2) Failure to Pay Overtime Wages: RCW 49.46.130; (3) Meal Period Violations: RCW 49.12.020 and WAC 296-126-092; (4) Rest Break Violations: RCW 49.12.020 and WAC 296-126-092; (5) Unpaid Wages on Termination: RCW 49.48 *et seq.*; and (6) Willful Refusal to Pay Wages: RCW 49.52.050. Plaintiff is represented by Ferraro Vega Employment Lawyers and Rekhi & Wolk, P.S. ("Class Counsel.").

Defendant denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

2. WHAT ARE THE PROPOSED SETTLEMENT TERMS?

At the Final Approval Hearing, the Class Representative, through Class Counsel, will ask the Court to approve a Gross Settlement Amount of \$550,000.00 and authorize the following payments from that amount: Service Payment to the Class Representative (\$10,000.00); Attorneys' Fees in the amount of \$183,315.00, representing 33.33% of the Gross Settlement Amount; Litigation Costs (not to exceed \$15,000), and the Administration Expenses to be paid to the third-party settlement administrator (estimated at \$5,000).

After the above deductions in amounts approved by the Court, the Administrator will calculate and distribute Individual Class Payments to Participating Class Members. One-third of each Individual Class Payment shall constitute taxable wages ("Wage Portion") and two-thirds shall constitute interest and exemplary damages ("Non-Wage Portion"). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendant's employer payroll taxes owed on the Wage Portion will be paid by Defendant separately and in addition to the Gross Settlement Amount. The Administrator will report the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

You will be treated as a Participating Class Member, participating fully in the settlement, unless you submit a signed Request for Exclusion by **[[Response Deadline]]** the "Response Deadline."

After the Judgment is final and Defendant has fully funded the settlement, Participating Class Members will be legally barred from asserting any of the claims released under the settlement, as follows:

In consideration for Defendant's payment of the Gross Settlement Amount, upon the Final Approval Hearing (and except as to such rights or claims as may be created by this Settlement Agreement) the Named Plaintiff and all Participating Settlement Class Members fully, finally, and

forever release, settle, compromise, relinquish, and discharge any and all of the Released Parties from any and all claims, causes of action, debts, penalties, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, liquidated or exemplary damages, punitive damages, losses, fines, liens, interest, restitution or other equitable relief, actions, omissions, or causes of action of whatever kind or nature, whether known or unknown, that were alleged in the Action or that could have been alleged in the Action arising out of the facts or circumstances alleged in the Action from the beginning of time through the Final Approval Hearing, including federal and state claims based on common law, contract, statutes, ordinances, or regulations, lawsuits, administrative actions, arbitrations, and participation to any extent in any pending or future class, collective, or representative actions, or other action of any kind based on or related in any way to the allegations in the Complaint, including but not limited to, for alleged violations of RCW Chapters 49.12, 49.46, 49.48, and 49.52; WAC Chapter 296-126; and all parallel obligations under federal, state, and local law. The foregoing release by Participating Class Members excludes claims that are not reasonably related to the claims or allegations asserted in the Action, including claims for discrimination, retaliation, wrongful termination, unemployment, workers' compensation, and any claims that may not be lawfully released under this Settlement Agreement without Court approval.

3. HOW IS MY INDIVIDUAL CLASS PAYMENT CALCULATED?

Class Counsel obtained employment information for each Proposed Class Member, including how long they worked for Defendant and how much they earned. Class Counsel analyzed that information to determine how much each Proposed Class Member would be owed based on the strength of their respective claims and assuming they were valid. The Individual Class Payments will be calculated based on that analysis as a proportion of the total Net Settlement Amount.

4. HOW WILL I GET PAID?

The Administrator will send, by U.S. mail, a single check to every Participating Class Member following the Effective Date of this Settlement. Your check will be sent to the same address as this notice. If you change your address, notify the Administrator as soon as possible.

5. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Complete the attached Request for Exclusion form and mail or email it to the Administrator before the Response Deadline. If you opt-out, you will not receive an Individual Class Payment and you will not be bound by the Release.

6. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement by submitting a written objection to the Administrator before the Response Deadline. To object, please provide a written statement to the Administrator advising what you object to, why you object, and any facts that support your objection. Please sign the objection and identify the Action and include your name, current address, telephone number, and your approximate dates of employment.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection.

7. CAN I ATTEND THE FINAL APPROVAL HEARING?

You may, but are not required to, attend the Final Approval Hearing on **[[Final Approval Hearing Date]]** at **[[Final Approval Hearing Time]]** before the before the Hon. Taki Flevaris of the King County Superior Court, located at 401 4th Ave. N., Room 2D, Kent, WA 98032. At the hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, the Class Representative, and the Administrator. The Court will invite comment from objectors, Class Counsel, and Defense Counsel before making a decision.

It is possible the Court will reschedule the Final Approval Hearing. Please review the Court's online docket or contact the Administrator or Class Counsel to verify the date and time of the Final Approval Hearing if you believe it may have been continued or otherwise changed.

8. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendant and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment, or any other Settlement documents is to go to the following website **[[website]]**. You can also telephone or send an email to Class Counsel at the address below:

Class Counsel

Nicholas J. Ferraro (State Bar No. 306528)
 Lauren N. Vega (State Bar No. 306525)
 Ferraro Vega Employment Lawyers, Inc.
 3333 Camino del Rio South, Suite 300
 San Diego, California 92108
 (619) 693-7727 telephone
classactions@ferrarovega.com
ferrarovega.com

Gregory A. Wolk
 Rekhi & Wolk, P.S.
 529 Warren Avenue N., Ste. 201
 Seattle, Washington 98109
 (206) 388-5887
websiteinquiry@rekhiwolk.com
rekhiwolk.com

9. WHAT IF I LOSE MY SETTLEMENT CHECK OR FAIL TO CASH IT?

If you lose or misplace your settlement check, the Administrator will replace it if you request a replacement before the void date on the face of the original check. If your check is already void or you have otherwise failed to cash it, it will be will be distributed to the State of Washington's Unclaimed Property Division.

**DO NOT CONTACT THE COURT OR THE COURT CLERK TO OBTAIN
INFORMATION ABOUT THE SETTLEMENT**

Attachment B

Request for Exclusion Form

Request for Exclusion Form

John Taylor v. Valley Machine Shop, Inc.
Superior Court of the State of Washington for the County of King
Case No. 25-2-04136-1

By signing and returning this form, I confirm that I do not want to be included in the Settlement or receive a settlement check in the class action lawsuit referenced above.

I understand that by opting out, I am giving up my right to receive any payments in this Settlement. To “opt out,” this form must be postmarked no later than **[[Response Deadline]]** and mailed via U.S. Mail to the following address:

[[ADD]]

I confirm I have reviewed the Notice of Class Action Settlement. I have decided to be excluded from the class and **not** participate in the proposed settlement or receive an individual settlement check I am otherwise entitled to receive.

Dated: _____

(Signature)

(Last Four Digits of SSN)

(Type or print name and former name(s))

(Telephone Number)

(Address)



Title	Taylor v. Valley Machine Class Action Settlement Agreement
File name	2026.03.13_-_Tayl...reement_Final.pdf
Document ID	2b7f9b34e96b5415faa02d5190f90952840baa49
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