

CLASS SETTLEMENT AGREEMENT

Joshua McClelland, et al. v. Lily Transportation, LLC, et al.

This Class Settlement Agreement (“Settlement Agreement”) is made and entered into by and between Plaintiffs Joshua McClelland and Harold Allen Peery (together, “Plaintiffs”), both individually and on behalf of the proposed Settlement Class (as defined below), on the one hand, and Defendants Lily Transportation, LLC and Lily Transportation Corp. (together, “Defendants”), on the other hand, to resolve all matters arising out of or relating to the matter of *Joshua McClelland et al. v. Lily Transportation, LLC et al.*, currently pending in the Superior Court of the State of Washington in and for Thurston County as Case No. 24-2-01635-34 (the “Action”). This Settlement Agreement is subject to the terms and conditions hereof and the approval of the Thurston County Superior Court (the “Court”). For purposes of this Settlement Agreement, Plaintiffs and Defendants are referred to individually as a “Party” and collectively as the “Parties.”

SETTLEMENT AMOUNT

Pursuant to the terms and conditions set forth herein, Defendants will pay a minimum of **\$317,760** (the “Minimum Settlement Fund”) and a maximum of **\$456,000** (the “Maximum Settlement Fund”) to resolve and release all of the claims alleged in the Action as set forth in further detail hereafter, inclusive of all settlement payments, attorneys’ fees and costs, service awards, and settlement administration costs.

BACKGROUND

1. On May 2, 2024, Plaintiff Joshua McClelland filed the Class Action Complaint for Violations of Washington’s Wage Transparency Law (RCW 49.58.110) (the “Complaint”) alleging violations of RCW 49.58.110. On December 17, 2024, Plaintiffs filed the operative Third Amended Complaint.

2. For purposes of this Settlement Agreement, the “Settlement Class” is defined as follows:

Plaintiffs and all individuals who, from January 1, 2023, through December 10, 2025 (the “Class Period”), applied for a job opening in the State of Washington with Defendants where the job posting did not disclose a wage scale or salary range for the position.

“Settlement Class Members” refers collectively to members of the Settlement Class and “Settlement Class Member” refers to individual members of the Settlement Class. Notwithstanding the foregoing, upon the Effective Date (as defined below), the Settlement Class shall not include any individual who otherwise meets the definition of a Settlement Class Member (as defined herein) who submits a valid and timely request for exclusion from this settlement pursuant to and in accord with the procedures outlined in Paragraph 14(a), below.

3. The Settlement Class Period is January 1, 2023, through December 10, 2025.

4. Defendants represent that there are approximately 456 Settlement Class Members.

5. By entering into this Settlement Agreement and the settlement described herein, Defendants do not admit to any wrongdoing or liability as it relates to the claims or related facts asserted in the Action, nor shall this Settlement Agreement or the settlement described herein constitute an admission of any liability or the propriety of class certification for litigation purposes. Defendants specifically disclaim and deny any wrongdoing or liability. This Settlement Agreement and the settlement described herein reflect the Parties' good faith compromise of the claims alleged in the Action, based upon assessment of the mutual risks and costs of further litigation.

6. In the interest of avoiding the costs and disruption of ongoing litigation and resolving the claims asserted in the Action, the Parties believe that the settlement negotiated and set forth in this Settlement Agreement is fair, reasonable, and adequate.

SETTLEMENT TERMS

7. **Minimum Settlement Fund and Maximum Settlement Fund:** As detailed more thoroughly below, Defendants will pay a minimum of **\$317,760** (the "Minimum Settlement Fund") and a maximum of **\$456,000** (the "Maximum Settlement Fund"), subject to the terms and provisions of this Settlement Agreement, with the specific amount of the payment actually due and owing by Defendants under this Settlement Agreement (the "Settlement Fund") being based on the number of Settlement Class Members who submit a valid and timely Claim Form, as detailed in Paragraph 8, below.

8. **Settlement Fund and Net Settlement Fund:** The Settlement Fund is the total payment to all Participating Class Members, plus attorneys' fees and costs, Plaintiffs' service awards, and Settlement Administrator's costs. "Participating Class Members" means those Settlement Class Members who do not exclude themselves from the settlement and who submit a timely and valid Claim Form. Specifically, and as detailed below, the Settlement Fund shall be an amount equal to: (a) the total money due under this settlement to make payments of settlement awards to the Participating Class Members (the "Net Settlement Fund"), calculated pursuant to Paragraph 17(b); (b) the attorneys' fees and costs award, as approved by the Court and as described in Paragraph 9; (c) the class representative service awards, as approved by the Court and as described in Paragraph 10; and (d) the settlement administration award paid to the Settlement Administrator, as approved by the Court and as described in Paragraph 12. The payment of the Settlement Fund by Defendants shall settle and forever resolve all of the claims being released by this Settlement Agreement (i.e., the Released Class Claims defined in Paragraph 18, below), and it will include: (a) all payments to Settlement Class Members; (b) all costs of settlement administration; (c) all attorneys' fees and costs; and (d) service awards to Plaintiffs. The settlement payments are not being made for any other purpose and the Parties expressly understand and agree that such payments shall not be construed as "compensation" for purposes of determining eligibility for any health and welfare benefits, unemployment compensation, or other compensation or benefits provided by Defendants (notwithstanding any contrary language or agreement in any benefit or compensation plan document that might have been in effect during the period covered by this Settlement Agreement). In addition, to the maximum extent permitted by law, no individual receiving a payment based on this settlement shall be entitled to any additional or increased health, welfare, retirement, employer tax contributions, or other benefits as a result of their participation in the settlement.

9. **Attorneys' Fees and Costs:** "Plaintiffs' Counsel" refers to Plaintiffs' Counsel in this Action, Ackermann & Tilajef, P.C. Plaintiffs' Counsel may apply to the Court for, and Defendants will not oppose, an award of attorneys' fees in the amount of **\$134,520** (approximately 29.5% percent of the Maximum Settlement Fund), plus an additional **\$15,000** in costs and expenses, in connection with their pursuit of this matter, and all of the work remaining to be performed by Plaintiffs' Counsel in documenting the settlement, securing Court approval of the settlement, all further appellate proceedings (if any), carrying out their duties to see that the settlement is fairly administered and implemented, and obtaining dismissal of the Action. Amounts awarded by the Court for attorneys' fees and costs shall be paid from the Settlement Fund. Plaintiffs' Counsel represents that, other than Ackermann & Tilajef, P.C., no individuals or law firms represent Plaintiffs or the Settlement Class in connection with this Action or have any right to seek reimbursement of fees or expenses in connection with this Action.

10. **Service Awards:** Plaintiffs' Counsel may apply to the Court for, and Defendants will not oppose, service awards for Plaintiffs in the amount of **\$15,000 (\$7,500 to each Plaintiff)** in consideration for serving as Class Representatives. The service awards are in addition to the settlement payment to which Plaintiffs are entitled along with all other Participating Class Members. The service awards shall be paid from the Settlement Fund. Plaintiffs will each receive a Form 1099-MISC for their service awards prepared by the Settlement Administrator, and they will be responsible for correctly characterizing this additional compensation for tax purposes and for payment of any taxes owing on said amount. As a condition for receiving and retaining the service awards, Plaintiffs shall execute and abide by the Full Release of Claims, attached hereto as **Exhibit D**. Plaintiffs will not be required to execute the Full Release of Claims until the settlement is considered "Final" after the Effective Date defined in Paragraph 23.

11. **Lesser Award:** In the event that a lesser sum is awarded and approved by the Court for the attorneys' fees and costs referenced above in Paragraph 9, or for the service awards referenced above in Paragraph 10, the Court's approval of any such lesser sum(s) shall not be grounds for Plaintiffs or Plaintiffs' Counsel to terminate the settlement, but such an order shall be appealable by them at Plaintiffs' Counsel's cost. In the event that such an appeal is filed, administration of the settlement shall be stayed pending resolution of the appeal. If, after the exhaustion of any appellate review, any additional amounts are available for distribution to the Participating Class Members as a result of such appellate review, the additional amounts shall be added to the payments otherwise due to the Participating Class Members. Any amount not awarded in attorneys' fees and costs and/or service awards, which is not challenged via appeal by Plaintiffs' Counsel, may be distributed to the Participating Class Members in accordance with the terms of the Settlement Agreement.

12. **Settlement Administrator's Costs:** Subject to the Court's approval, the Parties agree that Simpluris, Inc. will serve as the Settlement Administrator. The Settlement Administrator will perform all settlement administration duties including, without limitation, receiving and updating through normal and customary procedures the Class List to be provided by Defendant, so that it is updated prior to the Class Notice ("Notice") and Claim Form being sent; creating and maintaining a publicly-available settlement website capable of receiving online Claim Form submissions; emailing, printing and mailing the Court-approved Notice and Claim Form; performing necessary additional skip traces on Notices, Claim Forms, and/or checks returned as undeliverable; calculating Participating Class Members' shares of the Net Settlement Fund;

preparing and mailing of settlement checks, responding to Settlement Class Member inquiries as appropriate, preparing any appropriate or required tax returns and tax forms in connection with the Settlement Fund and settlement payments, including any withholding, and filing or remitting those returns and forms, along with withheld amounts, if any, to the appropriate governmental agencies; and generally performing all normal and customary duties associated with the administration of such settlements. All costs for the Settlement Administrator's services will be paid out of the Settlement Fund and shall not exceed **\$15,000**. In the event the actual costs incurred for engaging the Settlement Administrator are less than **\$15,000**, as part of the final disbursement of the settlement funds, the difference between the **\$15,000** figure referenced herein and the actual costs incurred for engaging the Settlement Administrator shall be added to the Settlement Fund for distribution to the Participating Class Members.

13. **Compilation of Class List:** Within 30 days after the Preliminary Approval Order is entered (see Paragraph 20 below), Defendants will provide only to the Settlement Administrator the full name, last known address (if known and reasonably accessible), phone number (if known and reasonably accessible), and email address (if known and reasonably accessible) of each Settlement Class Member (the "Class List"). Defendants shall also contemporaneously provide Class Counsel with the full name of all individuals appearing on the Class List. The Settlement Administrator will perform normal and customary address updates and verifications as necessary prior to the mailing and emailing of the Notice and Claim Form to the Settlement Class and will notify Defendants' Counsel and Plaintiffs' Counsel of any issues regarding the Class List immediately. The Settlement Administrator and Defendants' Counsel shall resolve any issues within 7 days after receipt of the Class List.

14. **Notice Period and Notice Procedure:** Within 14 days of its receipt of the Class List, the Settlement Administrator will send the Settlement Class Members, by email (if available), and also by first-class mail, at their last known address (if available) or such other address as located by the Settlement Administrator, the Court-approved Notice and Claim Form, proposed drafts of which are attached hereto as **Exhibits A and B**, respectively. The Notice mailed to all Settlement Class Members will advise each Settlement Class Member of his or her estimated minimum payment amount (approximately **\$606.31**), maximum payment amount (**\$5,000**), and of his or her right to submit a Claim Form either by mail, email, or online through a settlement website maintained by the Settlement Administrator, request exclusion, or object to the settlement. Settlement Class Members shall have 60 days from the date of mailing to submit a Claim Form, request exclusion, or object pursuant to the procedures outlined below.

- a. **Claims Procedure:** To become a Participating Class Member and receive a payment, a Settlement Class Member must submit a timely, valid Claim Form to the Settlement Administrator by mail, email, or online submission via the settlement website. The Claim Form must be submitted or post-marked no later than 60 days from the date of mailing of the Notice. Any Settlement Class Member who submits a Claim Form after 60 days will be considered for a payment at the discretion of the Defendants. In order to avoid initial tax withholdings, Settlement Class Members may also submit an IRS Form W-9. Any Participating Class Member who does not submit an IRS Form W-9 may be subject to initial tax withholdings prior to issuance of their individual settlement payment.

- b. **Exclusion Procedure:** Any Settlement Class Member who wishes to be excluded from the settlement must submit the request for exclusion in writing to the Settlement Administrator, postmarked no later than 60 days from the date of mailing of the Notice. To be considered valid, a request for exclusion must include: (i) the Settlement Class Member's full name; (ii) the Settlement Class Member's address; (iii) a statement that he or she wishes to be excluded from the settlement (for example, "I request to be excluded from the class action settlement in *McClelland et al. v. Lily Transportation, LLC et al.*"; and (iv) the Settlement Class Member's (or his or her attorney's) signature and date signed.
- c. **Objection Procedure:** Any Settlement Class Member who does not request exclusion from the settlement and who wishes to object to the settlement must submit the objection in writing to the Court and the Parties' Counsel, postmarked no later than 60 days from the date of mailing of the Notice. To be considered valid, an objection must include: (i) the Settlement Class Member's full name, address, telephone number, and e-mail address; (ii) the case name and number; (iii) the reason(s) why he or she objects to the settlement; (iv) the name and address of his or her attorney, if he or she has retained one; (v) a statement confirming whether the Settlement Class Member and/or his or her attorney intend to personally appear at the Final Approval Hearing; and (vi) the Settlement Class Member's (or his or her attorney's) signature and date signed. If a Settlement Class Member wishes to object to the settlement, he or she must not request exclusion.
- d. Any Notices and Claim Forms returned as undeliverable shall be traced once to obtain a new address and be re-mailed by First Class U.S. Mail. To the extent any mailed Notice or Claim Form is returned as undeliverable, such person shall be permitted the greater of the time remaining under the 60-day notice period associated with the initial mailing or 30 days from any re-mailing of the Notice and Claim Form to submit a Claim Form, request exclusion, or object to the class action settlement.
- e. After the Notice and Claim Forms are mailed and emailed, the Settlement Administrator will provide weekly updates on the status of claims, requests for exclusion, and objections.
- f. If the number of Settlement Class Members who do not exclude themselves from the settlement and who submit a Claim Form is less than or equal to approximately 30% of the Settlement Class (i.e., equal or less than 137 individuals) as of 30 days after the initial mailing date, the Settlement Administrator will send a Supplemental Notice by email to each individual who has not submitted a claim or requested exclusion reminding them of the deadline in which to submit their Claim Form. If the number of Settlement Class members who do not opt out of the settlement and who submit a Claim Form is less than or equal to approximately 30% of the Settlement Class (i.e., equal or less than 137 individuals) as of 50 days after the initial mailing date, the Settlement Administrator will send a second Supplemental Notice by email to each individual who has not submitted a claim or requested exclusion reminding them of the deadline in which to submit their Claim Form.

- g. No later than 5 days before the deadline for Plaintiffs' Counsel to provide a draft of the Final Approval Motion to Defendants' Counsel, the Settlement Administrator will provide to Plaintiffs' Counsel and Defendants' Counsel: (1) a report identifying Settlement Class Members (by first and last name), Participating Class Members (by first and last name), requests for exclusion (by first and last name), and objections (identifying the objecting Settlement Class Members by first and last name and providing copies of the objections), with the version provided to Class Counsel replacing the name of each Settlement Class Member or Participating Class Member with a unique numerical identifier; and (2) a draft declaration regarding the mailing, tracking, and processing of the Notices and Claim Forms.

15. **No Solicitation of Exclusions or Objections:** The Parties will not directly or indirectly solicit or encourage Settlement Class Members to request exclusion from or object to the settlement.

16. **Challenges to Class List:** To be considered timely, any dispute raised by an alleged, proposed member of the Settlement Class about their omission from the Class List must be submitted to the Settlement Administrator and/or Plaintiffs' Counsel by the alleged, proposed member of the Settlement Class within 60 days of the mailing of the Notice. To the extent it is reasonably accessible and available, Defendants will provide the Settlement Administrator and Plaintiffs' Counsel information and/or documentation demonstrating why the alleged, proposed member of the Settlement Class was not properly a member of the Settlement Class. Unless the proposed Settlement Class Member can establish that he or she should have been included on the Class List based on documentary evidence, Defendants' records will control. Plaintiffs' Counsel and Defendants' Counsel will then make a good faith effort to resolve the dispute informally. If counsel for the Parties cannot agree, the dispute shall be resolved by the Settlement Administrator, who shall examine the records provided by Defendants and the alleged, proposed member of the Settlement Class, and shall be the final arbiter of disputes relating to an alleged, proposed member of the Settlement Class's omission from the Class List. The Settlement Administrator's determination regarding any such dispute shall be final for the purpose of administering the settlement, subject to final review, determination, and approval by the Court.

17. **Payments to Participating Class Members:**

- a. Settlement Class Members must submit a timely, valid Claim Form to receive a payment. Settlement Class Members who do not exclude themselves from the settlement and who submit a timely, valid Claim Form are referred to as "Participating Class Members."
- b. All Participating Class Members will be eligible to receive an equal share of the Net Settlement Fund, which is to be allocated amongst the Participating Class Members pro-rata up to a maximum of **\$5,000** per Participating Class Member, with any amounts beyond Five Thousand Dollars (\$5,000.00) per Participating Class Member being treated as Residual Funds and disbursed in accordance with Paragraph 26. The amount of the Settlement Fund shall be based on the number of Participating Class Members. If the number of Participating Class Members is less

than or equal to approximately 50% of the total Settlement Class (i.e., 228 Settlement Class Members), Defendants shall pay the amount of the Minimum Settlement Fund set forth above (i.e., **\$317,760**). For every Participating Class Member above approximately 50% of the total Settlement Class (i.e., every Participating Class Member beyond the initial 228 Settlement Class Members referenced above), the value of the Net Settlement Fund shall increase by **\$603.31**, subject to the total value of the settlement reaching the amount of the Maximum Settlement Fund (i.e., **\$456,000**).

- c. Settlement payments will be characterized as non-wages/statutory damages. The Settlement Administrator will prepare an IRS Form 1099-MISC for each Participating Class Member that reflects their settlement payment.
- d. Participating Class Members shall have 120 days from the date the checks are mailed by the Settlement Administrator to cash their settlement payment check.
- e. After 120 days following the date upon which the Settlement Administrator sends payments to Participating Class Members, the funds that are associated with Participating Class Members' uncashed checks will be transmitted to the Unclaimed Property Fund of the State of Washington in the Participating Class Member's name.
- f. Plaintiffs, Defendants, and their respective counsel have not made any representations regarding the tax consequences of the settlement payments made under this Settlement Agreement. Participating Class Members will be required to pay all federal, state or local taxes, if any, which are required by law to be paid with respect to the settlement payments. Participating Class Members agree to indemnify and hold Defendants harmless from any claim for unpaid taxes for the settlement payment from any taxing authority.

18. Settlement Class Member Release: Upon final approval of this Settlement Agreement by the Court, each Settlement Class Member who does not submit a timely request for exclusion in accordance with the procedures set forth in Paragraph 14(a) will release, waive, and forever discharge Defendants, together with their direct and indirect parents, subsidiaries, and affiliates, and each of their respective past and present directors, officers, agents, shareholders, members, managers, employees, attorneys, insurers, reinsurers, successors, and assigns, as well as any third parties involved in the development, publication, promotion, and/or hosting of Defendants' job postings ("Released Parties") of and from the claims asserted in the operative Complaint or claims that could have been asserted based on the facts alleged in the operative Complaint. The release will include, but not be limited to, any claims based on Defendants' failure to comply with the job posting/pay transparency requirements of the Washington Equal Pay and Opportunities Act, including, but not limited to, any alleged liabilities arising out of or relating to a failure to include the wage scale or salary range, and/or a general description of all of the benefits and other compensation to be offered to a hired applicant in any job postings (the "Released Class Claims"). The Released Class Claims specifically include, but are not limited to, any claims arising out of or relating to a violation of Chapter 49.58.110 RCW including but not limited to remedies under RCW 49.58.070, interest, liquidated damages, exemplary damages, statutory

damages, minimum statutory damages, and attorneys' fees and costs relating to any of the foregoing.

19. **Court Approval:** Except as otherwise provided above, the failure of the Court to approve any material term or aspect of this Settlement Agreement shall render the entire Settlement Agreement void and unenforceable as to all Parties herein. As agreed to above, this Paragraph does not apply to the failure of the Court to approve the attorneys' fees and costs in Paragraph 9 or the service awards in Paragraph 10. If the Settlement Agreement becomes void, this Settlement Agreement, as well as all releases signed in connection herewith, shall have no force or effect; all negotiations, statements and proceedings related thereto shall be without prejudice to the rights of any party, all of whom shall be restored to their respective positions in this action prior to the settlement; the Settlement Class created pursuant to this Settlement Agreement shall be of no force or effect; and neither this Settlement Agreement nor any ancillary documents, actions or filings shall be admissible or offered into evidence in this action or any other action or proceeding for any purpose. Notwithstanding the foregoing, in the event the Settlement Agreement becomes void, the Parties shall adhere to any agreements between them relating to the agreed-upon remand of the Action.

20. **Preliminary Approval Order:** The Parties shall seek the Court's approval of this settlement. Plaintiffs and Plaintiffs' Counsel shall apply to the Court for the entry of a Preliminary Approval Order which would accomplish the following: (a) preliminarily approves the settlement subject to the final review and approval by the Court; (b) certifies the Settlement Class and appoints Plaintiffs as Settlement Class Representatives and the law firm of Ackermann & Tilajef, P.C. as Settlement Class Counsel for purposes of the settlement only; (c) preliminarily approves the Settlement Administrator selected by the Parties and preliminarily approves payment of the Settlement Administrator's reasonable costs, subject to final review and approval by the Court; (d) preliminarily approves an award of attorneys' fees and costs to Plaintiffs' Counsel, subject to final review and approval by the Court; (e) preliminarily approves a service award to each Plaintiff, subject to final review and approval by the Court; (f) approves, as to form and content, the proposed Notice and Claim Form attached hereto as Exhibits A and B, respectively; (g) directs the emailing and mailing of the Notice and Claim Form to the Settlement Class Members; (h) conditionally directs the emailing of the Supplemental Notice in the form attached hereto as Exhibit C to the Settlement Class Members who have not requested exclusion and who have not submitted a claim form as of the 30th day and 50th day of the notice period, in accordance with Paragraph 14, above; and (i) schedules a final approval hearing no earlier than 150 days after the Preliminary Approval Order on the question of whether the settlement, including the payment of attorneys' fees and costs and the service awards, should be finally approved as fair, reasonable, and adequate, and finally resolving any outstanding issues or disputes remaining from the administration of the Notice. Not later than 2 business days before filing the motion for preliminary approval, Plaintiffs' Counsel will submit a near-final draft thereof (including all supporting papers and proposed order) to Defendants' Counsel for their review and comments. Defendants' Counsel shall promptly provide Plaintiffs' Counsel a redlined draft with any proposed changes, which Plaintiffs' Counsel shall consider in good faith.

21. **Final Approval Order:** In conjunction with the request for final approval of the settlement provided for in this Settlement Agreement, Plaintiffs' Counsel will submit a proposed final order and judgment ("Final Approval Order"): (a) granting final approval of the settlement,

adjudging the terms thereof to be fair, reasonable, and adequate, and directing consummation of its terms and provisions; (b) approving an award of attorneys' fees and costs to Plaintiffs' Counsel; (c) approving service awards to Plaintiffs; (d) approving the Settlement Administrator's costs; (e) permanently enjoining and restraining Plaintiffs and Settlement Class Members from initiating or pursuing any Released Class Claims; and (f) dismissing the Action on the merits and with prejudice. Not later than 2 business days prior to the submission of the motion(s) seeking the foregoing, Plaintiffs' Counsel will submit a near-final draft thereof (including all supporting papers and proposed order) to Defendants' Counsel for their review and comments. Defendants' Counsel shall promptly provide Plaintiffs' Counsel a redlined draft with any proposed changes, which Plaintiffs' Counsel shall consider in good faith.

22. The Parties' Respective Contingent Right to Void the Settlement Agreement. Defendants have the option to void the Settlement Agreement if: more than ten percent (10%) of the Settlement Class Members exclude themselves from the settlement. Defendants shall exercise this right within ten (10) days after receiving the report from the Settlement Administrator described in Paragraph 14(e). In the event Defendants exercise this right, the Parties will be returned to their respective positions that existed prior to their entry into this Settlement Agreement (as described more thoroughly in Paragraph 19, above). In the event that, as of the hearing on Plaintiffs' Motion for Final Approval, the Class contains five percent (5%) more Class Members than the number of Class Members designated by Defendants in Paragraph 4 of this Settlement, then Plaintiffs will have the right to void this Agreement unless Defendants agree to proportionately increase the Settlement Fund to account for all Class Members beyond the original 456 figure. Class Counsel shall notify Defendants' Counsel within five (5) calendar days in advance of the hearing on Plaintiffs' Motion for Final Approval if it has the grounds for and is exercising this option.

23. Effective Date: This Settlement Agreement shall become effective when the settlement is considered "Final." For purposes of this Settlement Agreement, "Effective Date" and "Final" mean: (a) in the event that the Court has entered the Final Approval Order and there were no timely objections filed, or that any timely objections have been withdrawn, then the first business day upon the passage of the applicable 30-day period for any interested party to seek appellate review of the Court's Final Approval Order without a timely appeal being filed; or, (b) in the event that one or more timely objections has/have been filed and not withdrawn, then the first business day upon the passage of the applicable 30-day period for an objector to seek appellate review of the Court's Final Approval Order, without a timely appeal having been filed; or, (c) in the event that a timely appeal of the Court's Final Approval Order has been filed, then the Settlement Agreement shall be Final when the applicable appellate courts have rendered a final decision or opinion affirming the Court's final approval without material modification, and a mandate has been entered (i.e., the applicable date for seeking further appellate review has passed without such further review being sought, or if such review is sought, the exhaustion thereof), such that the Final Approval Order is not subject to further adjudication, appeal, or review. In the event that the Court fails to approve the settlement, or if the appropriate appellate court fails to approve the settlement or if this Settlement Agreement is otherwise terminated: (a) this Settlement Agreement shall have no force and effect and the Parties shall be restored to their respective positions prior to entering into it, and no party shall be bound by any of the terms of the Settlement Agreement; (b) Defendants shall have no obligation to make any payments to the Settlement Class Members, Plaintiffs, Plaintiffs' Counsel, or the Settlement Administrator; (c) any Preliminary

Approval Order, Final Approval Order, or judgment, shall be vacated; and (d) the Settlement Agreement and all negotiations, statements, proceedings and data relating thereto shall be deemed confidential settlement communications and not subject to disclosure for any purpose in any proceeding. Notwithstanding the foregoing, in the event the Settlement Agreement becomes void, the Parties shall adhere to any agreements between them relating to the agreed-upon remand of the Action.

24. **Funding of Settlement:** Within 45 days of the Effective Date (“Funding Date”), Defendants shall initiate the transfer of the amount of the Settlement Fund to the Qualified Settlement Fund, an account specifically created by the Settlement Administrator for the administration of this settlement. Notwithstanding the foregoing, Defendants shall have no obligation to initiate the transfer of the amount of the Settlement Fund to the Qualified Settlement Fund until more than five (5) business days after the Settlement Administrator notifies Defendants in writing that it has established the Qualified Settlement Fund and provides: (a) wiring instructions to Defendants; and (b) a IRS form W9 for the Qualified Settlement Fund. Within 14 days of the Funding Date, the Settlement Administrator shall distribute the funds in accordance with the terms of this Settlement Agreement as approved by the Court, including: (a) settlement payments from the Net Settlement Fund to all Participating Class Members; (b) Plaintiffs’ Counsel’s attorneys’ fees and costs; (c) Plaintiffs’ service awards (conditioned on Plaintiffs executing and abiding by the Full Release of Claims attached as Exhibit D); and (d) the Settlement Administrator’s costs. Participating Class Members will have 120 days from the date of issuance to cash their settlement checks.

25. **Uncashed Funds:** “Uncashed Funds” are the funds associated with checks sent to Participating Class Members that remain uncashed and/or undelivered after the 120-day check cashing period referenced in Paragraph 24.

26. **Residual Funds:** “Residual Funds” shall mean any portion of the Settlement Fund remaining after payment of all approved Participating Class Member settlement awards, attorneys’ fees and costs, class representative service awards, and Settlement Administrator’s costs, including without limitation any amounts above the Five Thousand Dollar (\$5,000.00) per-claimant maximum referenced in Paragraph 17(b). One hundred percent (100%) of any Residual Funds shall be disbursed to the Legal Foundation of Washington pursuant to CR 23(f) to support activities and programs that promote access to the civil justice system for low-income residents of Washington State.

27. **Deadlines:** For purposes of this Settlement Agreement, if the prescribed time period in which to complete any required or permitted action expires on a Saturday, Sunday, or legal holiday (as defined by CR 6(a), such time period shall be continued to the following business day.

28. **Parties’ Authority:** The signatories hereto hereby represent that they are fully authorized to enter into this Settlement Agreement and bind the Parties hereto to the terms and conditions hereof.

29. **Mutual Full Cooperation:** The Parties agree to fully cooperate with each other to accomplish the terms of this Settlement Agreement, including but not limited to execution of such

documents and to take such other actions as may reasonably be necessary to implement the terms of this Settlement Agreement. The Parties shall use their best efforts, including all efforts contemplated by this Settlement Agreement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Settlement Agreement and the terms set forth herein. As soon as practicable after execution of this Settlement Agreement, and consistent with the terms hereof, Plaintiffs' Counsel shall, with the assistance and cooperation of Defendants and their counsel, take all necessary steps to secure the Court's preliminary approval of this Settlement Agreement.

30. **Publicity:** Following preliminary approval, information regarding the terms of settlement may be provided on a website maintained by the Settlement Administrator. Plaintiffs' Counsel represents that they have no present intention to publish or issue any press releases or public statements regarding the Action or Settlement except as expressly providing herein and/or in declarations submitted to the Court in support of motions for preliminary approval, final approval, for attorneys' fees/costs, and any other pleading filed with the Court in conjunction with the Settlement.

31. **Confidentiality:** Plaintiffs and their Counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiry or have any communication with the press about the Action, or the fact, amount or terms of the Settlement prior to the date that Plaintiffs file their motion for preliminary approval of settlement. Plaintiffs and Class Counsel agree that they will not engage in any advertising or distribute any marketing materials relating to the Settlement that identifies Defendants, including but not limited to any postings on any websites maintained by Class Counsel. Class Counsel shall be permitted to refer to the Settlement in connection with submitting declarations concerning adequacy in other cases by identifying the case name and case number, providing a general description of the case and resolution, and to confirm the fact that they were approved as Class Counsel. Nothing in this section prohibits Plaintiffs or any other current or former employee or applicant of Defendants from disclosing or discussing conduct, as defined by RCW 49.44.211, that they reasonably believe, under federal, state, or common law, constitutes a violation of a clear mandate of public policy, discrimination, harassment, retaliation, or a wage or hour infraction at work or a work-related event.

32. **Non-Disparagement:** Plaintiffs shall not defame or disparage Defendants and will not say or do anything that damages or impairs their business organization, goodwill, or reputation. In response to requests from Plaintiffs' potential employers Defendants will provide only Plaintiffs' dates of employment and titles (if applicable). This section also shall not preclude the Parties from responding truthfully to inquiries made by a state or federal agency, and/or in connection with any legal or governmental proceeding pursuant to a subpoena.

33. **No Prior Assignments:** The Parties each hereto represent, covenant, 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 rights herein released and discharged except as set forth herein.

34. **Construction:** The Parties hereto agree that the terms and conditions of this Settlement Agreement are the result of intensive, arm's-length negotiations between their

respective counsel. The Parties further agree that this Settlement Agreement shall not be construed in favor of, or against, any party by reason of the extent to which any Party, or his, hers, or its counsel, participated in the drafting of this Settlement Agreement.

35. **Captions and Interpretations:** Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Settlement Agreement or any provision hereof. Each term of this Settlement Agreement is contractual and not merely a recital.

36. **Attorneys' Fees and Costs:** The prevailing party in any dispute related to the enforcement of this Settlement Agreement shall be entitled to reasonable attorneys' fees and costs related to the dispute.

37. **Modification:** This Settlement Agreement may not be changed, altered, or modified, except in writing and signed by the Parties hereto, and approved by the Court. This Settlement Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties hereto.

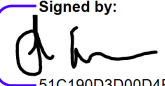
38. **Integration:** This Settlement Agreement, as well as any related agreements relating to the agreed-upon remand of the Action, contain the entire agreement between the Parties relating to the settlement and the transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

39. **Assigns:** This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors and assigns.

40. **Counterparts:** This Settlement Agreement may be executed in counterparts, and when each party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one Settlement Agreement, which shall be binding upon and effective as to all Parties.

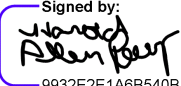
41. **Governing Law:** The Parties agree that Washington law governs the interpretation and application of this Settlement Agreement.

Dated: 6/1/2026 | 5:45 PM PDT

Signed by:

51C190D3D00D4EB...

Plaintiff Joshua McClelland, individually and on behalf of
the Proposed Settlement Class

Dated: 6/1/2026 | 1:40 PM PDT

Signed by:

0032E2E1A6B540B...

Plaintiff Harold Allen Peery, individually and on behalf of
the Proposed Settlement Class

Dated: June 9, 2026

Signed by:
Stephan Oehler
EC422C5BA41D430...

Lily Transportation, LLC

By: Stephan Oehler

Its: CFO

Dated: June 9, 2026

Signed by:
Stephan Oehler
EC422C5BA41D430...

Lily Transportation Corp.

By: Stephan Oehler

Its: CFO