

SETTLEMENT AGREEMENT

I. Introduction.

This Settlement Agreement (“Agreement”) is hereby entered into by and between Best Parking Lot Cleaning Inc., a Washington Corporation, (“BPLC”) and the Named Plaintiff, Kris Hardie (“Plaintiff”), who is acting in his capacity as the Class Representative for the Class as defined herein and as certified in the class action entitled *Hardie v. Best Parking Lot Cleaning, Inc.*, King County Superior Court Civil Case No. 17-2-27730-4 KNT (the “Case”).

II. Class Certified.

On December 14, 2018, the following class was certified: “All Employees who have worked as non-exempt drivers for Defendant in Washington during the during the statutory period.”

III. Investigations and Due Diligence.

The Parties have extensively litigated this Case, including by arguing motions, conducting substantial discovery, and analyzing the facts and law during the nearly two years of prosecuting and defending the claims at issue. The Parties and their counsel have (a) interviewed and deposed witnesses, including many Class Members; (b) collected and analyzed extensive electronic and paper time records, payroll data, and other information concerning the composition of the Settlement Class and the merits and possible extent of Plaintiff’s claims and Defendant’s defenses; and (c) amply considered, analyzed and litigated their respective claims and defenses.

IV. Settlement Negotiations.

The Parties engaged in mediated settlement negotiations with The Honorable Sharon Armstrong (Ret.) of JAMS acting as the mediator (“Mediator”) on July 22, 2019. This all-day mediation resulted in the Parties’ counsel signing a CR 2A agreement on that date containing the essential terms of this Settlement. All of the Parties’ settlement negotiations have been conducted in good faith and at arm’s length. Through the Parties’ investigations and communications, the Parties have reached a class action settlement of this Case that they believe to be fair, adequate, and reasonable, and that Plaintiff and Class Counsel believe is in the best interest of the proposed Settlement Class. This Agreement memorializes the terms of the final Settlement agreed to by the Parties as the result of the mediated negotiations just described.

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

BPLC has denied and continues to deny each of the claims and contentions alleged by Plaintiff on his own behalf and on behalf of any members of the Class.

VI. Stipulated Settlement and Dismissal

The Parties agree, subject to the approval of the Superior Court, that this Case is hereby being compromised and settled on a class action basis pursuant to the terms and conditions outlined in this Agreement and that, if the Parties’ Settlement is finally approved by the Superior Court,

this Case shall be fully dismissed on the merits and with prejudice, subject to the following terms and conditions:

1. Definitions.

a. **“Effective Date”** means the date when both the Superior Court’s anticipated order approving the Settlement and dismissing this Case with prejudice (the “Final Order”) becomes final. For purposes of this subsection, the Superior Court’s Final Order “becomes final” upon the later of either (a) the expiration of the time for filing an appeal from the Final Order or for otherwise seeking appellate review; or (b) if an appeal is timely filed or other appellate review is sought, the date the Mandate or other final affirmance is issued by the appellate court affirming the Final Order.

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

c. **“Settlement Administrator”** means a third-party settlement administrator to be chosen by Class Counsel, subject to the Superior Court’s approval.

d. **“Settlement Class Period”** means the period from October 24, 2014 through the date the Superior Court enters an order preliminarily approving this Settlement.

e. **“Settlement Class”** or **“Settlement Class Members”** means all individuals who worked as non-exempt drivers for Defendant at any time during the Settlement Class Period, except those drivers who choose to opt-out of the Settlement after receiving notice of the Settlement as set forth below.

f. **“Proposed Settlement Class”** or **“Proposed Settlement Class Members”** means all Settlement Class Members as defined above including those drivers who choose to opt-out of the Settlement after receiving notice of the Settlement as set forth below.

g. The **“Notice of Settlement”** means the form attached hereto as **Exhibit A**.

h. The **“Initial Mailing Date”** is the date the Settlement Administrator first mails the Notice of Settlement approved by the Superior Court to all Proposed Settlement Class Members.

i. The **“Notice Deadline”** is thirty (30) days after the Initial Mailing Date.

j. **“Class Counsel”** means Rekhi & Wolk, P.S.

k. **“Class Fund”** means the aggregate, gross amount to be paid to the Settlement Class as Settlement Awards pursuant to this Settlement. Subject to approval by the Superior Court, the aggregate, gross amount paid to the Settlement Class as part of the Settlement of this Case shall be the Maximum Settlement Amount of One Million Two-Hundred and Fifty Thousand Dollars (\$1,250,000.00) minus the amounts approved by the Superior Court to be paid to the (a) Settlement Administrator for its fees and costs, (b) Class Counsel for their fees and costs, and (c) a Service Award to the Plaintiff.

l. **“Settlement Awards”** means the amounts to be paid to members of the Settlement Class pursuant to this Agreement, not including the Service Award as set forth below.

m. **“Service Award”** means the amount approved by the Superior Court to be paid to the Plaintiff as a service award in recognition of his efforts as the Named Plaintiff and Class Representative in prosecuting the Case. Subject to approval by the Superior Court, the amount paid to the Plaintiff for his service award shall be Seven Thousand Five Hundred Dollars (\$7,500).

n. **“Settlement Administration Expenses Award”** means the amount approved by the Superior Court to be paid to the Settlement Administrator for its fees and costs in processing the Settlement as detailed below. Subject to approval by the Superior Court, the maximum amount to be paid to the Settlement Administrator for the processing of the Settlement shall be eight thousand five hundred Dollars (\$8,500).

o. **“Attorneys’ Fees and Costs Award”** means the amount approved by the Superior Court to be paid to Class Counsel as attorneys’ fees and to reimburse them for their litigation costs in connection with their prosecution and settlement of the Case. Subject to approval by the Superior Court, the amount to be paid to Class Counsel as attorneys’ fees is 30% of the Maximum Settlement Amount or Three Hundred Seventy-Five Thousand Dollars (\$375,000.00). Actual costs will be awarded in addition to the attorney’s fees. The costs accrued by Class Counsel to date is \$46,217.57. Plaintiff anticipates total costs through settlement will not exceed \$50,000 (exclusive of the costs of the settlement administrator.)

p. **“Maximum Settlement Amount”** means the maximum amount Defendants may be required to pay pursuant to this Settlement, which is the sum of One Million Two-Hundred and Fifty Thousand Dollars (\$1,250,000.00), excluding any of Defendant’s share of FICA, FUTA, and other similar, mandatory employer-side payroll taxes. In no event shall the Maximum Settlement Amount exceed the foregoing sum.

2. **Release.** As of the Effective Date, the Settlement and this Agreement will constitute a full and final settlement, release, and waiver by the Plaintiff and all members of the Settlement Class as to Defendant and its predecessors, successors, affiliates, agents, employees, assigns, members, officers, directors and administrators of all claims that were brought in this Case based on the facts and claims alleged in the operative Complaint, including claims the Plaintiff and Class: were not paid at the correct prevailing wage; were not paid for all hours upon public projects at the prevailing wage rate; were not paid overtime correctly; were not provided with their mandated meal and rest breaks; were not paid for missed rest and meal breaks; were not paid for all hours that they worked; were not paid all wages owed to them upon termination; and penalties, enhancements, and attorneys’ fees and costs attendant to any such claims, for the Settlement Class Period.

The Parties agree that all previous opt-outs by Class members are hereby invalidated and void. Except to the extent that certain Class Members who previously opted-out and who again choose to timely and properly opt-out of this Settlement Agreement pursuant to the procedures set

forth herein, all Settlement Class Members waive their right to seek any form of appellate review over any order that is consistent with the terms of this Settlement Agreement.

3. Voiding the Settlement Agreement

If the Superior Court fails to approve the Maximum Settlement Amount, such failure shall render this entire Agreement void and unenforceable as to the Parties herein and all negotiations, statements and proceedings relating thereto shall be without prejudice to the rights of any Party, and neither this Agreement nor any ancillary documents shall be admissible into evidence in this Case or in any other action or proceeding.

4. Payment by Defendant.

Subject to the Superior Court's approval of the Settlement, Defendant agrees to deposit the Class Fund and the Court-approved Settlement Administrator Expenses Award, the Service Award, and the Attorneys' Fees and Costs Award, into a Qualified Settlement Fund ("QSF") set up by the Settlement Administrator for purposes of processing the Settlement and paying the Settlement Awards within 3 days of the Effective Date.

5. Calculation of Settlement Awards.

a. Subject to the Superior Court's approval, the calculations of gross (pre-tax) Settlement Awards for Settlement Class Members will be made by Class Counsel based on records that have been or will be submitted to Class Counsel by Defendant. Defendant affirms such records are accurate.

b. Class Counsel shall be responsible for calculating the gross amounts of the Settlement Awards for Settlement Class Members to conform with this Agreement. Settlement Class Members will be paid a pro rata share of the Class Fund based on Class Counsel's damages calculations, which take into account the hourly rates and number of hours worked by each proposed Settlement Class Member based on Defendant's records.

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

d. One-third (33 1/3 %) of each Settlement Award will be treated as wages and subject to normal payroll tax withholdings and payments, and these amounts shall be reported to the taxing authorities and the Settlement Class Members on IRS Forms W-2. Two-thirds (66 2/3%) of each Settlement Award will be treated as non-wages (penalties, enhancements, and prejudgment interest) on which there will be no tax withholding and for which IRS Forms 1099 (marked "Other Income") shall be issued to the taxing

authorities and Settlement Class Members. Except for mandatory employer-side payroll taxes, Plaintiff and Class Members agree, acknowledge and understand that they are responsible for any and all taxes that may be owed as a result of this Agreement.

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

6. Attorneys' Fees and Costs Award.

As part of seeking the Superior Court's final approval of this Settlement, Class Counsel will apply to the Superior Court for an Attorneys' Fees Award of no more than Three Hundred Seventy-Five Thousand Dollars (\$375,000.00). Class Counsel will also seek an award to reimburse them for their actual costs incurred in prosecuting this Case.

7. Service Award.

Subject to approval by the Superior Court, in addition to a Settlement Award to be paid to Plaintiff, computed as described above, Plaintiff shall receive a separate Service Award, which will be treated as non-wages, on which there will be no payroll tax withholdings and for which an IRS Form 1099 (marked "Other Income") shall be issued to the taxing authorities and Plaintiff. Subject to approval by the Superior Court, the Service Award to the Plaintiff shall be in the amount of Seven Thousand and Five Hundred Dollars (\$7,500.00).

8. Settlement Administration.

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

b. The Settlement Administrator will perform the foregoing duties based on data provided by Class Counsel and Defendant, which data shall be presumed to be correct. In addition to the data described herein, Defendant shall, within seven (7) days after this Agreement is preliminarily approved by the Superior Court, provide the Settlement Administrator with an Excel spreadsheet containing the following information for each member of the Settlement Class: name, last known address, last known email address (if any), and social security number and dates of employment. Other data will be provided, upon request from the Class Counsel or Settlement Administrator, as reasonably necessary. All such data shall be treated as private and confidential and the Settlement Administrator

and Class Counsel shall not use or disclose any such data to any persons or entities except as required by this Settlement, law or Court Order.

c. The Settlement Administrator shall also have the responsibility to determine any Proposed Settlement Class Member's eligibility for a Settlement Award (i.e., to determine whether any Proposed Settlement Class Member is a Settlement Class Member). Each proposed Settlement Class Member who previously submitted an opt-out form after the Class was certified will be part of the proposed Settlement Class, unless the proposed Settlement Class Member timely and properly opts-out of this Settlement Agreement as set forth below. All proposed Settlement Class Members who did not previously opt out will be a Settlement Class Member and entitled to a Settlement Award.

d. Within fourteen (14) days after the Notice Deadline, the Settlement Administrator shall provide Defendant and Class Counsel with (1) an electronic report setting forth the names and identities of all proposed Settlement Class Members who submitted a valid and timely opt out in conformity with this Agreement; (2) an electronic report setting forth the names and identities of all Settlement Class Members who did not submit a valid and timely opt out; (3) copies of all opt outs returned or received (including envelopes); and (4) copies of all objections returned or received. Defendant and Class Counsel shall be entitled to review the eligibility determinations made by the Settlement Administrator for compliance with the terms of this Agreement. The Settlement Administrator shall retain the originals of all Opt-Out statements returned, along with their envelopes, and objections received. Defendant and Class Counsel shall have ten (10) days after receiving the electronic report and related documentation from the Settlement Administrator to challenge the eligibility determination in writing directed to the Settlement Administrator. Within five (5) days after a submitting such concerns to the Settlement Administrator, the Parties shall meet and confer to resolve any disputes relating to eligibility determinations. In the event the Parties are unable to reach resolution as to any such disputes, the Parties shall submit their respective positions in writing to the Mediator, who shall make the final decision regarding the subject eligibility determinations. Thereafter, the Settlement Administrator shall provide the final results of the eligibility determinations to Defendant and Class Counsel, which results will include the names and identities of all Settlement Class Members and the identity of all individuals who opted out of the Settlement.

e. As part of seeking the Superior Court's final approval of this Settlement, Class Counsel will apply to the Superior Court for a Settlement Administration Expenses Award of no more than eight thousand five hundred Dollars (\$8,500). The costs, fees and expenses incurred by the Settlement Administrator in administering this Settlement shall be paid from the Settlement Administration Expenses Award approved by the Court.

f. Within 3 (three) days of receiving the funds from Defendant after the Effective Date, as set forth above, the Settlement Administrator shall disburse to itself the Settlement Administrator Expenses Award, and shall likewise disburse to Class Counsel the Attorneys' Fees and Costs Award, however, disbursement of Attorneys' Fees and Costs shall not occur before January 1, 2020, unless agreed upon by the parties.

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

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

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

b. For purposes of this Settlement, Class Counsel will ask the Superior Court to enter an order approving the Proposed Settlement Class, preliminarily approving the Settlement and this Agreement, approving Notice of Settlement to the Class, and setting a date for a Fairness Hearing to determine whether the Court will grant final approval of the Settlement and this Agreement (the "Preliminary Approval Order").

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

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

(2) The Notice of Settlement shall provide that Proposed Settlement Class Members who wish to object to the Settlement must submit to the Settlement Administrator a written statement objecting to the Settlement. Such written statement must be postmarked or delivered to the Settlement Administrator on or before the Notice Deadline.

(3) The Notice of Settlement will provide those Proposed Settlement Class Members who previously opted-out with an opportunity to be part of the Settlement or to opt-out of the Settlement. In order to opt-out of the Settlement, those proposed Settlement Class Members must send a letter to the Settlement Administrator by or before the Notice Deadline identifying themselves and stating that they understand they are choosing to not receive the payment awards estimated in the Notice and that the Class Fund will retain that amount that would have been paid to them. They must also affirm that they were not encouraged or coerced by the Defendant, or its agents, owners, or employees, to opt-out of the settlement. Those proposed Settlement Class Members who previously opted-out of the Class but who fail to properly opt-out of the Settlement on or before the Notice Deadline shall be deemed Settlement Class Members and shall be bound by all terms of the Settlement and shall receive a portion of the Class Fund as his or her Settlement Award.

(4) The Notice of Settlement shall also advise Settlement Class Members that they need do nothing in order to receive a Settlement Award.

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

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

f. No later than twenty one (21) days after the Notice Deadline, Class Counsel must file with the Superior Court a supplemental memorandum in support of final approval of the Settlement to inform the Court of any Proposed Settlement Class Members who opted out of the Settlement, to provide the Court with copies of all written objections received from any Settlement Class Member with copies of their envelopes, and to respond to any objections to the Settlement.

g. Subject to the Superior Court's availability and direction but no sooner than twenty-eight (28) days after the Notice Deadline, a Fairness Hearing shall be held for the Superior Court to determine whether to grant final approval of the Settlement, including Class Counsel's Attorneys' Fees and Costs Award, the Settlement Administration Expenses Award, and the Service Award to the Plaintiff. If the Superior Court finally approves the Settlement, the Parties will promptly and jointly ask the Superior Court to enter a Final Order dismissing the Case with prejudice and without an award of attorneys' fees, expenses or costs to any Party except as provided herein.

h. After entry of the Final Order, the Superior Court shall have continuing jurisdiction solely for the purposes of enforcement of the Settlement Agreement and addressing (a) settlement administration matters, and (b) such post-Final Order matters as may be appropriate under Court rules.

i. Within three (3) days after the Effective Date, Defendant shall also deposit the Class Fund with the Settlement Administrator. At that same time, Defendant will also transfer into the QSF an amount equal to the estimated employer share of the payroll taxes required on the W-2 payments made to Class Members (including employer's share of FICA, Medicare, FUTA (if applicable), and any other employer-paid, federal, Washington state, or local requirements) as estimated by the Settlement Administrator. Thereafter, if there is any dispute relating to the amount needed for the employer share of required payroll taxes, the Parties and Settlement Administrator shall confer within five (5) days to resolve this dispute. In the event they are unable to reach resolution of any such dispute, the Parties shall submit their respective positions in writing to the Mediator, who shall make the final decision regarding the amount required for the employer share of payroll taxes. The QSF

will hold all funds transferred by Defendant pending the issuance of the Settlement Awards to Settlement Class Members.

j. The Settlement Administrator shall issue Settlement Award checks within fourteen (14) days of the Effective Date, and mail the same, along with the Forms W-2 and 1099 to each Settlement Class Member. There shall be two Settlement Award checks for each Settlement Class Member: one check for wages and one check for non-wages (penalties, enhancements, and prejudgment interest). The Settlement Administrator shall withhold and pay to the appropriate taxing authority(ies), all federal, Washington state, and local withholding taxes from each check for wages, and shall issue appropriate IRS Forms W-2 for each check for wages. The non-wages (penalties, enhancements, and prejudgment interest) check shall not be subject to withholdings and shall be reported on an IRS Form 1099 (marked "Other Income") issued by the Settlement Administrator. Using the funds transferred into the QSF by Defendant for the employer share of the payroll taxes required on the W-2 payments, the Settlement Administrator will also pay all of the required employer share of payroll taxes in connection with issuing the wage checks to Settlement Class Members, including the employer's share of FICA, Medicare, FUTA (if applicable), and any other employer-paid, federal, Washington state, and local requirements. If there is an overpayment of employer's share of employer-paid taxes, then the Settlement Administrator shall return such overpayment to Defendant, not more than fourteen (14) days after payment of the employer's share of taxes.

k. No later than one hundred sixty (160) days after the Settlement Administrator issues the Settlement Award checks, Class Counsel shall file a Satisfaction of Final Order confirming that the payments required by the Final Order have been made and that no further actions are needed to comply with the Final Order. This shall terminate the Court's jurisdiction over the Case.

Should any Settlement Award checks be returned as undeliverable without a forwarding address, the Settlement Administrator will perform a reasonable "skiptrace" search using the National Change of Address database to obtain an updated address and, if located, shall make a second attempt at mailing the Settlement Award checks. The Settlement Administrator shall mail any Settlement Class Member his or her Settlement Award checks if he or she contacts the Settlement Administrator and provides a correct mailing address within ninety (90) days after the initial distribution of the Settlement Award checks. If contacted by a Settlement Class member about the Settlement Award checks, Defendant shall instruct the member to contact the Settlement Administrator or Class Counsel. No later than one hundred twenty (120) days after the initial distribution of the Settlement Award checks, the Settlement Administrator shall provide both Parties with an accounting indicating which funds have been distributed to Settlement Class Members and which, if any, checks to Settlement Class Members have not been cashed by that time. At this same time, the Settlement Administrator shall also provide Defendant with copies of all IRS Forms W-2 and IRS Forms 1099 documents issued in connection with the payment of the Settlement Awards, and any other tax documentations reasonably required by Defendant. In the event any QSF funds have not been distributed by one hundred twenty (120) days after the initial distribution of the Settlement Award checks, or any checks mailed to Settlement Class Members have not been negotiated within one hundred eighty (180) days after distribution of the Settlement Award checks, such funds shall be considered Residual Funds. These Residual Funds will be

distributed, equally, to the Legal Foundation of Washington and the Fair Work Center by the Settlement Administrator. Defendant will not receive funds from any uncashed checks.

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

10. No Effect on Employee Benefits.

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

11. Miscellaneous Provisions.

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

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

c. If a party raises a dispute or disagreement to the Superior Court or Mediator for resolution pursuant to this process agreed upon in this contract, the substantially prevailing party shall be entitled to reasonable attorney's fees and costs.

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

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

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

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


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

i. The Parties agree that if a Class Member contacts either Party about the settlement of the class claims, the Parties will refer that individual to Class Counsel. With regards to the settlement, Defendant, its owners and agents, can only state to proposed Settlement Class Members that: (1) a settlement for this action has been reached, but that it must still be approved by the Court, (2) if the proposed Settlement Class member has any questions, he or she should call Class counsel, and (3) Defendant can't say anything further.

IT IS SO AGREED.

COUNSEL FOR PLAINTIFF AND PROPOSED CLASS COUNSEL

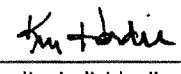
REKHI & WOLK, P.S.



Hardeep S. Rekhi
Gregory Wolk
Counsel for Named Plaintiff and Proposed Class Counsel

Dated: 8/27/2019

PLAINTIFF AND PROPOSED CLASS REPRESENTATIVES

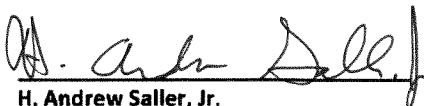


By: Kris Hardie, individually and on behalf of the Settlement Class

Dated: 08/27/2019

COUNSEL FOR DEFENDANT

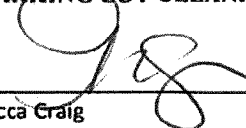
VANDEBERG JOHNSON & GANDARA, LLP



H. Andrew Saller, Jr.

Dated: 8/27/19

DEFENDANT BEST PARKING LOT CLEANING INC.



By: Rebecca Craig
Its: President

Dated: 8/27/19

EXHIBIT A
NOTICE OF
SETTLEMENT

SUPERIOR COURT FOR THE STATE OF WASHINGTON
IN AND FOR KING COUNTY
CASE NO. 17-2-27730-4 KNT

We estimate you are entitled to \$XXXX as part of a Class Action Settlement on behalf of drivers employed by Best Parking Lot Cleaning Inc. at any time between October 24, 2014 and Preliminary approval date.
Please carefully read this notice. It affects your rights.

This is a court-ordered notice. This is not a solicitation from a lawyer.

- A former driver employee, Kris Hardie, (“Plaintiff”) has sued Best Parking Lot Cleaning Inc. (“Defendant”) based on alleged violations of Washington state wage and hour laws.
- Plaintiff represents all drivers who Defendant employed at any time from October 24, 2014 until Preliminary approval date.
- The Parties have agreed to a Settlement Agreement whereby Defendant has agreed to pay \$1,250,000 to settle this action with the Class.
- The Court presiding over this case has issued a preliminary order approving the Settlement Agreement affecting the Plaintiff and the Class members in this case.
- Your legal rights are affected whether you act or don’t act. Please read this notice carefully.
- The Parties and the Court have invalidated all previous opt-outs from the Class. If you want to opt-out of the Settlement, you must timely submit an opt-out from the Settlement as described below. You cannot be retaliated against for choosing to stay in this lawsuit.
- If you do nothing and you will receive an award estimated above.

BASIC INFORMATION

1. Why did I get this notice?

Defendant’s records show that you worked for Defendant as a driver at any time between October 24, 2014 and Preliminary approval date.

This notice explains that the Court has preliminarily approved a Settlement Agreement of a class action lawsuit that may affect you. You have legal rights and options that you may exercise before the settlement is finalized.

The lawsuit is known as *Hardie v. Best Parking Lot Cleaning Inc.*, Case No. 17-2-27730-4 KNT.

2. What is a class action and who is involved?

In a class action lawsuit, one or more people called “Class Representatives” (in this case, Kris Hardie) sue on behalf of other people who have similar claims. The people and the Class Representatives together are called a “Class” or “Class Members.” The Class Members are also called the Plaintiffs. The company they sued (in this case Best Parking Lot Cleaning Inc.) is called the Defendant. One court resolves the issues for everyone in the Class—except for those people who choose to exclude themselves from the Class.

In this class action, about 80 drivers previously chose to opt-out of the lawsuit. As part of the settlement, the Parties and the Court have invalidated all previous opt-outs. If you are a driver who previously opted-out and you now want to opt-out of the Settlement Agreement, then you must do so in writing. Only those drivers who previously opted-out may choose to opt out now.

3. What is this lawsuit about?

The Class Representative claims Defendant has violated Washington laws by: (1) failing to provide rest and meal breaks to Class Members, (2) failing to pay Class Members for missed rest and meal breaks, (3) failing to properly pay Class Members for all overtime hours worked, (4) failing to pay Class Members at the proper rate for prevailing wage work, (5) failing to pay Class Members for all their work, (6) failing to pay all wages to Class Members that were owed to them upon termination, and (7) willfully refusing to pay any and all of the above wages owed to Class Members.

Defendant denies the above allegations.

More information about Washington state wage and hour laws and employee rights can be found at the website of the Washington State Department of Labor and Industries, www.lni.wa.gov/WorkplaceRights/.

4. Why is there a settlement?

The Court did not decide in any party's favor. Instead, both sides agreed to a settlement. This allows the parties to avoid the cost of a trial, and assure the people affected will be entitled to compensation. The Class Representative and his attorneys think the settlement is best for all Class Members. Defendant has not admitted fault or that it violated any laws but it and its attorneys agree that a settlement is in all parties' best interests at this time.

5. What Claims are Resolved?

The settlement will resolve all claims and allegations made on behalf of Class Members against Defendant in the complaints filed against it in the lawsuit regarding Defendant's alleged violation of Washington's laws related to employee compensation.

The settlement will resolve all alleged violations that occurred at any time between October 24, 2014 and the Preliminary approval date.

6. What are the basic terms of the Settlement?

Subject to Court approval, the essential terms of the settlement are as follows:

Maximum Settlement Amount: Defendant has agreed to pay a maximum amount of \$1,250,000. After deducting certain amounts, identified below and subject to Court approval, the remaining funds (the "Class Fund") will be distributed to those Class Members who do not opt out of the Settlement as compensation for releasing their claims as described below.

Settlement Administrator: The settlement requires CPT Group to act as and effectuate the duties of the Settlement Administrator in accordance with this Settlement Agreement. Plaintiff will ask the Court to approve the payment of fees, costs, and other charges imposed by the Settlement Administrator in an amount not to exceed \$8,500.00.

Class Representative Service Award: Plaintiff will ask the Court to approve a service award to the Class Representative to compensate him for his time and efforts. If approved, the award will be \$7,500.

Attorney's Fees and Costs: Class Counsel have been working on this case for nearly two years but have not received any fees or reimbursements for the costs of the lawsuit. Plaintiff will ask the Court to approve payment of 30% of the Maximum Settlement Amount (\$375,000) to Class Counsel for their fees and at least \$46,217.50 but not to exceed actual costs to reimburse them for out-of-pocket litigation costs they have incurred to prosecute this lawsuit. Class Counsel anticipates that total costs will not exceed \$50,000.

Employer-Side Taxes: The Maximum Settlement Amount does not include the amounts Defendant will pay as employer-side taxes to be paid in relation to the wage portions of the Class Member awards.

Distribution of Settlement Fund: The Settlement Administrator will make payments directly to Class Members. If you have recently moved or plan to move within the next 90 days, please provide an updated address by contacting Class Counsel or the Settlement Administrator. Their contact information is provided below.

Tax Treatment of Settlement Awards: One-third (33 1/3%) of each Class Member's settlement award will be treated and reported to government taxing authorities as wages and subject to normal payroll tax withholdings and payments. Two-thirds (66 2/3%) of each Class Member's share will be treated and reported to government taxing authorities as non-wage damages and interest on which there will be no tax withholding taken prior to payment. You should consult with a tax advisor as to your tax liability arising from the award received. **You alone will be responsible for any additional taxes owed to the appropriate governmental agency.**

Release of Claims: Upon final approval by the Court, Class Members who do not opt out of the Settlement will release Defendant from all claims and allegations that have been brought and made against it. This releases Defendant for liability related to any and all past or present claims, causes of action, damages, interest, exemplary damages, attorneys' fees, costs, expenses, and injuries of every kind, nature and description that accrued during the period from October 24, 2014 until Preliminary approval date and that are based on the allegations Plaintiff has made in this Action, as more fully described in the Settlement Agreement.

For a full copy of the Settlement Agreement please visit: [\[Settlement Administration website/Rekhi Wolk Website\]](#)

Dismissal of Action: Upon final approval of the settlement, the Court will dismiss the lawsuit with prejudice but will retain jurisdiction to enforce the terms of the settlement.

7. How can I get a payment?

If you do nothing a payment will be mailed to you at your address on record.

The Settlement Administrator shall distribute to Class Members their pro rata share of the Class Fund based on Class Counsel's damages calculations, which take into account their hourly rates and number of hours worked, based on wage and hour data from Defendant.

8. When will I get my payment?

The Court will hold a hearing on at a.m. to decide whether to approve the settlement. If the Court approves the settlement, the parties will then have to wait to see whether there is an appeal. This will take at least 30 days and, if there is an appeal, can take up to a year or more to resolve. In the event of an appeal, information regarding the appeal's progress will be posted at [www](#). If there is no appeal, we expect payments will go out within 45 days of the Court's approval of the settlement. Please be patient. You will have 120 days from the date the check is issued to cash it. Unclaimed funds will be distributed equally to the Legal Foundation of Washington and the Fair Work Center.

9. Do I have a lawyer in this case?

The Court has decided that lawyers from Rekhi & Wolk, P.S. are qualified to represent you and all Class Members and has approved them to do so. These lawyers are called "Class Counsel." You will not be separately charged for these lawyers; they will be compensated for their time and reimbursed for their costs out of the settlement fund in whatever amounts are approved by the Court. If you want your own lawyer, you may hire one at your own expense.

10. What can I do if I don't like the settlement?

If you don't like the settlement, you can object to it. If you previously opted out as a Class Member, you can opt out of the settlement.

If you wish to opt-out you will not receive your estimated funds, they will be distributed to other Class Members as part of the Class Fund. Only those people who previously opted-out of the Class may opt-out of the Settlement.

To opt-out of the Settlement: 1) you must do so in writing; 2) you must state that you understand you are choosing to not receive a payment award estimated in this notice, 3) you must state that you understand that the amount of the payment award that would have been paid to you will be part of the money paid to other Class Members from the Class Fund, 4) you must attest that you were not encouraged or coerced by the Defendant, or its agents,

owners, or employees to opt-out of the settlement; and 5) you must mail your opt-out statement with your name and address to the Settlement Administrator. The Settlement Administrator must receive the above-described opt-out at the address provided in Topic 13 below no later than ____.

If you wish to object: 1) you must do so in writing; 2) you must state the reasons why you think the Court should not approve the settlement; and 3) you must mail your objection to both a) the Settlement Administrator and b) the King County Superior Court Clerk's Office, along with any supporting documentation that you wish the Court to consider. The objection must be received by the Settlement Administrator and the Clerk's Office at the addresses provided below no later than ____.

If you object, be sure to include your name, address, telephone number, and name of the case, *Hardie v. Best Parking Lot Cleaning Inc.*, Case No. 17-2-27730-4 KNT. The Court will consider your views. If you object and the settlement is approved, you will still receive a payment under the settlement. If you opt-out, you will not receive any funds and the amount of the payment award that would have been paid to you will be part of the money paid to other Class Members from the Class Fund.

Objections must be mailed to both the Settlement Administrator (see Topic 13) and the King County Clerk at the addresses below:

Maleng Regional Justice Center
401 Fourth Avenue North
Kent, WA 98032

11. When and where will the Court decide whether to approve the settlement?

The Court will hold a hearing regarding Final Approval of Class Action Settlement at _____:

Courtroom # ____
Maleng Regional Justice Center
401 Fourth Avenue North
Kent, WA 98032

At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. You do not have to come to the hearing.

12. How do I get more information?

DO NOT CONTACT DEFENDANT. You can contact Class Counsel. The lawyers representing the Class are:

Rekhi & Wolk, P.S.

By Internet: www.rekhiwolk.com
By Phone: 206-388-5887
By Mail: Rekhi & Wolk, P.S.
529 Warren Ave. N., Suite 201
Seattle, Washington 98109





13. What is the Contact information for the Settlement Administrator?

CPT Group

By Internet: www.
By Email: [xxxxxxx](mailto:)
By Phone: xxx-xxxx
By Mail: *Hardie v. Best Parking Lot Cleaning Inc.*, Settlement Administrator
[address line 1]
[address line 2]
Toll Free: _____

TITLE	[Corrected] FINAL Settlement Agreement
FILE NAME	2019.08.26 Revise...ement - Final.pdf
DOCUMENT ID	530cbffc9243b333d20e446fc31268f98579261b
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