SETTLEMENT AGREEMENT

This Settlement Agreement (the "Agreement") made this 20th day of September, 2024, by H.M. Kern Corporation ("H.M. Kern") and Montgomery County Schools ("MCS") (collectively, "Parties");

W I T N E S S E T H

WHEREAS, H.M. Kern, as a general contractor, entered into a contract with MCS dated January 26, 2021 (the "Contract") wherein H.M. Kern agreed to provide labor, materials and equipment needed for the construction of the Montgomery Central High School Field House project, in Troy, North Carolina (the "Project"); and

WHEREAS, MCS was the owner of the Project; and

WHEREAS, H.M. Kern claims that MCS has failed to pay H.M. Kern $71,840.00 pursuant to a change order, PCO-24, for the removal of existing stone, fine grade and compacting of the subgrade, and installing and compacting new stone to correct inaccurate elevations from existing conditions at the site (the "PCO-24 Claim"); and

WHEREAS, on July 23, 2024, MCS wrote to H.M. Kern requesting H.M. Kern to file for mediation to resolve the PCO-24 Claim, and on August 7, 2024, H.M. Kern filed a Request for Mediation with the American Arbitration Association to mediate the PCO-24 Claims (the "Mediation"); and

WHEREAS, the Parties have agreed to compromise and settle PCO-24 Claim and pending Mediation between them and enter into this Agreement.

NOW THEREFORE, for and in consideration of the mutual covenants and promises hereinafter set forth, H.M. Kern and MCS hereto agree as follows:

1. Settlement Payments. MCS shall pay to H.M. Kern the sum of fifty thousand dollars and 00/100 ($50,000.000 within fourteen (14) days of this Agreement (the "Settlement Payment").

2. Mediation. H.M. Kern shall, within five (5) days of MCS signing this Agreement and making the Settlement Payment, advise AAA the matter has been resolved.

3. For and in consideration of the above payment and other good and valuable consideration, the Parties on behalf of themselves and their parent and subsidiary corporations, insurers, predecessors, successors, assigns, officers, directors, affiliates, members, agents and employees, do hereby remises, releases, acquits and forever discharges each other and their parent and subsidiary corporations, predecessors, successors, assigns, officers, directors, affiliates, members, agents and employees and the sureties and insurers, of and from every and any and all manner of action and actions and cause and causes of action, suits, debts, dues, sums of money, damages, judgments, liens, notices of claims of liens on funds, claims of lien on real property, bonds, claims and demands, and any and all consequential damages, punitive damages or statutory penalties whatsoever, including, by way of illustration and not limitation, all costs and expenses, including attorney's fees, whether known or unknown and whether presently existing or existing hereafter, which they now have or have had or shall hereafter have for, by reason of, related to or arising out of the PCO-24 Claim and the Mediation.

4. The Parties agree that they have executed this Agreement on their own knowledge and their own investigation of the facts, and that this Agreement is not executed in reliance upon any statement of any person connected with, representing or represented by any of the entities hereby

released.

5. The Parties further acknowledge and agree that this Agreement is a compromise of doubtful and disputed claims, and the payment and the releases specified herein are not to be construed as an admission of liability on the part of any of the Parties, which all expressly deny any such liability.

6. Each party declares that it has carefully read this Agreement, that it has been fully advised in connection with this Agreement by legal counsel of its own choice, that this Agreement has been fully explained to it prior to its execution and that it understand its terms and legal effect, and it signs this Agreement of its own free act.

7. Each party has had the opportunity to participate in the drafting of this Agreement, which is the result of negotiations. It is, therefore, specifically agreed that, in the event of any dispute with respect to the proper interpretation of any term of this Agreement, neither Party shall be deemed to be the drafter.

8. This Agreement contains the Entire Agreement between the Parties and the terms hereof are contractual in nature and not merely recitals and shall not be modified or amended except by written instruments signed by H.M. Kern and MCS or their representatives.

9. This Agreement may be executed simultaneously in one or more counterparts and may be executed electronically and exchanged by email. Each such counterpart shall be deemed to be an original instrument, but all such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Agreement to be entered into and executed by the properly authorized individuals with full authority of their respective organizations.

H.M. KERN CORPORATION

By: _____
Title: _____

MONTGOMERY COUNTY SCHOOLS

By: _____
Title: _____