

<p style="text-align: center;">Form 5500</p> <p style="font-size: small;">Department of the Treasury Internal Revenue Service</p> <hr/> <p style="font-size: small;">Department of Labor Employee Benefits Security Administration</p> <hr/> <p style="font-size: x-small;">Pension Benefit Guaranty Corporation</p>	<p>Annual Return/Report of Employee Benefit Plan</p> <p style="font-size: small;">This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).</p> <p>▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	<p style="font-size: x-small;">OMB Nos. 1210-0110 1210-0089</p> <hr/> <p style="font-size: large; font-weight: bold;">2024</p> <hr/> <p style="font-weight: bold;">This Form is Open to Public Inspection</p>
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Part I Annual Report Identification Information
 For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

A This return/report is for: a multiemployer plan a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.)

a single-employer plan a DFE (specify) _____

B This return/report is: the first return/report the final return/report

an amended return/report a short plan year return/report (less than 12 months)

C If the plan is a collectively-bargained plan, check here. ▶

D Check box if filing under: Form 5558 automatic extension the DFVC program

special extension (enter description)

E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ▶

Part II Basic Plan Information—enter all requested information

<p>1a Name of plan <u>MOUNTAIN HARDWARE AND SPORTS EMPLOYEE STOCK OWNERSHIP PLAN</u></p>	<p>1b Three-digit plan number (PN) ▶ <u>003</u></p>
<p>2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>MOUNTAIN HARDWARE AND SPORTS, INC.</u></p> <p><u>11320 DONNER PASS RD</u> <u>TRUCKEE, CA 96161-4963</u></p>	<p>1c Effective date of plan <u>01/01/2001</u></p> <p>2b Employer Identification Number (EIN) <u>94-2605582</u></p> <p>2c Plan Sponsor's telephone number <u>530-587-4844</u></p> <p>2d Business code (see instructions) <u>451110</u></p>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/12/2025	MATTHEW OLSON
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor	3b Administrator's EIN	
	3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN	
	4d PN	
5 Total number of participants at the beginning of the plan year	5	166
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6a(1)	93
	6a(2)	90
	6b	23
	6c	60
	6d	173
	6e	2
	6f	175
	6g(1)	166
	6g(2)	175
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
2I 2P 2Q 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) <input type="checkbox"/> Insurance	(1) <input type="checkbox"/> Insurance
(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts	(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts
(3) <input checked="" type="checkbox"/> Trust	(3) <input checked="" type="checkbox"/> Trust
(4) <input type="checkbox"/> General assets of the sponsor	(4) <input type="checkbox"/> General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) **R** (Retirement Plan Information)
- (2) **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary
- (4) **DCG** (Individual Plan Information) – Number Attached _____
- (5) **MEP** (Multiple-Employer Retirement Plan Information)

b General Schedules

- (1) **H** (Financial Information)
- (2) **I** (Financial Information – Small Plan)
- (3) **A** (Insurance Information) – Number Attached _____
- (4) **C** (Service Provider Information)
- (5) **D** (DFE/Participating Plan Information)
- (6) **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) Yes No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) Yes No

11c Enter the Receipt Confirmation Code for the 2024 Form M-1 annual report. If the plan was not required to file the 2024 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2024 This Form is Open to Public Inspection
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024	
A Name of plan MOUNTAIN HARDWARE AND SPORTS EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ▶ 003
C Plan sponsor's name as shown on line 2a of Form 5500 MOUNTAIN HARDWARE AND SPORTS, INC.	D Employer Identification Number (EIN) 94-2605582

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

		(a) Beginning of Year	(b) End of Year
Assets			
a Total noninterest-bearing cash	1a	4295	4864
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	569	0
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	10020	10413
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)	11727047	11229573
(2) Employer real property.....	1d(2)		
e Buildings and other property used in plan operation.....	1e		
f Total assets (add all amounts in lines 1a through 1e).....	1f	11741931	11244850
Liabilities			
g Benefit claims payable.....	1g		
h Operating payables.....	1h		
i Acquisition indebtedness.....	1i	816140	575775
j Other liabilities.....	1j		
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	816140	575775
Net Assets			
l Net assets (subtract line 1k from line 1f).....	1l	10925791	10669075

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers.....	2a(1)(A)	658783	
(B) Participants.....	2a(1)(B)		
(C) Others (including rollovers).....	2a(1)(C)		
(2) Noncash contributions.....	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		658783
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	483	
(B) U.S. Government securities.....	2b(1)(B)		
(C) Corporate debt instruments.....	2b(1)(C)		
(D) Loans (other than to participants).....	2b(1)(D)		
(E) Participant loans.....	2b(1)(E)		
(F) Other.....	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		483
(2) Dividends:			
(A) Preferred stock.....	2b(2)(A)		
(B) Common stock.....	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents.....	2b(3)		
(4) Net gain (loss) on sale of assets:			
(A) Aggregate proceeds.....	2b(4)(A)		
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result.....	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets:			
(A) Real estate.....	2b(5)(A)		
(B) Other.....	2b(5)(B)	-497474	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		161792

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	381429	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)	36219	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		417648
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Recordkeeping fees	2i(3)		
(4) IQPA audit fees	2i(4)		
(5) Investment advisory and investment management fees	2i(5)		
(6) Bank or trust company trustee/custodial fees	2i(6)	860	
(7) Actuarial fees	2i(7)		
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses	2i(11)		
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		860
j Total expenses. Add all expense amounts in column (b) and enter total	2j		418508

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-256716
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) Unmodified (2) Qualified (3) Disclaimer (4) Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) DOL Regulation 2520.103-8 (2) DOL Regulation 2520.103-12(d) (3) neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **CAMPBELL TAYLOR WASHBURN**

(2) EIN: **68-0251243**

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1) This form is filed for a CCT, PSA, DCG or MTIA. (2) It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
e Was this plan covered by a fidelity bond?	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? Yes No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) Yes No Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2024 This Form is Open to Public Inspection.
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

A Name of plan <u>MOUNTAIN HARDWARE AND SPORTS EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ▶	<u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>MOUNTAIN HARDWARE AND SPORTS, INC.</u>	D Employer Identification Number (EIN) <u>94-2605582</u>	

Part I	Distributions
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All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....

1		0
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2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):
EIN(s): 33-6134835

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....

3	
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Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
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4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? Yes No N/A
If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a	
b Enter the amount contributed by the employer to the plan for this plan year	6b	
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c	

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline?..... Yes No N/A

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? Yes No N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... Increase Decrease Both No

Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? Yes No

11 a Does the ESOP hold any preferred stock? Yes No

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) Yes No

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? Yes No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. Complete as many entries as needed to report all applicable employers.

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: <input type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment).....	14a	
b The plan year immediately preceding the current plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	14b	
c The second preceding plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	14c	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....	16b	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment

19 If the total number of participants is 1,000 or more, complete lines (a) and (b):

a Enter the percentage of plan assets held as:
 Public Equity: _____% Private Equity: _____% Investment-Grade Debt and Interest Rate Hedging Assets: _____%
 High-Yield Debt: _____% Real Assets: _____% Cash or Cash Equivalents: _____% Other: _____%

b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets:
 0-5 years 5-10 years 10-15 years 15 years or more

20 PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? Yes No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:
 Yes.
 No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.
 No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.
 No. Other. Provide explanation: _____

Part VII IRS Compliance Questions

21a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? Yes No

21b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).
 Design-based safe harbor method
 "Prior year" ADP test
 "Current year" ADP test
 N/A

22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter ___/___/____ (MM/DD/YYYY) and the Opinion Letter serial number _____.

*Financial Statements and
Independent Auditor's Report of*

**MOUNTAIN HARDWARE AND SPORTS
EMPLOYEE STOCK OWNERSHIP PLAN**

December 31, 2024 and 2023



Campbell Taylor Washburn
Certified Public Accountants & Consultants

**MOUNTAIN HARDWARE AND SPORTS
EMPLOYEE STOCK OWNERSHIP PLAN**

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INDEPENDENT AUDITOR'S REPORT

To the Plan Trustees
Mountain Hardware and Sports Employee Stock Ownership Plan
Truckee, California

Opinion

We have audited the financial statements of Mountain Hardware and Sports Employee Stock Ownership Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits as of December 31, 2024 and 2023, and the related statements of change in net assets available for benefits for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2024, and 2023, and the changes in net assets available for benefits for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of a Matter – Common Stock Valuation

As disclosed in Note 2, the Plan is an Employee Stock Ownership Plan and invests in common stock of the Plan Sponsor valued at \$11,229,573 and \$11,727,047 as of December 31, 2024, and 2023, respectively. The fair value of Plan Sponsor common stock is determined by the Plan Trustees based on an annual valuation of the common stock prepared by an independent appraiser. However, because of the inherent uncertainty of the valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date that the financial statements are issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore there is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matter—Supplemental Schedule Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets held at end of year, as of December 31, 2024, is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the information in the accompanying schedule is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Campbell Taylor Washburn

An Accountancy Corporation

Roseville, California
October 8, 2025

**MOUNTAIN HARDWARE AND SPORTS
EMPLOYEE STOCK OWNERSHIP PLAN**

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2024 and 2023

	2024			2023		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
ASSETS:						
Investments, at fair value:						
Mountain Hardware and Sports, Inc.						
common stock	\$ 10,464,700	\$ 764,873	\$ 11,229,573	\$ 10,572,927	\$ 1,154,120	\$ 11,727,047
Money market fund	<u>10,413</u>	<u>-</u>	<u>10,413</u>	<u>10,020</u>	<u>-</u>	<u>10,020</u>
Total investments, at fair value	<u>10,475,113</u>	<u>764,873</u>	<u>11,239,986</u>	<u>10,582,947</u>	<u>1,154,120</u>	<u>11,737,067</u>
Employer contribution receivable	-	-	-	569	-	569
Non-interest bearing cash	<u>4,864</u>	<u>-</u>	<u>4,864</u>	<u>4,295</u>	<u>-</u>	<u>4,295</u>
Total assets	<u>10,479,977</u>	<u>764,873</u>	<u>11,244,850</u>	<u>10,587,811</u>	<u>1,154,120</u>	<u>11,741,931</u>
LIABILITIES:						
Loan payable	<u>-</u>	<u>575,775</u>	<u>575,775</u>	<u>-</u>	<u>816,140</u>	<u>816,140</u>
Total liabilities	<u>-</u>	<u>575,775</u>	<u>575,775</u>	<u>-</u>	<u>816,140</u>	<u>816,140</u>
Net assets available for benefits	<u>\$ 10,479,977</u>	<u>\$ 189,098</u>	<u>\$ 10,669,075</u>	<u>\$ 10,587,811</u>	<u>\$ 337,980</u>	<u>\$ 10,925,791</u>

The accompanying notes are an integral part of these financial statements.

**MOUNTAIN HARDWARE AND SPORTS
EMPLOYEE STOCK OWNERSHIP PLAN**

STATEMENT OF CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS
For the Year Ended December 31, 2024

	Allocated	Unallocated	Total
ADDITIONS TO NET ASSETS:			
Investment income (loss):			
Net depreciation in fair market value			
Mountain Hardware and Sports, Inc. common stock	\$ (448,530)	\$ (48,944)	\$ (497,474)
Allocation of 9,192 shares of			
Mountain Hardware and Sports, Inc. common stock	340,304	-	340,304
Interest income	483	-	483
Total investment loss	(107,743)	(48,944)	(156,687)
Employer contributions:			
Cash	382,198	276,585	658,783
Total additions, net	274,455	227,641	502,096
DEDUCTIONS FROM NET ASSETS:			
Benefits paid to participants	381,429	-	381,429
Interest expense	-	36,219	36,219
Administrative expenses	860	-	860
Allocation of 9,192 shares of			
Mountain Hardware and Sports, Inc. common stock	-	340,304	340,304
Total deductions	382,289	376,523	758,812
Net decrease	(107,834)	(148,882)	(256,716)
Net assets available for benefits, beginning of year	10,587,811	337,980	10,925,791
Net assets available for benefits, end of year	\$ 10,479,977	\$ 189,098	\$ 10,669,075

The accompanying notes are an integral part of these financial statements.

**MOUNTAIN HARDWARE AND SPORTS
EMPLOYEE STOCK OWNERSHIP PLAN**

STATEMENT OF CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS
For the Year Ended December 31, 2023

	Allocated	Unallocated	Total
ADDITIONS TO NET ASSETS:			
Investment income:			
Net appreciation in fair market value			
Mountain Hardware and Sports, Inc. common stock	\$ 145,365	\$ 21,471	\$ 166,836
Allocation of 9,185 shares of			
Mountain Hardware and Sports, Inc. common stock	355,097	-	355,097
Interest income	427	-	427
Total investment income	500,889	21,471	522,360
Employer contributions:			
Cash	922,609	276,585	1,199,194
Total additions, net	1,423,498	298,056	1,721,554
DEDUCTIONS FROM NET ASSETS:			
Benefits paid to participants	920,990	-	920,990
Interest expense	-	52,394	52,394
Administrative expenses	1,655	-	1,655
Allocation of 9,185 shares of			
Mountain Hardware and Sports, Inc. common stock	-	355,097	355,097
Total deductions	922,645	407,491	1,330,136
Net increase (decrease)	500,853	(109,435)	391,418
Net assets available for benefits, beginning of year	10,086,958	447,415	10,534,373
Net assets available for benefits, end of year	\$ 10,587,811	\$ 337,980	\$ 10,925,791

The accompanying notes are an integral part of these financial statements.

**MOUNTAIN HARDWARE AND SPORTS
EMPLOYEE STOCK OWNERSHIP PLAN**

NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1: **DESCRIPTION OF PLAN**

The following description of Mountain Hardware and Sports Employee Stock Ownership Plan (the “Plan”) provides only general information. Participants should refer to the Plan document for a complete description of the Plan's provisions.

General

The Plan is a defined contribution plan established on January 1, 2001, to provide benefits for the employees of Mountain Hardware and Sports, Inc. (the “Plan Sponsor”). The Plan is a leveraged Employee Stock Ownership Plan (ESOP) and is designed to comply with Sections 4975(e)(7) and 401(a) of the Internal Revenue Code of 1986, as amended (the “Code”), and is subject to applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan is administered by the Plan Sponsor and the Board of Trustees, whom are appointed by the Plan Sponsor’s Board of Directors. Two employees of the Plan Sponsor serve on the Plan’s Board of Trustees.

In 2013, the Plan purchased the remaining, outstanding shares of the Plan Sponsor’s common shares using the proceeds of borrowings from the Plan Sponsor and holds the stock in a trust established under the Plan. As the Plan makes debt payments of principal and interest, an appropriate percentage of stock is allocated to eligible employees’ accounts at the end of the year based on each participant’s eligible compensation in accordance with the applicable regulations under the Code.

The borrowings are collateralized by the unallocated shares of common stock and are guaranteed by the Plan Sponsor. The Plan Sponsor has no rights against shares of common stock once they are allocated to participants in accordance with the terms of the ESOP. Accordingly, the financial statements of the Plan as of December 31, 2024, and 2023 and for the years then ended, present separately the assets and liabilities and changes therein pertaining to (a) the accounts of employees with allocated common stock (allocated) and (b) common stock not yet allocated to employees (unallocated).

Plan Year

The Plan year begins January 1st and ends December 31st.

Eligibility

Employees of the Plan Sponsor are eligible to participate in the Plan after completing one year of service with at least 1,000 hours of service and obtaining the age of 21. Generally, participants must complete at least 1,000 hours of service during the Plan year, obtain the age of 21, and be employed as of the last day of the Plan year to be eligible for an allocation of the Plan Sponsor contributions for such year, although such conditions are waived for the Plan year in which the participant’s employment terminates due to death, disability, or normal retirement.

Contributions

Under the provisions of the Plan, participants are not permitted to make contributions to the Plan. The Plan Sponsor may make a contribution to the Plan equal to a discretionary amount to be determined by the Board of Directors of the Plan Sponsor. Plan Sponsor contributions may be made in cash, shares of Plan Sponsor common stock, or a combination of both. The Plan Sponsor must make a contribution in the amount necessary to discharge any indebtedness payable during the following plan year in connection with the financed purchase of Plan Sponsor common stock.

The Plan Sponsor elected to contribute \$658,783 and \$1,199,194 to the Plan for the years ended December 31, 2024, and 2023, respectively. Of these amounts, \$0 and \$276,585 for 2024 and 2023, respectively, were funded from S-corporation distributions to participants.

NOTE 1: DESCRIPTION OF PLAN (Continued)

Vesting

Participants vest in their benefits in accordance with the following schedule:

Less than 2 years of credited service	0%
2 years of credited service	20%
3 years of credited service	40%
4 years of credited service	60%
5 years of credited service	80%
6 or more years of credited service	100%

Participants become fully vested in the event of death, disability, normal retirement, or plan termination.

Payment of Benefits

Following termination of service, death, disability, or retirement, a participant may elect to receive a distribution based on the fair market value of the participant's vested account balance. Benefit payments are made in annual installments over five years, in a single-lump sum for vested balances less than \$10,000, or in two substantially equal annual installments for participants terminated due to disability.

Diversification

Participants have diversification rights that require the Plan to repurchase Plan Sponsor shares and allow the participant to purchase other qualified investments. A participant who has reached age 55 and has ten (10) years of service in the Plan may diversify up to 25% of their account balance during their first five years of eligibility, less any previously diversified shares, and up to 50% in the sixth year, less any previously diversified shares, of their vested balance.

Put Option

Under federal income tax regulations, the Plan Sponsor common stock that is held by the Plan and its participants, is not readily tradable on an established market, or is subject to trading limitations, and includes a put option. The put option is a right to demand that the Plan Sponsor buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the current appraised value of the stock. The Plan Sponsor can pay for the purchase with interest over a period of five years. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash. Since the Plan Sponsor is an S corporation, no participant has a right to demand distributions in the form of shares of the Plan Sponsor's common stock.

Participant Accounts and Allocations

Participant accounts are non-participant directed and are comprised of a Plan Sponsor common stock account and other investment account. Each eligible participant's account is credited with Plan Sponsor contributions, and if applicable, forfeitures, plan earnings, and plan expenses. Plan Sponsor contributions and Plan forfeitures are allocated to participant accounts based on the ratio of a participant's eligible compensation to total participants' eligible compensation, subject to Internal Revenue Service ("IRS") limitations. The Plan's earnings (losses) and Plan expenses are allocated to each participant's account in proportion to participant account balances.

Forfeitures

Any portion of the final balance in a participant's account which is not vested will become forfeited when the participant incurs a five-year break in service. Forfeitures are allocated to the accounts of eligible participants in the same ratio as Plan Sponsor contributions. Forfeitures allocated to participant accounts totaled \$90,548 and \$51,688 for the years ended December 31, 2024, and 2023. There were no unallocated forfeitures as of December 31, 2024, and 2023.

Normal Retirement

Normal retirement is the later of age 65 or the 5th anniversary of participation in the Plan.

NOTE 1: **DESCRIPTION OF PLAN (Continued)**

Plan Termination

Although it has not expressed any intent to do so, the Plan Sponsor has the right under the Plan to discontinue contributions and terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants will become 100% vested in their accounts.

Administrative Expenses

Administrative expenses of the Plan are paid by both the Plan and Plan Sponsor.

Plan Administration

The Plan is administered by the Plan Sponsor and Trustee (the “Board of Trustees”). The Board of Trustees has selected a third-party record keeper, Hawkins Parnell & Young, LLP, to assist in the administration of the Plan. The Plan’s assets other than shares of the Plan Sponsor’s common stock are held in accounts with Plumas Bank and Merrill Lynch. Plan Sponsor contributions are held by the trustee, who approves investment options, invests cash received, interest, and dividend income and makes distributions to participants.

Voting Rights

Shares of Plan Sponsor stock in the trust are voted by the Board of Trustees in a manner consistent with ERISA and the Code. With respect to certain corporate matters, each participant (or beneficiary) will be entitled to give confidential instruction to the Board of Trustees as to the voting of shares of Plan Sponsor common stock allocated to their ESOP stock account.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

The financial statements of the Plan are maintained on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Cash and Cash Equivalents

For financial statement purposes, the Plan considers all highly liquid assets with original maturities of three months or less to be cash or cash equivalents. The Plan maintains cash in bank deposit accounts which, at times, may exceed federally insured limits. The Plan has not experienced any losses in such accounts and believes it is not exposed to any significant risk on cash and cash equivalents.

Benefits

Benefits are recorded when paid.

Investment Valuation and Income Recognition

Investments are reported at fair value and are non-participant directed. Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded when earned. Dividend income is recorded on the ex-dividend date.

The investment in Plan Sponsor stock is stated at fair market value as determined by an independent appraiser and approved by the Plan trustee. The appraised value per share was \$37.02 and \$38.66 for a total appraised value of \$11,229,573 and \$11,727,047 as of December 31, 2024, and 2023, respectively. Because of the inherent uncertainty of the valuation, estimated and appraised values of the investment in Plan Sponsor common stock may differ significantly from values that would have been used had a ready market for such investments existed, and such differences could be material. Net appreciation (depreciation) in the fair value of investments is reflected in the statement of change in net assets available for benefits.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Plan obtained a favorable determination letter on October 23, 2013, in which the IRS stated that the Plan, as then designed, was in compliance with the applicable requirements of the Code. The Plan has been amended since receiving the determination letter, however, the Plan administrator believes the Plan is currently designed and being operated in compliance with the applicable requirements of the Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Plan management evaluates tax positions taken by the Plan to recognize a tax liability or asset if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Plan management has determined that as of December 31, 2024, there are no uncertain tax positions taken or expected to be taken that would require recognition or disclosure in the financial statements. The Plan is subject to routine examinations by taxing authorities and there are currently no examinations for any tax periods in progress.

Estimates and Assumptions

The preparation of these financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3: INVESTMENTS

The Plan's investment in the Plan Sponsor's common stock as of December 31, is as follows:

	2024		2023	
	Allocated	Unallocated	Allocated	Unallocated
Mountain Hardware and Sports, Inc. common stock:				
Number of shares	282,677	20,661	273,485	29,853
Cost	\$ 3,354,795	\$ 245,205	\$ 3,245,705	\$ 354,295
Fair value	\$ 10,464,700	\$ 764,873	\$ 10,572,927	\$ 1,154,120

NOTE 4: FAIR VALUE MEASUREMENTS

The Financial Accounting Standards Board (FASB) ASC 820 provides a framework for measuring fair value. That framework provides a three-tier hierarchy that prioritizes the inputs to valuation techniques used for measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are as follows:

Level 1 - Inputs are unadjusted quoted prices for identical assets or liabilities that the Plan has the ability to access.

Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, model-based valuation techniques for which all significant assumptions are observable in the market, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Inputs that are unobservable and significant to the fair value measurement.

NOTE 4: FAIR VALUE MEASUREMENTS (Continued)

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value.

Plan Sponsor common stock: An annual valuation of the Plan Sponsor common stock is prepared by an independent appraiser. The trustees of the Plan approve the fair value based on the annual valuation. The valuation utilized a tangible net asset approach methodology as of December 31, 2024, which focuses on tangible assets and liabilities. The valuation utilized an income approach methodology as of December 31, 2023, which focuses on expected future returns and discounted cash flows. The valuation methodology was changed in 2024 due to the Plan Sponsor's significant asset value relative to current earnings or cash flow. Significant observable inputs to the methodology include historical and forecasted Plan Sponsor data as well as the discount rate and the residual capital rate.

Money market fund: A money market fund has underlying short-term investments with quoted prices in active markets to preserve the value of the investments at \$1.00 per share.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values.

The following table sets forth by level within the fair value hierarchy, the Plan's financial assets that were accounted for at fair value on a recurring basis as of December 31, 2024:

	<i>Assets at Fair Value as of December 31, 2024</i>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investment in Plan Sponsor common stock	\$ -	\$ -	\$ 11,229,573	\$ 11,229,573
Money market fund	<u>10,413</u>	<u>-</u>	<u>-</u>	<u>10,413</u>
	<u>\$ 10,413</u>	<u>\$ -</u>	<u>\$ 11,229,573</u>	<u>\$ 11,239,986</u>

The following table sets forth by level within the fair value hierarchy, the Plan's financial assets that were accounted for at fair value on a recurring basis as of December 31, 2023:

	<i>Assets at Fair Value as of December 31, 2023</i>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investment in Plan Sponsor common stock	\$ -	\$ -	\$ 11,727,047	\$ 11,727,047
Money market fund	<u>10,020</u>	<u>-</u>	<u>-</u>	<u>10,020</u>
	<u>\$ 10,020</u>	<u>\$ -</u>	<u>\$ 11,727,047</u>	<u>\$ 11,737,067</u>

NOTE 5: LOAN PAYABLE

In 2013, the Plan entered into a \$3,600,000 term loan agreement with the Plan Sponsor. The proceeds of the loan were used to purchase the Plan Sponsor's common stock. Unallocated shares are collateral for the loan. The agreement provides for the loan to be repaid over 19 years but allows prepayment as a whole or in part from time to time. The Plan has made prepayments on the loan payable. The loan bears interest at 4.75%. The scheduled amortization of the loan is as follows:

<u>Year Ending December 31,</u>	
2025	\$ 249,209
2026	261,047
2027	65,519
	<u>\$ 575,775</u>

NOTE 6: RELATED PARTY TRANSACTIONS AND PARTY-IN-INTEREST TRANSACTIONS

The Plan invests in the common stock of the Plan Sponsor and a money market fund managed by the custodian of the Plan's other investments. Fees for certain administrative expenses are paid to service providers which are considered to be parties-in-interest. These investments and transactions qualify as party-in-interest transactions which are exempt from the prohibited transaction rules of ERISA.

NOTE 7: RISKS AND UNCERTAINTIES

The Plan invests in various securities. Investment securities are exposed to various risks such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances, and the amounts reported in the statement of net assets available for benefits.

NOTE 8: SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through October 8, 2025, the date the financial statements were available to be issued, and management has determined that no subsequent events have occurred that should be disclosed.

SUPPLEMENTAL SCHEDULE

**MOUNTAIN HARDWARE AND SPORTS
EMPLOYEE STOCK OWNERSHIP PLAN
EIN: 94-2605582 / PLAN: 003**

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS HELD AT END OF YEAR
December 31, 2024

(a) Party in interest	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment	(d) Cost	(e) Current value
*	Mountain Hardware and Sports, Inc.	303,338 shares of common stock	\$ 3,600,000	\$ 11,229,573
*	Merrill Lynch Cash Reserves	Money market fund	10,413	10,413
	Plumas Bank	Non-interest bearing cash	<u>4,864</u>	<u>4,864</u>
		Total assets held at end of year	<u>\$ 3,615,277</u>	<u>\$ 11,244,850</u>

* *Denotes party-in-interest*



Campbell Taylor Washburn
Certified Public Accountants & Consultants

The Path Forward

**MOUNTAIN HARDWARE AND SPORTS
EMPLOYEE STOCK OWNERSHIP PLAN
EIN: 94-2605582 / PLAN: 003**

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