PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AGREEMENT

This Private Attorneys General Act Settlement Agreement and Release ("Agreement") is made by and between Veronica Novela ("Plaintiff"), on behalf of herself, on behalf of the PAGA Employees (as defined below), and as a proxy/agent for the California Labor Workforce Development Agency ("LWDA"), and Defendant Ganahl Lumber Company ("Defendant"), to resolve the Action and Released Claims, subject to the terms and conditions hereof and the approval of the Court. Plaintiff and Defendant are collectively referred to herein as the "Parties" and each may be individually referred to as a "Party."

I. REPRESENTATIONS AND DEFINITIONS

1. "Action" means and refers to: (1) the action filed in the Superior Court of the State of California for the County of Los Angeles, entitled *Veronica Novela v. Ganahl Lumber Company, et al.*, Case No. 23STCV24128 (filed October 4, 2023); and (2) *Veronica Novela v. Ganahl Lumber Company, et al.*, JAMS Ref No. 5220007622.

2. "Agreement" or "Settlement" means the arm's-length settlement agreement reached between the Parties as set forth in this Private Attorneys General Act Settlement Agreement and Release, and the terms, conditions and requirements setforth herein, including any attached exhibits.

3. "Counsel for Defendant" means and refers to Melis Atalay and Daniel N. Rojas of Ogletree, Deakins, Nash, Smoak & Stewart, PC.

4. "Court" means and refers to the Superior Court of California for the County of Los Angeles. Court shall also mean any other Court that acquires proper jurisdiction of this Action.

5. "Defendant" means and refers to Ganahl Lumber Company.

6. "Effective Date" means and refers to the date: (1) the Court has signed and entered the Approval Order and Judgment (as defined below) if no motions to intervene are filed prior to the Court's hearing on the Approval Order and Judgment; or, (2) in the event a motion to intervene is filed prior to the Court's hearing on the Approval Order and Judgment, the later of the following events: (a) the day after the last day by a which a notice of appeal of the Approval Order and Judgment may be timely filed with the California Court of Appeal by the proposed intervenor, and none is filed; (b) if an appeal is filed and is finally disposed of by ruling, dismissal, denial, or otherwise, the day after the last date for filing a request for further review of the Court of Appeal's decision passes and no further review is requested; (c) if an appeal is filed and there is a final

disposition by ruling, dismissal, denial, or otherwise by the Court of Appeal, and further review of the Court of Appeal's decision is requested, the day after the request for review is denied with prejudice and/or no further review of the order can be requested; or (d) if review is accepted, the day the Supreme Court of the State of California affirms the Settlement.

7. "LWDA" means and refers to the California Labor and Workforce Development Agency.

8. "Operative Complaint" means and refers to: the First Amended Complaint, which will be filed as discussed below, in the Action.

9. "PAGA" means and refers to the Private Attorneys General Act of 2004, codified at California Labor Code § 2698, *et seq*.

10. "PAGA Employees" or singularly "PAGA Employee" means and refers to all current and former non-exempt employees of Defendant who worked in the State of California from June 1, 2024 through January 28, 2026, or the date that the Court enters the order granting approval of the settlement, whichever is earlier.

11. "PAGA Period" means the time period from June 1, 2024 through January 28, 2026, or the date that the Court enters the order granting approval of the settlement, whichever is earlier.

12. "Parties" means and refers to, collectively, Plaintiff and Defendant, and "Party" means and refers to Parties individually.

13. "Pay Periods" means and refers to the total number of pay periods that each PAGA Employee performed work as a non-exempt employee for Defendant in California during the PAGA Period.

14. "Plaintiff" means Veronica Novela.

15. "Plaintiff's Counsel" means and refers to Alan Romero and Sara Simms of Romero Law, APC.

16. "Released Claims" means and refers to all causes of action and factual or legal theories/allegations that were alleged in the Operative Complaint in the Action, as described in Paragraph V(1) below, or that could have been based on the factual or legal theories/allegations of the original and original and Operative Complaint, including but not limited to claims for civil penalties pursuant to the California Labor Code Private Attorneys General Act of 2004 and

attorneys' fees thereon for the following Labor Code claims: (a) failure to provide proper meal periods, and to properly provide premium pay in lieu thereof at the correct rate of pay; (b) failure to provide proper rest periods, and to properly provide premium pay in lieu thereof at the correct rate of pay; (c) failure to pay wages due because of alleged off-the-clock work and/or an alleged miscalculation of the regular rate of pay, including but not limited to claims for unpaid minimum wages, straight-time wages, overtime wages, vacation wages, sick pay, meal period premiums, rest period premiums, reporting time wages, split differentials, commissions, and bonuses; (d) failure to reimburse for all necessary expenditures or losses, including without limitation tools, personal cell phone expenses, and mileage; (e) failure to pay all wages timely at the time of termination and/or during employment, including but not limited to any claims for failure to pay vacation wages and/or accrued paid time off at termination; (f) failure to provide complete, accurate or properly formatted wage statements, including but not limited to failure to provide information pertaining to sick pay balances, amount of sick pay available for use, and/or payments on wage statements; (g) failure to maintain accurate records of hours worked and meal periods; (h) failure to produce requested employment records; (i) unfair business practices that could have been premised on the claims, causes of action or legal theories of relief described above or any of the claims, causes of action or legal theories of relief pleaded in the operative complaint; (j) all claims under the California Labor Code Private Attorneys General Act of 2004 that could have been premised on the claims, causes of action or legal theories described above or any of the claims, causes of action or legal theories of relief pleaded in the operative complaint; (k) any other claims or penalties under the wage and hour laws pleaded in the Action; and (l) all damages, penalties, interest and other amounts recoverable under said claims, causes of action or legal theories of relief. The period of the Release shall extend to the date that the Court enters the order granting approval of the settlement. The res judicata effect of the Judgment will be the same as that of the Release.

17. "Released Parties" means and refers to Defendant and its past, present and/or future, direct and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers.

18. "Settlement Administrator" means Phoenix Class Action Administration Solutions, the neutral entity the Parties have agreed to appoint to administer the Settlement.

I. NATURE OF ACTION

1. On July 31, 2023, Plaintiff sent a letter to the LWDA and Defendant giving notice of her intent to pursue a representative action pursuant to the PAGA, on behalf of herself and the

State of California, as well as on behalf of a proposed group of aggrieved employees. The letter is referred to as “Notice to the LWDA.”

2. On October 4, 2023, Plaintiff filed her Complaint in Los Angeles County Superior Court alleging the following claims: (1) an individual claim concerning alleged retaliation in violation of Labor Code § 1102.5; (2) an individual claim for an alleged failure to provide meal and rest periods; (3) an individual claim for failure to pay all wages due, including overtime; (4) an individual claim for failure to indemnify employee in violation of Labor Code §§ 2800 et seq.; (5) and a representative PAGA action on behalf of Defendant’s California non-exempt employees that sought civil penalties for alleged violations of the California Labor Code; and (6) unfair competition law.

3. On October 8, 2024, the Court granted Defendant’s Motion to Compel Arbitration.

4. On November 7, 2024, Plaintiff initiated an individual arbitration with JAMS.

5. The parties engaged in significant investigation and exchange of data and documents, as well as private mediation that took place on October 28, 2025 with mediator Michael Loeb, Esq. Mr. Loeb made a mediator’s proposal on October 29, 2025, which the Parties accepted on or about November 12, 2025.

6. This Agreement relates solely to the PAGA claims on behalf of Plaintiff, the State of California, and the PAGA Employees. Plaintiff’s individual claims other than her individual PAGA claims as alleged in the Action will be resolved separately via an independent settlement agreement. Defendant denies any liability or wrongdoing of any kind associated with the claims alleged in the Action, denies liability for the Released Claims, and further denies that the Action is appropriate for representative treatment for any purpose other than settling this Action. Defendant contends, among other things, that it has complied at all times with the California Labor Code and the related Industrial Welfare Commission Wage Orders, all other state and federal wage laws, and further contends that all of their respective employees were and are paid properly and that the Action is without merit. Defendant has denied and continues to deny each and every material factual allegation and all alleged claims asserted against it in the Action.

7. The Parties recognize that the issues presented in the Action are likely only to be resolved with extensive and costly pretrial and trial proceedings, and that further litigation will cause inconvenience, distraction, disruption, delay and expense disproportionate to the potential benefits of litigation. The Parties have taken into account the risk and uncertainty of the outcome inherent in any litigation.

8. Based on their own independent investigations and evaluations, the Parties and their respective counsel are of the opinion that the settlement for the consideration and on the terms set forth in this Agreement is fair, reasonable, adequate, and is in the best interests of Plaintiff, PAGA Employees, the State of California, and Defendant in light of all known facts and circumstances and the risks inherent in litigation, including the potential appellate issues. Further, Plaintiff's Counsel believes that the settlement amount entered into is in the best interests of the PAGA Employees and the Statement of California, and fair, reasonable, and adequate given the inherent risk of litigation.

II. TERMS OF SETTLEMENT

1. In consideration of the mutual covenants, promises and representations set forth in this Agreement, Plaintiff, on behalf of herself, the State of California, and all PAGA Employees, and Defendant agrees to settle and compromise the Action and the Released Claims.

2. <u>The Gross Settlement Amount.</u> As consideration for the settlement described herein and the release provided herein, Defendant agrees to pay the all inclusive total amount of One Hundred and Thirty-Seven Thousand, and Five Hundred Dollars and zero cents ($137,500.00) ("Gross Settlement Amount"). Defendant shall fund the Gross Settlement Amount as set forth herein. The Gross Settlement Amount will include payments as follows, which Plaintiff will seek approval of from the Court, in conformity with this Agreement:

a. Payment to the Settlement Administrator in the amount of up to $9,000.00 ("Settlement Administration Costs");

b. Payment of Attorneys' Fees and Costs to Plaintiff's Counsel, as set forth herein; and

c. The PAGA Penalties to be paid to the LWDA and PAGA Employees, as set forth herein.

d. Plaintiff's Enhancement Award, as defined in subparagraph II((3) below, if any.

3. <u>Plaintiff's Enhancement.</u> Defendant will not oppose Plaintiff's request for Plaintiff's Enhancement in the amount up to Five Thousand Dollars and Zero Cents ($5,000.00). This Plaintiff's Enhancement is in addition to the payment to which Plaintiff is entitled to receive an as aggrieved employee. Even in the event that the Court reduces or does not approve the

requested Plaintiff's Enhancement, Plaintiff shall not have the right to revoke this Agreement, and it shall remain binding.

4. Allocation and Calculation of the PAGA Penalties. The amount available for distribution to the LWDA and PAGA Employees ("PAGA Penalties") is the Gross Settlement Amount less the Court-approved Attorneys' Fees and Costs to Plaintiff's Counsel, Enhancement Payment to Plaintiff, and the Settlement Administration Costs to the Settlement Administrator. Seventy Five Percent (75%) of the PAGA Penalties will be paid to the LWDA ("LWDA Payment"), and Twenty Five Percent (25%) of the PAGA Penalties will be paid to the PAGA Employees ("Employee Amount"), as required by California Labor Code § 2699(i).

5. Allocation and Calculation of the Individual Settlement Payments. Each PAGA Employee will receive a *pro rata* portion of the Employee Amount, determined based on the pay periods that he or she performed work for Defendant in the State of California between June 1, 2024 through January 28, 2026, or the date that the Court enters the order granting approval of the settlement, whichever is earlier, to be calculated as follows: the Employee Amount will be divided by the total number of Pay Periods of all PAGA Employees to yield the "Per Pay Period Amount," and then each PAGA Employee's individual number of Pay Periods will be multiplied by the Per Pay Period Amount to yield his or her "Individual Settlement Payment." Individual Settlement Payments shall be paid to PAGA Employees by way of a single check to each PAGA Employee ("Individual Settlement Check").

6. Tax Treatment of Individual Settlement Payments to PAGA Employees. The Parties agree that Individual Settlement Payments sent to PAGA Employees will be characterized One Hundred Percent (100%) as penalties and Form 1099s will be issued. Nothing in this Agreement is intended to constitute legal advice regarding federal, state, and/or local tax obligations. Plaintiff and PAGA Employees shall be deemed to acknowledge that they have not obtained any tax advice from Defendant, Counsel for Defendant, or Plaintiff's Counsel, and that neither Defendant, Counsel for Defendant, nor Plaintiff's Counsel have made any representation concerning the tax consequences, if any, of any payments made pursuant to this Agreement. To the extent that this Agreement or its attachment(s) are interpreted to contain or constitute advice regarding any U.S. or Federal tax issue, such advice is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding penalties under the Internal Revenue Code. Defendant's share of payroll taxes, if any, will be paid by Defendant separate from and in addition to the NSA.

7. Plaintiff's Counsel's Attorneys' Fees and Costs. As part of the request for approval of this Settlement, Plaintiff will request that the Court award the following to Plaintiff's Counsel:

up to one-third (1/3) of the Gross Settlement Amount, or Forty-Five Thousand Eight Hundred Thirty-Three Dollars and Thirty-Three cents ($45,833.33), for attorneys' fees, actual costs, and expenses of litigating the Action, and an award of actual costs not to exceed $8,000.00 ("Attorneys' Fees and Costs"). The Attorneys' Fees and Costs shall be paid from the Gross Settlement Amount, subject to approval by the Court. Should Plaintiff's Counsel request a lesser amount for Attorneys' Fees and Costs and/or the Court approves a lesser amount, Plaintiff shall not have the right to revoke this Agreement, and it shall remain binding. Payment of Attorneys' Fees and Costs will be reflected in a Form 1099 to Plaintiff's Counsel who shall assume full responsibility and liability for the payment of taxes due on such payments.

8. <u>No Effect on Employee Benefits.</u> The payments made to Plaintiff and other PAGA Employees pursuant to this Agreement are not intended to count as earnings by Plaintiff or the PAGA Employees, and will not entitle Plaintiff or the PAGA Employees to any additional compensation and/or benefits under any retirement, benefit, bonus, incentive, pension, welfare, and/or any other plan of or sponsored by Defendant. Defendant shall not make as part of this Agreement, nor be required to make, any deductions, nor pay any monthly contributions for any insurance, retirement, bonuses, 403(b), or profit sharing plans related to monies paid as a result of this Agreement. The Individual Settlement Payments paid to PAGA Employees shall not have any effect on the eligibility for, or calculation of, any of the employee benefits (e.g. bonuses, vacation, holiday pay, retirement plans, etc.) of PAGA Employees. The Parties agree that any Individual Settlement Payments paid to PAGA Employees under the terms of this Agreement do not represent any modification of PAGA Employees' previously credited hours of service or other eligibility criteria under an employee benefit plan sponsored by Defendant. Further, any Individual Settlement Payments are penalties and thus shall not be considered "compensation" in any year for purposes of determining eligibility for, or benefit accrual within, and employee benefit plan or bonus plan sponsored by Defendant.

III. RELEASE OF CLAIMS

1. <u>General Release by Plaintiff.</u>

Plaintiff does, for Plaintiff and for Plaintiff's respective spouses, heirs, successors, beneficiaries, devisees, legatees, executors, administrators, trustees, conservators, guardians, personal representatives, and assigns, forever and completely release and discharge Released Parties from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, injuries, actions, causes of action, suits, rights, demands, costs, losses, debts, wages, expenses, statutory penalties, civil penalties, liquidated damages, exemplary damages, interest, attorneys' fees and costs, and other legal responsibilities, of any form whatsoever, whether known or unknown, unforeseen, unanticipated, unsuspected or latent (referred to collectively hereafter as "Claim" or "Claims"), which Plaintiff has at any time owned or held up to and including the Effective Date of this Agreement, including, and without limiting the generality of the foregoing, any and all Claims arising out of, connected with, or relating to: (1) the Action; (2) Plaintiff's employment with Defendant or the termination of her employment; (3) any act or omission by or on the part of any of the Released Parties; (4) any Claim for violation of any federal, state or local law, rule or regulation prohibiting discrimination, harassment or retaliation of any kind; (5) breach of any express or implied employment contract or agreement, wrongful discharge, breach of the implied covenant of good faith and fair dealing, intentional or negligent infliction of emotional distress, fraud, misrepresentation, defamation, trespass, conversion, interference with prospective economic advantage, invasion of privacy; (5) any violation of the California Labor Code, applicable California Wage Order, Fair Labor Standards Act or the Consolidated Omnibus Budget Reconciliation Act (COBRA), as amended; (6) any federal, state or local law, rule or regulation regulating compensation, salaries, wages, meal periods, rest periods, itemized wage statements, employment records including but not limited to wages statements or payroll records, hours, bonuses, commissions, overtime, benefits, monies, pay, allowances, benefits, sick pay, severance pay, retention pay or benefits, paid leave benefits, vacation pay, reimbursement of expenses; (7) any other federal, state, local law, rule or regulation not previously mentioned; and (8) any Claim for attorneys' fees, costs or expenses.

Plaintiff agrees that there is a risk that any injury that Plaintiff may have suffered by reason of Released Parties might not now be known, and there is a further risk that said injuries, whether known or unknown at the date of this Settlement Agreement, might possibly become progressively worse, and that as a result thereof further damages may be sustained. Nevertheless, Plaintiff agrees to forever and fully release and discharge the Released Parties, and understands that by the execution of this Settlement Agreement no further claims for any such injuries may ever be asserted by Plaintiff against the Released Parties with respect to claims arising in the time period from the beginning of time to the Effective Date.

Plaintiff expressly waives and relinquishes all rights and benefits afforded by Section 1542 of the Civil Code of the State of California and do so understanding and acknowledging the significance of the waiver of Section 1542. Section 1542 of the Civil Code of the State of California states:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE

MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

Notwithstanding the provisions of Section 1542, and for the purpose of implementing a full and complete release and discharge of all parties, Plaintiff expressly acknowledges that this Settlement Agreement is intended to include in its effect, without limitation, all claims that Plaintiff knows of, as well as all claims that Plaintiff does not know or suspect to exist in Plaintiff's favor against any of the Released Parties, for the time period from the beginning of time to the Effective Date, and that this Settlement Agreement contemplates the extinguishment of any such claims

2. Release by Plaintiff, PAGA Employees and LWDA.

Upon the Effective Date, Plaintiff and each PAGA Employee, shall fully release and forever discharge Released Parties from the Released Claims (as defined in Paragraph I(16) above) during the period from June 1, 2024 through January 28, 2026, or the date that the Court enters the order granting approval of the settlement, whichever is earlier, and the State of California shall fully release and forever discharge Released Parties from the Released Claims as they pertain to Plaintiff and PAGA Employees from June 1, 2024 through January 28, 2026, or the date that the Court enters the order granting approval of the settlement, whichever is earlier.

It is understood and agreed that this Agreement neither releases the Released Parties from liability, if any, to PAGA Employees for violations of any predicate statutes other than PAGA, nor effects a waiver of claims by PAGA Employees against the Released Parties for the same.

IV. DUTIES OF THE PARTIES PRIOR TO COURT APPROVAL

1. Amended Complaint and PAGA Notice: The Parties agree that prior to seeking court approval of the settlement: (i) counsel for all Parties must agree on the terms, substance, and language of a proposed amended complaint to be filed in the Court, which ensures that the Action covers all of the Released Claims to the full extent of the PAGA Period alleged in the Action; (ii) a verbatim copy of the mutually-agreed amended Complaint is filed in the Court following the Court's approval of the Parties' joint stipulation to permit Plaintiff to file the mutually-agreed amended Complaint; (iii) counsel for all Parties must agree on the terms, substance, and language of a proposed amended PAGA Notice to be submitted to the LWDA, which ensures that the Notice covers all of the Released Claims to the full extent of the PAGA Period alleged in the Action. The Parties further agree that Defendant will not be obligated to respond to the mutually-agreed amended Complaint filed in the Court, but the Parties will instead promptly submit a joint notice of settlement that would relieve Defendant of its

responsive pleading deadline. In the event that the Settlement is not finally approved, Plaintiff will dismiss the mutually-agreed amended Complaint without prejudice and the stay will be lifted.

2. Settlement Approval by Court. The Parties recognize that Court approval is required in the event of any settlement of a PAGA action, in accordance with California Labor Code § 2699(l)(2), and that a judgment with respect to the PAGA action is binding with respect to non-party aggrieved employees upon Court approval, pursuant to California Labor Code § 2699(l) and *Arias v. Superior Ct.* (2009) 46 Cal.4th 969. Parties further recognize that a settlement of a PAGA action is not subject to class action procedural rules, and that PAGA Employees do not have the right to opt-out of or otherwise exclude themselves from the Settlement, or object to the Settlement, and upon approval of the Settlement by the Court and funding of the Settlement, all PAGA Employees will have released the Released Parties of and for the Released Claims and PAGA Employees will be entitled to receive payment, in conformity with the Settlement. In order to comply with the requirements of California Labor Code § 2699, promptly upon execution of this Agreement, Plaintiff's Counsel shall prepare, file and serve a motion requesting that the Court approve the Settlement, including and not limited to the PAGA Penalties, Attorneys' Fees and Costs, and Settlement Administration Costs, and apply to the Court for the entry of an order approving the Settlement and all of the requested payments and entering judgment ("Approval Order and Judgment"). The motion shall advocate that the penalties are fair, adequate, and reasonable. Plaintiff's Counsel must provide a draft of the motion for settlement approval to Defense Counsel's review and comment at least five business days before the motion is filed. Before Plaintiff applies to the Court for approval of the Settlement, Plaintiff's Counsel shall submit the Agreement to the LWDA in conformity with California Labor Code § 2699(l)(2).

3. With Plaintiff's motion for approval of Settlement, Plaintiff shall submit a proposed Approval Order and Judgment which shall seek approval of this Settlement and the terms herein. Plaintiff's individual claims other than her individual PAGA claims as alleged in the Action will be excluded from the proposed Approval Order and Judgment, as those will be resolved separately as provided for in the Parties' separate and independent settlement agreement covering Plaintiff's individual claims other than her individual PAGA claims. Upon entry of the Approval Order and Judgment by the Court, Plaintiff's Counsel shall submit the Approval Order and Judgment to the LWDA in conformity with California Labor Code § 2699(l)(2).

V. ADMINISTRATION OF THE SETTLEMENT

1. PAGA Employee List. Defendant shall compile a list containing the following information regarding each of the PAGA Employees: (1) full name; (2) last known mailing

address; (4) Social Security number; and (5) the total number of pay periods worked during the PAGA Period ("PAGA Employee List"). The PAGA Employee List will be provided to the Settlement Administrator within thirty (30) calendar days after the the Court has signed and entered the Approval Order and Judgment. This information shall be treated as and remain confidential and shall be used solely to manage the notice and payment process described herein, shall not be disclosed to anyone other than the Settlement Administrator, except to applicable taxing authorities, or pursuant to express written authorization of Defendant, the individual in question, or by order of the Court.

2. Funding of Settlement. Defendant shall fund the Gross Settlement Amount by way of electronic transfer to the account to be established by the Settlement Administrator for purposes of administration of the Settlement ("Settlement Administration Account") within thirty (30) calendar days after the Effective Date.

3. Payments to LWDA, Plaintiff's Counsel, Plaintiff, and Settlement Administraor. Within thirty (30) calendar days after Defendant funds the Gross Settlement Amount, the Settlement Administrator shall pay the Court-approved LWDA Payment to the LWDA, Attorneys' Fees and Costs to Plaintiff's Counsel, and Settlement Administration Costs to itself.

4. Employee Notices and Payments to PAGA Employees.

Within thirty (30) calendar days after Defendant funds the Gross Settlement Amount, the Settlement Administrator shall mail via U.S. First Class mail to each PAGA Employee his or her Individual Settlement Check at the last known address in the PAGA Employee List or a more updated address from the National Change of Address Database. A notice letter explaining why the check is being sent ("Employee Notice"), in a mutually-agreed upon form that has been approved by the Court, in substantially the form that is attached hereto as "**Exhibit A**," will be included in the mailing of each PAGA Employee's Individual Settlement Check. Together, an Individual Settlement Check that is mailed to a PAGA Employee with the Employee Notice is referred to as a "Payment Packet." Prior to mailing the Payment Packets, the Settlement Administrator shall check the addresses provided using the National Change of Address database. Should any of the Employee Notices be returned as undeliverable, the Settlement Administrator will have ten (10) calendar days after it receives the returned undeliverable mail to search for a more current address for the PAGA Employee (via a skip trace or other reasonable method) and to re-mail Employee Notices to the traced address.

Within twenty-five (25) calendar days of distributing the Gross Settlement Fund, the Settlement Administrator shall provide to Plaintiff's and Defendant's Counsel written confirmation verifying that it effected disbursement of the Gross Settlement Fund pursuant to the terms of this Agreement.

5. Expiration of Settlement Checks. All Individual Settlement Checks will expire one hundred and eighty (180) calendar days after the initial mailing of the original Payment Packets to the PAGA Employees, and thereafter, shall be cancelled. If any funds remain in the Settlement Administration Account as a result of cancelled Individual Settlement Checks, such funds shall be transmitted to the State Controller's Office Unclaimed Property Fund in the name of each PAGA Employee whose check is voided. All duties set forth herein shall be included in the Settlement Administration Costs and paid from the Gross Settlement Amount.

6. Disputes Relating to Settlement Administration. Any disputes concerning administration of the Settlement which cannot be resolved by the Parties shall be submitted to and resolved by the Court.

7. Settlement Administrator's Tax Reporting. The Settlement Administrator shall be responsible for providing the requisite Form 1099's as required by this Agreement, and the completion of any other steps necessary for compliance with any tax obligations of the Settlement under federal, state, and/or local law, as applicable.

8. As soon as practicable after execution of this Agreement, Plaintiff's Counsel shall, with the assistance and cooperation of Defendant and their counsel, take all necessary steps to secure the approval of this Settlement from the Court. Irrespective of whether a PAGA Employee's Individual Settlement Check has been cashed, he or she will be deemed to be bound to this Settlement, the release provided herein, and the Court's Approval Order and Judgment.

VI. ADDITIONAL TERMS.

1. No Prior Assignments. The Parties hereto represent, covenant, and warrant that they have not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged except as set forth herein.

2. No Admission. Nothing contained herein, nor is the consummation of this Settlement, to be construed or deemed an admission with respect to liability, culpability, negligence, or wrongdoing on the part of Defendant, Released Parties, Plaintiff, Plaintiff's Counsel, PAGA Employees, or the LWDA. Each of the Parties hereto has entered into this Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience and expenses. Defendant denies that it has engaged in any unlawful activity, that it

has failed to comply with the law in any respect, that it has any liability to anyone under the claims asserted in the Action. The Parties agree that this Agreement does not constitute an admission by Defendant or any of the Released Parties of any of the matters alleged in the Action or of any violation by any of them of any federal, state or local law, ordinance or regulation, or of any violation of any policy or procedure, or of any liability or wrongdoing whatsoever. This Agreement is entered into solely for the purpose of compromising highly disputed claims. Neither this Agreement nor anything in this Agreement shall be construed to be or shall be admissible in any proceeding as evidence of liability or wrongdoing by Plaintiff, Defendant or any of the Released Parties.

3. Nullification. If the Court should fail to approve the Settlement as agreed upon by the Parties, the Parties shall coordinate efforts to address the Court's questions or concerns and work jointly to make reasonable efforts to remedy the Settlement in order to obtain the Court's approval. If the Parties cannot resolve the issues identified by the Court in denying approval, the Parties shall be restored to their litigation positions and all funds returned to Defendant. If, after the Parties make a second attempt to obtain approval of the material terms of the Settlement, unless the Parties specifically agree to continue with their coordinated efforts to obtain Court approval, the Court fails to approve the material terms of the settlement in the form agreed to by the Parties (except for the amount of Attorneys' Fees and Costs requested by Plaintiff's Counsel), or if the Court's approval of this Agreement is reversed, modified, or declared or rendered void, then: (a) this Agreement shall be considered null and void; (b) neither this Agreement nor any of the related negotiations or proceedings shall be of any force or effect; and (c) all Parties to this Agreement shall stand in the same position, without prejudice, as if the Agreement had been neither entered into nor filed with the Court. Invalidation of any material portion of this Agreement, except for the amount of the Attorneys' Fees and Costs, shall invalidate this Agreement in its entirety unless the Parties shall subsequently agree in writing that the remaining provisions shall remain in full force and effect.

4. Attorneys' Fees, Costs And Expenses. Except as specifically set forth herein, each Party shall bear its/his/her own attorneys' fees, costs and expenses, taxable or otherwise, incurred by him/her/it/them arising out of the Action, and shall not seek reimbursement thereof from any other party to this Agreement, unless otherwise specifically stated.

5. Enforcement And Continuing Jurisdiction Of The Court. The Parties agree that upon approval by the Court, this Agreement shall be enforceable by the Court, and the Court shall retain exclusive and continuing equity jurisdiction pursuant to California Code of Civil Procedure

§ 664.6 of this action over all Parties and PAGA Employees to interpret and enforce the terms, conditions, and obligations set forth in this Agreement.

6. Severability. The Parties agree that if any immaterial provision of this Agreement is held to be invalid by a court of competent jurisdiction, that provision shall be deemed severed and deleted from this Agreement, and neither that provision nor its severance and deletion shall affect the validity of the remaining provisions, and the remaining provisions shall be deemed enforceable.

7. Construction. The Parties hereto agree that the terms and conditions of this Agreement are the result of lengthy, intensive arm's-length negotiations between the Parties and that this Agreement constitutes the entire agreement between Plaintiff and Defendant regarding the settlement of the Released Claims and that this Agreement supersedes all prior agreements, written or oral, between or among the Parties regarding the resolution of the Released Claims.

Given that all Parties hereto had the opportunity to draft, review, and edit the language of this Agreement, no presumption for or against any Party arising out of drafting all or any part of this Agreement may be applied in any action relating to, connected to, or involving this Agreement. Accordingly, the Parties hereby waive the benefit of any legal principle or rule providing that, in cases of uncertainty, the language of a contract should be interpreted against the Party who caused the uncertainty to exist

8. Non-Evidentiary Use. Neither the existence of this Agreement, the terms of this Agreement, the negotiation and execution of this Agreement, all acts performed or documents executed pursuant to or in furtherance of this Agreement, nor the settlement of the Action shall be: (a) construed as, offered, or admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to Plaintiff, the LWDA, Defendant or any other of the Released Parties, including but not limited to, evidence of a presumption, concession, indication, or admission by any of the Released Parties of any liability, culpability, fault, wrongdoing, omission, concession, or damage, or of the truth of any of the factual allegations in the Operative Complaint in the Action; (b) disclosed, referred to, or offered in evidence against Plaintiff, the LWDA, or any of the Released Parties in any further proceeding in the Action, or any other civil, criminal, or administrative action or proceeding in any court, administrative agency or other tribunal except for the purposes of effectuating the Settlement pursuant to this Agreement or for Defendant to attempt to establish that a PAGA Employee has resolved or been compensated for any claims made by that employee; and (c) deemed to be, nor used as, an admission or evidence of the appropriateness of these or similar claims for representative treatment, class certification or administration other than for purposes of

administering this Settlement. Nothing herein shall constitute an admission by Defendant that the Action was properly brought as a representative action other than for settlement purposes.

9. Choice Of Law. The rights and obligations of the Parties under this Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of California. California law shall govern the interpretation of this Agreement even if a choice of law analysis under state or federal law would dictate that another forum's law be applied.

10. Cooperation. Each Party, on behalf of themselves, and their respective business entities, heirs, executors, and assigns, agrees that they will abide by this Agreement and will do all such acts, and prepare, execute, and deliver all such documents, as may be reasonably required to carry out the stated objectives of this Agreement.

11. Captions And Headings. Paragraph titles, captions, or headings contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof.

12. Modification. This Agreement may not be changed, altered, waived, or modified, except in writing and signed by counsel for the Parties hereto, and approved by the Court. This Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties hereto.

13. Binding. This Agreement is binding upon, and shall inure to the benefit of, the Parties hereto and their respective agents, employees, representatives, officers, directors, parents, subsidiaries, assigns, heirs, executors, administrators, insurers, and successors in interest.

14. No Publication. Plaintiff and Plaintiff's Counsel agree not to disclose or publicize the Settlement, including the fact of the Settlement, its terms or contents, and the negotiations underlying the Settlement, in any manner or form, directly or indirectly, to any person or entity, except as contractually required to effectuate the terms of the Settlement. For the avoidance of doubt, this section means Plaintiff and Plaintiff's Counsel agree not to issue press releases, communicate with, or respond to any media or publication entities, publish information in manner or form, whether printed or electronic, on any medium or otherwise communicate, whether by print, video, recording or any other medium, with any person or entity concerning the Settlement, including the fact of the Settlement, its terms or contents and the negotiations underlying the Settlement, except as shall be contractually required to effectuate the terms of the Settlement. However, for the limited purpose of allowing Plaintiff's Counsel to prove adequacy as counsel in

other actions, Plaintiff's Counsel may disclose the name of the Parties in this action and the venue/case number of this action (but not any other settlement details) for such purposes.

15. No Unalleged Claims. Plaintiff and Plaintiff's Counsel are not currently aware of any: (a) unalleged claims in addition to, or different from, those which are settled and released against the Released Parties by this Settlement; and (b) unalleged facts or legal theories upon which any claims or causes of action could be brought against Defendant, except such facts and theories specifically alleged in the operative complaint in this Action. Plaintiff and Plaintiff's Counsel have no current intention of asserting any other claims against Defendant in any judicial or administrative forum. Plaintiff and Plaintiff's Counsel do not currently know of or represent any persons who have expressed any interest in pursuing litigation or seeking any recovery against Defendant.

16. Electronic Signatures and Counterparts. This Agreement may be executed in counterparts, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all Parties. The counterparts may be executed and/or transmitted electronically or by facsimile.

17. Enforcement. This settlement is enforceable in the Superior Court of Los Angeles County pursuant to California Code of Civil Procedure Section 664.6. The Parties hereby stipulate that the Court, upon motion, m0ay enter judgment pursuant to the terms of the settlement. The Parties further stipulate that the court retains jurisdiction for the purposes of enforcing the settlement and entering judgment.

IN WITNESS WHEREOF, the parties knowingly and voluntarily executed this Private Attorneys General Act Settlement Agreement and Release as of the date set forth below.

[SIGNATURE PAGES FOLLOW]

PLAINTIFF VERONICA NOVELA

DATED: 02 / 10 / 2026 Veronica Novela

DEFENDANT GANAHL LUMBER COMPANY

DATED: ________________ ________________________________

By:
Its:
On behalf of GANAHL LUMBER COMPANY

APPROVED AS TO FORM AND CONTENT:

DATED: 2/10/2026 **ROMERO LAW, APC**

By: Alan Romero

Alan Romero
Sara Simms
Attorneys for Plaintiff

DATED: ________________ **OGLETREE, DEAKINS, NASH, SMOAK & STEWART, P.C.**

By: ________________________________

Melis Atalay
Daniel N. Rojas
Attorneys for Defendant

PLAINTIFF VERONICA NOVELA

DATED: ________________ ____________________________________

DEFENDANT GANAHL LUMBER COMPANY

DATED: ________________ ____________________________________

By: BRAD SATTERFIELD
Its: CEO
On behalf of GANAHL LUMBER COMPANY

APPROVED AS TO FORM AND CONTENT:

DATED: ________________ **ROMERO LAW, APC**

By: ____________________________________
Alan Romero
Sara Simms
Attorneys for Plaintiff

DATED: 2/20/2026 **OGLETREE, DEAKINS, NASH, SMOAK & STEWART, P.C.**

By: ____________________________________
Melis Atalay
Daniel N. Rojas
Attorneys for Defendant

Exhibit A

Employee Notice

<<Mailing Date>>

To: <<First Name>><<Last Name>>
<<Address>>
<<City>> <<State>> <<Zip>>

Re: Individual Settlement Payment from *Veronica Novela v. Ganahl Lumber Company*
Los Angeles County Superior Court, Case No. Case No. 23STCV24128

Dear <<First Name>><<Last Name>>:

Please find enclosed a check in the amount of **<<amount of payment>>** ("Individual Settlement Check"). This check is your payment from the settlement of a lawsuit entitled *Veronica Novela v. Ganahl Lumber Company*, Case No. 23STCV24128 ("Action"), pending in the Superior Court of California for the County of Los Angeles ("Court").

The lawsuit was filed by Veronica Novela ("Plaintiff"), a former employee of Ganahl Lumber Company ("Defendant"), on behalf of the State of California with respect to himself and other alleged aggrieved employees, to seek recovery of civil penalties pursuant to the California Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.* ("PAGA"). Plaintiff alleged that Defendant violated the California Labor Code and Industrial Welfare Commission Wage Orders. Defendant denies these allegations and denies any wrongdoing of any kind associated with these allegations. The Court has made no determination about the validity of Plaintiff's claims.

A settlement was reached between Plaintiff and Defendant, on behalf of Plaintiff, the State of California, and the following aggrieved employees: all current and former non-exempt employees who worked for Defendant within the State of California between June 1, 2024 through January 28, 2026 ("PAGA Employees").

On <<Approval Date>>, the settlement was approved by the Court, with a portion to be paid to the State of California and a portion to be paid to the PAGA Employees. You are receiving a portion of the settlement (the enclosed Individual Settlement Check) because you have been identified as a PAGA Employee. Your Individual Settlement Check is based on the total number of pay periods that you worked as a PAGA Employee during the period between June 1, 2024 through January 28, 2026 ("PAGA Period"). The Individual Settlement Check is considered to be 100% penalties, which will be reported on an IRS Form 1099. You are responsible for paying any and all taxes that may be due as a result of any payment issued to you under the settlement and should consult a tax advisor regarding the tax consequences of such payment.

By way of the settlement, you are deemed to fully release and forever discharge the Released Parties from the Released Claims. The "Released Parties" means Defendant and its past, present and/or future, direct and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers. The "Released Claims" means and refers to means and refers to all causes of action and factual or legal theories/allegations that were alleged in the Operative Complaint in the Action, or that could have been based on the factual or legal theories/allegations of the original and amended Complaint, including but not limited to claims for civil penalties pursuant to the California Labor Code Private Attorneys General Act of 2004 for the following Labor Code claims: (a) failure to provide proper meal periods, and to properly provide premium pay in lieu thereof at the correct rate of pay; (b) failure to provide proper rest periods, and to properly provide premium pay in lieu thereof at the correct rate of pay; (c) failure to pay wages due because of alleged off-the-clock work and/or an alleged miscalculation of the regular rate of pay, including but not limited to claims for unpaid minimum wages, straight-time wages, overtime wages, vacation wages, sick pay, meal period premiums, rest period premiums, reporting time wages, split differentials, commissions, and bonuses; (d) failure to reimburse for all necessary expenditures or losses, including without limitation tools, personal cell phone expenses, and mileage; (e) failure to pay all wages timely at the time of termination and/or during employment, including but not limited to any claims for failure to pay vacation wages and/or accrued paid time off at termination; (f) failure to provide complete, accurate or properly formatted wage statements, including but not limited to failure to provide information pertaining to sick pay balances, amount of sick pay available for use, and/or payments on wage statements; (g) failure to maintain accurate records of hours worked and meal periods; (h) failure to produce requested employment records; (i) unfair business practices that could have been premised on the claims, causes of action or legal theories of relief described above or any of the claims, causes of action or legal theories of relief pleaded in the operative complaint; (j) all claims under the California Labor Code Private Attorneys General Act of 2004 that could have been premised on the claims, causes of action or legal theories described above or any of the claims, causes of action or legal theories of relief pleaded in the operative complaint; (k) any other claims or penalties under the wage and hour laws pleaded in the Action; and (l) all damages, penalties, interest and other amounts recoverable under said claims, causes of action or legal theories of relief.

Your Individual Settlement Check is valid for 180 calendar days from the date of issuance, and if you do not cash, deposit, or otherwise negotiate the check within the 180-day timeframe, your Individual Settlement Check will be cancelled and the funds will be transmitted to the State Controller's Office Unclaimed Property Fund in the name of the PAGA Employee whose check is voided.

Do <u>not</u> call or write the Court or Office of the Clerk of the Court to ask questions about the settlement. If you have any questions concerning the settlement, you may contact the Settlement Administrator at <<INSERT CONTACT INFORMATION>>.