

**PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AGREEMENT AND
RELEASE**

This Private Attorneys General Act Settlement Agreement and Release (“Settlement Agreement” or “Settlement”) is entered into by, between, and among Plaintiff Miguel Lombera (“Plaintiff”) and Defendant Foundation Building Materials, LLC (“Defendant”), subject to approval by the Court. The term “Party” or “Parties” as used herein shall refer to Plaintiff, Defendant, or any of them, as may be appropriate.

I. DEFINITIONS

The following terms, when used in this Settlement Agreement, shall have the following meanings:

1. “Action” means the matter entitled as *Miguel Lombera v. Foundation Building Materials, LLC*, Alameda County Superior Court Case No. 23CV052246 (the “Action”), Plaintiff’s September 14, 2023 notice to the LWDA asserting claims for civil penalties under PAGA (the “PAGA Notice”), and the related arbitration matter pending before the Judicial Arbitration and Mediation Services (“JAMS”) with Case Number 5220005487 (the “Arbitration”), collectively.

2. “Aggrieved Employees” consist of all current and former non-exempt hourly employees who worked at least one pay period for Defendant in California at any time during the PAGA Period from September 14, 2022 through the pay period that ended on November 17, 2024. The number of Aggrieved Employees, including Plaintiff, is estimated to be 747 individuals.

3. “Complaint” means the Complaint entitled *Miguel Lombera v. Foundation Building Materials, LLC*, Alameda County Superior Court Case No. 23CV052246.

4. “Court” means the Superior Court of the State of California for the County of Alameda.

5. “Defendant” means Foundation Building Materials, LLC.

6. “Defense Counsel” means James A. Bowles and Elissa L. Gysi of Hill, Farrer & Burrill LLP.

7. “Effective Date” means the latter of: (a) the Court’s approval of the Settlement; or (b) the final resolution of any appeal that has been filed.

8. “Gross Settlement Amount” is the non-reversionary sum of two hundred and thirty-five thousand dollars and zero cents (\$235,000.00), which represents the total amount payable under this Settlement Agreement by Defendant, including, without limitation, Individual PAGA Payments (as defined below) to all Aggrieved Employees, payment to the LWDA, payment of Plaintiff’s attorneys’ fees and costs, an enhancement payment to Plaintiff, and payment to the Settlement Administrator for administration costs.

9. “Individual PAGA Payment” means the amount to be paid to each Aggrieved Employee based on the formula described herein.

10. "Judgment" means the judgment entered by the Court based upon the approval of the Settlement.

11. "LWDA" means the California Labor and Workforce Development Agency.

12. "Net Settlement Amount" is the amount remaining to distribute to the LWDA and Aggrieved Employees after the following amounts, if approved by the Court, are subtracted from the Gross Settlement Amount: (a) settlement administration costs not to exceed \$8,000; (b) Plaintiff's attorneys' fees of up to 1/3 of the settlement currently estimated at \$78,333.33; (c) reimbursement of actual attorneys' litigation costs and expenses not to exceed \$20,000; and (d) an enhancement payment in the amount of \$5,000 to the Plaintiff.

13. "PAGA" means the California Labor Code Private Attorneys General Act, California Labor Code § 2698, *et seq.*

14. "PAGA Notice" means Plaintiff's letter dated September 14, 2023 to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd. (a).

15. "PAGA Period" means the time period from September 14, 2022 through the pay period that ended on November 17, 2024.

16. "Parties" means Plaintiff and Defendant, collectively.

17. "Plaintiff" means Miguel Lombera, the named Plaintiff in the Action.

18. "Plaintiff's Counsel" means Justin Lo of Work Lawyers PC.

19. "Released Claims" means that, upon Court approval of the Settlement and entering of judgment thereon, Plaintiff on behalf of himself, and the State of California and Aggrieved Employees will fully and finally release and discharge Defendant and the Released Parties from any and all claims, rights, demands, liabilities and causes of action that arose during the PAGA Period for civil penalties that were alleged or reasonably could have been alleged under the operative complaint in the Action, based on the factual allegations pleaded in the Action and the PAGA Notice arising during the PAGA Period, including, without limitation, purported violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802 and Industrial Welfare Commission Wage Orders ("IWC Wage Order") including, inter alia, Wage Order No. 5, and California Business and Professions Code section 17200 *et seq.*, and any related claims for attorneys' fees, costs, or interest resulting therefrom.

Plaintiff also agrees to amend his PAGA Notice and the operative Complaint in the Action to include any claims for civil penalties under PAGA consistent with further claims alleged during mediation.

20. "Released Parties" means Foundation Building Materials, LLC, and its former, present and future owners, parents, subsidiaries, affiliates, officers, directors, members, managers, employees, consultants, partners, shareholders, joint venturers, agents, predecessors, successors, assigns, attorneys, accountants, insurers, or legal representatives.

21. “Settlement Administrator” means a mutually agreeable, neutral settlement administrator that the Parties agree to appoint to administer the Settlement for all purposes, subject to approval by the Court.

II. RECITALS

This Settlement Agreement is made with reference to the following facts:

1. Plaintiff is a former employee of Foundation Building Materials, LLC, who was employed by Defendant from May 2021 intermittently through 2023.

2. Plaintiff’s Counsel submitted the PAGA Notice dated September 14, 2023 on behalf of Plaintiff to the LWDA and Defendant, to notify the LWDA and Defendant, pursuant to the Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.* (“PAGA”) of Plaintiff’s intent to seek civil penalties under PAGA for alleged violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, Industrial Welfare Commission Wage Orders including, inter alia, Wage Order No. 5, and California Business and Professions Code sections 17200 *et seq.*

3. On November 27, 2023, Plaintiff filed a Complaint against Defendant, entitled *Lombera v. Foundation Building Materials, LLC*, Alameda County Superior Court Case No. 23CV052246.

4. Defendant provided Plaintiff’s Counsel with information and documents pertaining to Plaintiff and other Aggrieved Employees in order for Plaintiff’s Counsel to investigate Plaintiff’s allegations and analyze the claims prior to mediation.

5. On November 22, 2024, the Parties participated in mediation of the Action with mediator Michael J. Loeb. With the assistance of the mediator, the Parties agreed to fully and finally resolve the Action in its entirety.

6. The Parties, Plaintiff’s Counsel, and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement, other than as set forth herein.

III. OPERATIVE TERMS OF SETTLEMENT AGREEMENT

The Parties agree as follows:

1. **Gross Settlement Amount.** The Parties agree to settle the Action for the non-reversionary amount of two hundred and thirty-five thousand dollars and zero cents (\$235,000.00). Defendant Foundation Building Materials, LLC shall deposit the Gross Settlement Amount with the Settlement Administrator within thirty (30) days after the Effective Date.

2. **Escalator Clause.** Defendant Foundation Building Materials, LLC represents that there are approximately 54,000 pay periods worked by Aggrieved Employees in California (“Affected Pay Periods”) from September 14, 2022 through the pay period that ended November 17, 2024. If the actual number of Affected Pay Periods from September 14, 2022 through the pay period ending November 17, 2024 is more than 10% greater than this number (i.e., if there are more than 59,400 Affected Pay Periods from September 14, 2022 through November 17, 2024),

Defendant Foundation Building Materials, LLC will increase the Gross Settlement Amount in proportion to the increase in Affected Pay Periods over 59,400 (e.g., if the number of Affected Pay Periods from September 14, 2022 through November 17, 2024 is 12% greater than 54,000, Defendant Foundation Building Materials, LLC will increase the Gross Settlement Amount by 2%).

3. **Net Settlement Amount.** The Parties agree that the following amounts should be subtracted from the Gross Settlement Amount, if approved by the Court, resulting in a Net Settlement Amount to distribute to the LWDA and Aggrieved Employees:

a. **Administration Costs.** Defendant will not oppose a request for the Settlement Administrator's costs, in an amount not to exceed \$8,000, for administering the Settlement. In the event the Court approves a payment of less than this amount, the difference will be added to the Net Settlement Amount. Defendant, via the Settlement Administrator, will report this payment on IRS Form 1099 issued to the Settlement Administrator.

b. **Plaintiff's Attorneys' Fees and Costs.** Defendant will not oppose Plaintiff's request for attorneys' fees of up to 1/3 of the settlement currently estimated at \$78,333.33, costs and expenses not to exceed \$20,000, and an enhancement payment in the amount of \$5,000 to Plaintiff, incurred in prosecuting the Action. In the event the Court approves payments of less than these amounts, the difference will be added to the Net Settlement Amount. Defendant, via the Settlement Administrator, will report these payments on IRS Form 1099 issued to Plaintiff's Counsel. Except as specifically provided herein, Defendant shall not be liable for costs or attorneys' fees regarding the PAGA released claims.

4. **Allocation of Net Settlement Amount.** The Net Settlement Amount shall be paid (i) 75% to the California Labor and Workforce Development Agency ("LWDA") and (ii) 25% to the Aggrieved Employees, pursuant to Labor Code § 2699(i), divided amongst Aggrieved Employees based on each Aggrieved Employee's respective number of pay periods worked for Defendant Foundation Building Materials, LLC in California during the PAGA Period. The payments to Aggrieved Employees are entirely civil penalties.

The Parties further agree that, should the Court deny approval of the Settlement based on the allocation of the Gross Settlement Amount or the Net Settlement Amount, the Parties agree to renegotiate in good faith in an effort to obtain approval of the Settlement.

5. **PAGA Released Claims.** Upon the Effective Date and payment of all funds under this Settlement, Aggrieved Employees (including Plaintiff) and the State of California, (including the LWDA,) will be forever barred from pursuing any and all PAGA Released Claims defined in Section 1.19 herein. This release of claims expressly excludes any non-PAGA claims held individually by Aggrieved Employees other than Plaintiff.

6. **Covenants and Representations by Plaintiff.**

a. Plaintiff represents and warrants that he has not assigned or transferred or purported to assign or transfer to any person or entity, any claim or portion thereof, or interest therein, which is or may be subject to this Settlement Agreement.

b. Plaintiff acknowledges that he has read this Settlement Agreement, that he fully understands his rights, privileges and duties under the Settlement Agreement, and enters

into this Settlement Agreement freely and voluntarily. Plaintiff further acknowledges that he has had the opportunity to consult with his attorneys to explain the terms of this Settlement Agreement and the consequences of signing this Settlement Agreement.

7. **Confidentiality.** To the extent permitted by law, all agreements made, including the agreement that information and documents produced in informal discovery for mediation shall remain confidential to the extent they are not required to be disclosed to the Court for Court approval of the Settlement, and orders entered during the Action and in this Settlement Agreement relating to the confidentiality of information shall survive the execution of this Settlement Agreement. The Parties further agree that no Party will issue any press release nor other public or non-public representation regarding the settlement other than as necessary to obtain Court approval and effectuate the terms of the Settlement. The Parties and their counsel agree that they will not initiate or have any contact with the press, respond to any press inquiry, or have any communication with the press about this case.

8. **Obligation of Plaintiff's Counsel to Submit Settlement Agreement to the LWDA.** To permit judicial review and approval of the PAGA Payment, as required by Labor Code section 2698, *et seq.*, Plaintiff's Counsel will file the Settlement Agreement with the Court and submit the Settlement to the LWDA as part of the Parties seeking court approval of the Settlement Agreement, per Labor Code section 2698(1).

9. **Filing of Joint Stipulation of Settlement by Plaintiff's Counsel.** Plaintiff's Counsel shall be responsible for preparing the Joint Stipulation for Approval of the Settlement ("Stipulation") and for providing Defense Counsel with a sufficient opportunity to propose revisions to the Stipulation prior to filing. Plaintiff's Counsel will file the Stipulation, which is mutually agreed to by the Parties, as soon as practicable. Plaintiff's Counsel will serve the Stipulation on Defense Counsel. Pursuant to California Labor Code section 2698, *et seq.*, Plaintiff's Counsel and Defense Counsel shall undertake all required submissions and disclosures to the Court to obtain approval of the Settlement. The Stipulation and order approving the Settlement shall include a provision that the Action is dismissed with prejudice, which shall constitute a final and binding resolution of Plaintiff's claims alleged in the Action.

Should the Court not allow approval of the Settlement by Stipulation, Plaintiff's Counsel shall be responsible for preparing and filing a motion for Court approval of the Settlement. Plaintiff's counsel shall provide Defense Counsel with a sufficient opportunity to propose revisions to the motion prior to its filing with the Court.

10. **Termination of Settlement Agreement.** If the Court does not approve the Settlement, if the Court does not enter judgment as provided for in this Settlement Agreement, or if appellate review is sought and, on such review, the Court's decision is materially modified or reversed, or if one or more of the material terms of the Settlement Agreement is not approved or is materially modified or reversed or found to be invalid, then either of the Parties shall have the right within 10 days of written notice thereof to elect to terminate the Settlement Agreement, in which case the Settlement Agreement shall have no force or effect, and the Parties shall be deemed to have reverted to their respective statuses as of the date and time immediately prior to the execution of this Settlement Agreement. However, if the Court declines to approve the Settlement Agreement as drafted, the Parties agree to attempt in good faith to amend the Settlement Agreement to resolve the Court's concerns with the Settlement Agreement, before either Party terminates the Settlement Agreement.

11. **Judgment.** As part of the Stipulation or motion to approve the Settlement, Plaintiff shall submit a proposed order and judgment which enters judgment in the Action in accordance with the terms of the Settlement Agreement and retains jurisdiction over the Action for the purpose of enforcing the terms of the Settlement Agreement following approval of the Settlement. After approval is received, a Judgment will be entered whereby Plaintiff, the State of California and its LWDA, and each of the Aggrieved Employees shall take nothing from Defendant except as otherwise expressly set forth in the Settlement Agreement and approval Order. The approval Order and Judgment shall bar Plaintiff, all Aggrieved Employees, and the State of California and its LWDA from filing or continuing to prosecute any civil action asserting any of the Released Claims against Defendant and all the Released Parties. The Judgment shall also bar any other person or allegedly aggrieved employee acting on behalf of the State of California and its LWDA from seeking or recovering any civil penalty provided by Labor Code section 2699(a) or (f), from Defendant or any of the Released Parties based on any act or omission alleged in the Action or in the PAGA Notice, for any violation of the Labor Code occurring through the end of the PAGA Period.

IV. **ADMINISTRATION OF SETTLEMENT**

1. **Settlement Administrator.** The Parties agree to use a neutral, mutually agreeable settlement administrator to handle the administration of this settlement for all purposes, subject to Court approval.

2. **Provision of Information for Aggrieved Employees.** Within twenty-one (21) calendar days after the Effective Date, Defendant Foundation Building Materials, LLC shall provide the Settlement Administrator with information for Aggrieved Employees. Defendant will in good faith compile from its payroll records a list of Aggrieved Employees and shall include each Aggrieved Employee's full name, last known mailing address, total Affected Pay Periods worked during the PAGA Period, and Social Security numbers to the extent available from Defendant's records. The Settlement Administrator will maintain the list in confidence, and access shall be limited to those with a need to use the list as part of the administration of the Settlement.

3. **Payment of the Gross Settlement Amount.** Payment of the Gross Settlement Amount shall be made to the Settlement Administrator within thirty (30) days of Court approval of the Settlement Agreement.

4. **Notification of the LWDA.** Plaintiff agrees that counsel for Plaintiff will notify the LWDA of the Settlement at the same time the Settlement is submitted to the Court for approval, seek approval of the Settlement, and perform any and all statutory tasks as required by law.

5. **Explanatory Letter and Individual PAGA Payments.** Upon receipt of the information for Aggrieved Employees, the Settlement Administrator will perform a search on the National Change of Address database to update the Aggrieved Employees' addresses. Within twenty-one (21) calendar days after the Gross Settlement Amount has been fully funded, and after receiving approval from counsel of the payment calculations as provided above, the Settlement Administrator shall mail copies of an explanatory letter in the form attached as "Exhibit A," in English and Spanish, along with Individual PAGA Payments to all Aggrieved Employees via regular First-Class U.S. Mail.

The Settlement Administrator will calculate the amount to be received by each Aggrieved Employee, which will be based on the formula set forth in Section III.4, *supra*. The Settlement Administrator will send each Aggrieved Employee a check for his or her Individual PAGA Payment along with the explanatory letter, in the form of Exhibit A hereto. Checks will remain negotiable for 180 days. Each Individual PAGA Payment shall be deemed penalties and reported using IRS Form 1099, with no withholdings taken.

6. **Undeliverable Notices.** The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Aggrieved Employee. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Aggrieved Employee. It will be conclusively presumed that, if an envelope so mailed has not been returned within 30 days of the mailing, the Aggrieved Employee received the explanatory letter and Individual PAGA Payment.

Any checks returned as non-deliverable on or before the check cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace or other search using the name, address or Social Security number of the Aggrieved Employee involved and will perform up to a single re-mailing if a new address is located.

Funds represented by checks returned as undeliverable after a re-mailing, checks for whom the Settlement Administrator could not locate an updated address after performing a skip trace, and funds represented by checks remaining un-cashed for more than 180 days after issuance (collectively, "Uncashed Checks"), will be deposited by the Settlement Administrator with the California State Controller to be deposited in the Unclaimed Property Fund, in the name of the Aggrieved Employee.

7. **Distribution of Payments.** Within twenty-one (21) calendar days of the Gross Settlement Amount being fully funded, the Settlement Administrator shall issue payments to: (1) Aggrieved Employees; (2) the LWDA; (3) the Settlement Administrator for Court-approved administration costs incurred in connection with the Settlement; (4) Plaintiff's Counsel for Plaintiff's Counsel's Court-approved attorneys' fees and costs; and (5) Plaintiff for his enhancement payment.

8. **Accounting.** Within 45 days after all payments have been made under the Settlement, the Settlement Administrator will provide an accounting under oath to the Parties of the amounts paid from the Settlement.

9. **Tax Consequences.** Neither Plaintiff nor Defendant, nor counsel for either of the Parties, makes any representations or warranties with respect to tax consequences of any payment under this Settlement Agreement.

10. **No Further Obligation.** The payment of Individual PAGA Payments shall not oblige Defendant to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Settlement Agreement.

//

V. MISCELLANEOUS PROVISIONS

1. **No Admission of Liability.** Nothing in this Settlement Agreement shall be construed to be an admission by Plaintiff that his claims do not have merit, or by Defendant of any liability or wrongdoing as to Plaintiff, Aggrieved Employees, or any other person, and Defendant specifically disclaims any such liability or wrongdoing. Defendant does not admit to liability or to the suitability of this case for representative litigation other than for purposes of settlement. The Parties have entered into this Settlement Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and risks. This Settlement Agreement and any related court documents or orders are not, and may not be cited or admitted as, evidence of liability. If the Court does not grant approval of this settlement, then the Parties revert to their previous positions and Defendant will contend that a representative action is not appropriate.

2. **Drafting.** The Parties agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive, arm's-length negotiations between the Parties and that neither Party shall be considered the "drafter" of this Settlement Agreement for purposes of having terms construed against that Party.

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

4. **Costs and Fees.** The Parties shall each bear their own costs, attorneys' fees, mediator fees and other fees incurred in connection with this Settlement Agreement, the Action and Plaintiff's claims, except as otherwise set forth specifically herein.

5. **Governing Law.** This Settlement Agreement shall be construed under and governed by the laws of the State of California. This Settlement Agreement shall be deemed to have been entered into in Los Angeles, California, and all questions of validity, interpretation or performance of any of its terms or of any rights or obligations of the Parties to this Settlement Agreement shall be governed by California law. If any legal or equitable action or arbitration is necessary to enforce the terms of this Settlement Agreement, it shall be brought in the State of California, County of Los Angeles.

6. **Complete Agreement.** The Parties each acknowledge and represent that no promise or representation not contained in this Settlement Agreement has been made to them and acknowledge and represent that this Settlement Agreement contains the entire understanding between them and contains all terms and conditions pertaining to the compromise and settlement of the claims in the Action.

7. **Nullification of Settlement Agreement.** In the event that: (i) the Court does not approve the Settlement as provided herein; or (ii) the Settlement does not become final for any other reason, then this Settlement Agreement and any documents generated to bring it into effect, will be null and void, and the Parties will be returned to their respective positions before the Settlement was executed.

8. **Judgment and Continued Jurisdiction.** After approval of this Settlement, the Court will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement of the terms of the settlement, (ii) settlement administration matters, and (iii) such

post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

9. **Amendment or Modification.** This Settlement Agreement may be amended or modified only by a written instrument, signed by either the Parties or their successors-in-interest or counsel for all Parties.

10. **Authorization to Enter into Settlement Agreement.** Counsel for all Parties warrant and represent that they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to affect the implementation of the Settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, any such disputes shall be presented to the mediator, Michael J. Loeb, to resolve such disagreement.

11. **Execution and Counterparts.** This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All executed counterparts, and each of them, including facsimile, and scanned copies of the signature page, will be deemed to be one and the same instrument.

12. **Acknowledgement that the Settlement is Fair and Reasonable.** The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action, and have arrived at this Settlement after arm's-length negotiations by experienced counsel. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement.

13. **Invalidity of Any Provision.** Before declaring any provision of this Settlement Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Settlement Agreement valid and enforceable.

14. **Severability.** If any term or provision of this Settlement Agreement is held to be invalid or unenforceable, the remaining portions of this Settlement Agreement will continue to be valid and will be performed, construed and enforced to the fullest extent permitted by law, and the invalid or unenforceable term will be deemed amended and limited in accordance with the intent of the Parties, as determined from the face of the Settlement Agreement, to the extent necessary to permit the maximum enforceability or validation of the term or provision.

15. **Waiver.** No waiver of any condition or covenant contained in this Settlement Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such Party of the same or any other condition, covenant, right or remedy.

16. **Enforcement Action.** In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement Agreement or to declare rights and/or obligations under this Settlement, the

successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

17. **Mutual Preparation.** The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one Party merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

18. **Representation by Counsel.** The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and this Settlement Agreement has been executed with the consent and advice of counsel and reviewed in full.

19. **Cooperation and Execution of Necessary Documents.** All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

20. **Binding Agreement.** The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

IN WITNESS THEREOF, the Parties each acknowledge that he/it has read the foregoing Settlement Agreement, accepts, and agrees to the provisions contained in this Settlement Agreement and hereby executes it voluntarily and with full understanding of its consequences.

Date: 2/28/2025, 2025

Signed by:


69C69E55745540D...
Miguel Lombera

Foundation Building Materials, LLC

Date: _____, 2025

By _____
Name: _____
Title: _____

[Signatures continue on the following page]

successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

17. **Mutual Preparation.** The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one Party merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

18. **Representation by Counsel.** The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and this Settlement Agreement has been executed with the consent and advice of counsel and reviewed in full.

19. **Cooperation and Execution of Necessary Documents.** All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

20. **Binding Agreement.** The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

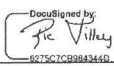
IN WITNESS THEREOF, the Parties each acknowledge that he/it has read the foregoing Settlement Agreement, accepts, and agrees to the provisions contained in this Settlement Agreement and hereby executes it voluntarily and with full understanding of its consequences.

Date: _____, 2025

Miguel Lombera

Foundation Building Materials, LLC

Date: February 28 _____, 2025

By  _____
Name: Ric Tilley
Title: Chief Legal officer

[Signatures continue on the following page]

Approved as to form.

Date: 2/27/2025, 2025

WORK LAWYERS PC

DocuSigned by:

Justin Lo

851114C5405E4A4..

Justin Lo

Attorneys for Plaintiff Miguel Lombera

Date: 3/6/25, 2025

HILL, FARRER & BURRILL LLP

James A. Bowles
James A. Bowles

Elissa L. Gysi

Attorneys for Defendant Foundation Building
Materials, LLC

Exhibit A

<<Mailing Date>>

[(INSERT NAME OF SETTLEMENT ADMINISTRATOR) LETTERHEAD]

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

Re: Settlement Payment from *Miguel Lombera v. Foundation Building Materials, LLC*,
Alameda County Superior Court Case No. 23CV052246

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

Enclosed you will find a check made payable to you. This is your payment from the court-approved settlement of the lawsuit entitled *Miguel Lombera v. Foundation Building Materials, LLC*, Alameda County Superior Court Case No. 23CV052246 (the "Action"). The court approved the settlement on _____, 2025.

_____ is the third-party administrator who has been appointed by the court to administer the settlement.

The Action was filed against Foundation Building Materials, LLC ("Defendant") pursuant to the California Labor Code Private Attorneys General Act of 2004, Cal. Lab. Code § 2698 *et seq.* ("PAGA"). The claims were brought on behalf of the State of California and all current and former non-exempt hourly employees who worked at least one pay period for Defendant Foundation Building Materials, LLC in California at any time during the PAGA Period (September 14, 2022 through the pay period that ended on November 17, 2024). You have been identified as one of the employees on whose behalf the case was brought because you were employed as a non-exempt employee by Foundation Building Materials, LLC during the PAGA Period.

The Plaintiff in the case claimed that Defendant owed penalties under PAGA for certain California Labor Code violations. Defendant denies doing anything wrong and denies owing any penalties. The Parties agreed to resolve the case, and as part of that settlement, Defendant agreed to pay a certain amount of money categorized as PAGA penalties. Under the PAGA statute, the penalties are divided between the State and the aggrieved employees. The amount allocated to employees is being distributed on a *pro rata* basis, based on the respective number of pay periods the employee worked for Defendant during the PAGA Period. The enclosed check represents your portion of the penalties allocated to the employees.

If you have questions regarding this lawsuit, the contact information for Plaintiff's and Defendant's counsel is below:

Plaintiff's Counsel	Defendant's Counsel
Justin Lo Esq. Justin@caworklawyer.com info@caworklawyer.com WORK LAWYERS, PC 22939 Hawthorne Blvd., Ste. 300 Torrance, CA 90505 Tel: (310) 248-2944 Fax: (424) 355-8535	James A. Bowles, Esq. jbowles@hillfarrer.com Elissa L. Gysi, Esq. egysi(a)Hillfarrer.com HILL, FARRER & BURRILL LLP One California Plaza 300 S. Grand Avenue, 37th Floor Los Angeles, California 90071-314 7 Telephone: 213.620.0460 Fax: 213.624.4840

If you have questions, please contact _____ [settlement administrator] at
_____ [phone number].

Do not call or write to the Court or Office of the Clerk to ask questions about the settlement.