

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA**

CAROL POSTIER, individually and on behalf
of all others similarly situated,

Plaintiffs,

vs.

LOUISIANA-PACIFIC CORP.,

Defendant.

Case No. CV 09-3290 JCS

**CLASS ACTION SETTLEMENT
AGREEMENT**

I. RECITALS

WHEREAS, on July 17, 2009, Plaintiff Carol Postier commenced an action against Louisiana-Pacific Corp. (hereinafter "LP"), entitled Carol Postier v. Louisiana-Pacific Corp. (Case No. CV 09 3290 JCS); and

WHEREAS, Plaintiff's Corrected First Amended Complaint, filed on November 9, 2009, seeks injunctive relief and damages under the Consumer Legal Remedies Act ("CLRA"), Cal. Civ. Code § 1750, *et seq.*, in addition to damages for violations of California's Unfair Competition Law ("UCL"), Cal. Bus. & Prof. Code §§ 17200 & 17500, Breach of Express Warranty, Negligent Misrepresentation and Omission, Intentional Misrepresentation and Omission, and Unjust Enrichment arising out of Defendant's sale and recall of allegedly defective composite decking materials; and

WHEREAS, Plaintiff alleged in the Action that LP's composite Decking was defective and that LP allegedly committed unlawful business practices in the way it communicated and/or omitted to communicate certain facts and circumstances to its customers in connection therewith, and on the basis of such allegations, asserted that the Action should proceed as a class action; and, inter alia, sought restitution, disgorgement, injunctive relief and damages; and

WHEREAS, LP asserts that the vast majority of Decking and Railing continues to serve its function, and LP alleges that the Plaintiff's Deck Structure has no Deterioration and has performed as warranted, and LP denies that the Action should be treated as a class action except for purposes of settlement; and

WHEREAS, Class Counsel (defined below) have conducted a thorough examination and investigation of the facts and law relating to the matters in this Action, including but not limited to engaging in both formal and informal discovery, defending a Motion to Dismiss, examining LP documents, and taking the depositions of the Person Most Knowledgeable with respect to i) the design of the defective decking, ii) the manufacturing process, and iii) the recall;

WHEREAS, Class Counsel have analyzed and evaluated the merits of all Parties' (defined below) contentions and this Settlement as it impacts upon all Parties, including the individual Class Members. Plaintiff and Class Counsel, after taking into account the foregoing along with the risks and costs of further litigation, are satisfied that the terms and conditions of this Settlement (defined below) are fair, reasonable, adequate and equitable, and that a settlement of the Action is in the best interest of the Class Members; and

WHEREAS, LP, while continuing to deny all allegations of wrongdoing and disclaiming any liability with respect to any and all claims, considers it desirable to resolve the Action on the terms stated herein, in order to avoid further expense, inconvenience, and burden, and to resolve litigation and, therefore, has determined that settlement of this Action on the terms set forth herein is in its best interest; and

WHEREAS, this Settlement reflects a compromise between the Parties and shall in no event be construed as or be deemed an admission or concession by any Party of the truth of any

allegation or the validity of any purported claim or defense asserted in any of the pleadings in the Action, or of any fault on the part of LP, and all such allegations are expressly denied; and

WHEREAS, the Parties participated in a formal mediation before Judge Fern Smith (retired) at the JAMS offices in San Francisco, California on January 12, 2010, February 22, 2010, March 10, 2010, and again on May 19, 2010, at which time substantial settlement negotiations took place between the Parties; and

WHEREAS, additional substantial settlement negotiations have taken place between the Parties, and, as a result, this Settlement has been reached, subject to the Court approval process set forth herein; and

WHEREAS, Plaintiff and Class Counsel believe that this Settlement offers significant benefits to Class Members and is fair, reasonable, adequate and in the best interest of Class Members; and

WHEREAS, Defendant has agreed to enter into this Settlement in order to put to rest all controversy and to avoid the further expense of litigation, without in any way conceding any fault or liability on its part. Defendant continues to dispute the claims asserted by Plaintiff. Plaintiff and Class Counsel recognize that there are significant legal and factual obstacles to a successful prosecution or defense of this lawsuit, that it would involve time-consuming and lengthy proceedings to resolve them, and that the ultimate outcome would be uncertain.

WHEREAS, in order to provide meaningful, immediate benefits to the Class Members and to resolve through compromise in a fair, appropriate manner the many contentious legal and factual issues involved in this Action, the class representative Plaintiff, through Class Counsel, have negotiated a Claims Program available to all Class Members. This Settlement provides fair and reasonable relief to all Class Members with Damaged or Deteriorated Decking and Railing.

WHEREAS, this Settlement is for settlement purposes only. It has been entered into for the purpose of compromising and settling a disputed matter and is not an admission of a deficiency in the design, manufacture, marketing, sales, warranty process, or customer support of Decking or Railing.

NOW, THEREFORE, THIS SETTLEMENT is entered into this 27th day of July, 2010, by and among (a) the Plaintiff in this case, for herself and on behalf of the Class Members as hereinafter defined; and (b) Defendant.

Subject to Court approval, it is hereby stipulated and agreed by the Parties that upon the entry by the Court of a Judgment approving the Settlement and directing its implementation, this Action shall be settled and compromised upon the terms and conditions set forth below.

II. DESCRIPTION OF THE CLAIMS-MADE SETTLEMENT PROGRAM

A. Definitions (the terms defined in this section are indicated in the Settlement by capitalized words.)

1. **Action** means the case entitled Carol Postier v. Louisiana-Pacific Corp., United States District Court for the Northern District of California Case No. CV 09-3290 JCS.

2. **Attorney Fees and Expenses** means the sum awarded and approved by the Court as reasonable, full and complete compensation for the services provided by Class Counsel to date and into the future to effectuate, enforce, monitor, and/or administer this settlement, including reimbursement of costs and expenses (including any expert witness fees and expenses). Aside from this payment, LP shall have no obligation to pay Class Counsel or Plaintiff for time or expenses incurred in the Action or in satisfying their obligations under the Settlement in the past, present or future.

3. **Claim** means a request for compensation for Damaged or Deteriorated Decking or Railing under this Settlement. All Claims must be submitted to the Claims Office by the Class Member(s) who own(s) the Decking and/or Railing at the time of the Claim. A registration under the Product Advisory Program that has not resulted in a complaint about the condition of the Decking or Railing, is not a Claim under this Settlement.

4. **Claim Form** means a form seeking benefits under the Settlement that must be signed by a Class Member and submitted by a Class Member in

accordance with the Claims Program. The Claim Form will be substantially the same as the document attached as Exhibit A to this Settlement. The Parties have endeavored to make this form clear and simple, and the Parties agree that this Claim Form can be filled out by most Class Members without assistance.

5. **Claim Period** means the period within which a Class Member may submit a Claim Form to the Claims Office to receive benefits under the Settlement. The Claim Period for all Class Members will commence on the Settlement Date and end at the expiration of the Warranty Period applicable to the Class Member's Deck. A Claim Form shall be deemed "filed" or "submitted" as of the date of its postmark when mailed first class, registered mail, certified mail, postage prepaid and properly addressed to the Claims Office, or when delivered to any commercial one or two-day delivery service if properly addressed to the Claims Office, or when actually received by the Claims Office, whichever is first. If the Claim Form is transmitted electronically, the Claim Form shall be deemed "filed" or "submitted" on the first business day after it is received by the Claims Office.

6. **Claimant** means an eligible Class Member who submits a timely Claim.

7. **Claims Office** means the office or department designated by LP for the purpose of implementing and managing the Claims Program established by this Settlement. The Claims Office will be staffed by Persons employed by or retained by LP to review, evaluate, calculate and pay Claims submitted by Class Members. LP may use a combination of employees and non-employees to provide the various functions required of the Claims Office.

8. **Claims Program** means the process that LP will provide for evaluating and paying claims submitted by Class Members under the Settlement.

9. **Class Counsel** means William Audet and Joshua Ezrin of Audet & Partners, LLP.

10. **Class** means the group of Persons composed of Class Members which is conditionally certified as a class for purposes of this Settlement.

11. **Class Members** means:

All Persons who at any time own or owned Decking or Railing sold under the brand names LP, WeatherBest, ABTCO, and Veranda.

The following Persons are excluded from the Class:

- a. All Persons who, in accordance with the terms of this Settlement, properly execute and timely file during the Opt-Out Period a request for exclusion from the Class;
- b. All Persons represented by counsel who, prior to the date of preliminary approval of the Settlement, initiated legal proceedings in court

or arbitration against LP that resulted in settlement, judgment, release, dismissal or other final disposition resulting in the termination of the proceedings against LP. Persons who resolved claims under the Warranty Claim Program or the Product Advisory Program, but who did not file legal proceedings, will remain Class Members subject to the off-sets for Prior Payments as described in this Settlement.

12. Class Member's Address means the primary residence address of the Class Member.

13. Contractor Coordinator means the Person or Persons agreed upon by the Parties to: (1) select and maintain a list of Replacement Contractors qualified to perform the work required under Replacement Offers within the Claims Program; (2) make arrangements with Claimants for Replacement Contractors to perform work under Replacement Offers according to the Claims Program, and (3) communicate with and coordinate the Replacement Contractors. Subject to agreed upon changes or additions in the future, the Parties agree that BrightClaim, Inc., may serve as a Contractor Coordinator.

14. Comparable Cost means costs that are as close to equivalent as possible to the amount the Replacement Contractor would charge to remove and replace the subject Decking or Railing with exactly the same materials. Since LP no longer manufactures Decking or Railing, the materials used to determine Comparable Cost will be materials that were of similar cost in direct competition with Decking and Railing.

15. Core Gap means visible manifestation of a void in the middle of the material where the board has separated into two or more distinct layers and which is measurable with a one-quarter inch wide (1/4") and twenty-five-one-thousandths inch thick (0.025") feeler gauge inserted to a depth of one-half inch (1/2") into the void. Core Gaps are visible at the butt ends as a void. Core Gaps are visible on the face of the board as substantial cracks emanating from the internal void.

16. Cosmetic Issues means conditions that impact the appearance but not the structural performance of the material including, but not limited to, discoloration, color loss, color transfer, grain pattern relaxation, "mushrooming" around nail heads caused by the failure to pre-drill nail holes, roughened surface, or the accumulation of mold, mildew, and dirt (but "mold, mildew, and dirt" does not include damage from decay fungi). Grain pattern relaxation means the embossed pattern on the face of the Decking has returned to the smooth surface profile that existed prior to embossing as a result of plastic memory; it does not mean an erosion of the Decking surface. Cosmetic Issues are neither Damage nor Deterioration.

17. Court means the United States District Court for the Northern District of California.

18. **Cupping** means a concave change in profile across the width of the board where the board has curled to form a visible trough shape. In order to qualify as Cupping, the deviation must measure more than one-quarter inch (1/4") across the width of the board (e.g., a six-inch straight-edge).

19. **Crowning** means a convex change in profile across the width of the board where the board has curled to form a visible arch shape. In order to qualify as Crowning, the deviation must measure more than one-quarter inch (1/4") across the width of the board (e.g., a six-inch straight-edge).

20. **Damage** means, and is explicitly limited to, Core Gaps, Cupping, Crowning, Splitting, Termite Damage, and Warping, except as follows: Damage does not include Cosmetic Issues and conditions caused by Improper Construction, Improper Installation, and/or Improper Use. Damage to any portion of a continuous Piece of Decking or Railing will be deemed Damage to the entire Piece. Benefits offered for Railing Systems are separate from benefits offered for Decking Systems under this Settlement. Accordingly, Damage to the Decking will not provide a basis for Railing benefits, and Damage to the Railing will not provide a basis for Decking benefits.

21. **Deterioration** means a premature oxidation of the polymer in the boards which is observable as any visible surface flaking, visible crumbling, or visible peeling which presents a risk that the boards will break under normal use within the Claim Period, except as follows: (i.) the surface flaking, crumbling, or peeling will only constitute Deterioration if the board has begun to disintegrate or separate into distinct elements or parts; and (ii.) the conditions listed as Damage are not, by themselves, Deterioration; and (iii.) Deterioration does not include Cosmetic issues and conditions caused by Improper Use. Deterioration on any Piece of Decking will be deemed Deterioration of the Decking System. Deterioration on any Piece of Handrail Board will be deemed deterioration of all of the Handrail Boards on the Railing System, but not other components of the Railing System. Benefits offered for Railing Systems are separate from benefits offered for Decking Systems under this Settlement. Accordingly, Deterioration of the Decking will not provide a basis for Railing benefits, and Deterioration of the Railing will not provide a basis for Decking benefits.

22. **Deck Structure** means the Decking System and the Railing System. Where there is ambiguity about the number of decks on a Claimant's property, a Deck Structure is a single, connected, continuous system of Decking or Railing.

23. **Decking** means any and all deck material (including, without limitation: materials used as deck boards, stair treads, stair riser boards, or fascia) manufactured by LP at the Meridian, Idaho plant or the Selma, Alabama plant at any time up to and including October 29, 2007, other than material defined herein as Railing. Decking was sold under the brand names LP, WeatherBest, ABTCO, and Veranda.

24. **Decking System** means all of the Decking on a Deck Structure, but does not include the Railing System. Structural components (e.g., stringers, joists, beams, posts, etc.) that are not made of Decking material are not part of the Decking System.
25. **Defendant** means LP.
26. **Fairness Hearing** means the settlement approval hearing(s), to be conducted by the Court in connection with the determination of the fairness, adequacy and reasonableness of this Settlement in accordance with Federal Rule of Civil Procedure 23.
27. **Final Inspection Report** means the final report resulting from a Deck Structure inspection by the Independent Inspector after the Independent Inspector has corrected any inaccuracies noted by the Claims Office.
28. **Handrail Boards** means the structural, horizontal Railing components supported at intervals by vertical posts, balusters, or similar members which provide a handhold for the Railing System.
29. **Incorrect Fastening** means screws or nails less than 1 inch from any edge of the Decking or Railing (plus or minus the width of the screw head), or insufficient fasteners such as less than 2 nails or screws at each joist. Incorrect Fastening only applies when it causes Splitting from the fastener hole to the butt end of the board, Cupping or Crowning.
30. **Incorrect Gapping** means Decking placed less than 3/16th of an inch apart along the length (i.e., side-to-side) or such gapping as is necessary for sufficient drainage. Incorrect Gapping only applies when it causes Warping, Cupping or Crowning.
31. **Incorrect On-Center Spacing** means Decking having more than 16-inch (plus or minus 1/16 of an inch) joist spacing on straight mounting or 12-inch (plus or minus 1/16 of an inch) joist spacing on diagonal mounting, or Decking used as stair treads having more than 9-inch (plus or minus 1/16 of an inch) spacing between stair stringers. Incorrect On-Center Spacing only applies when it causes Warping.
32. **Incorrect Spacing** means Decking or Railing placed less than 1/8th of an inch at the ends or "butt joints" or such gapping as is necessary to allow for linear expansion. Incorrect Spacing only applies when it causes Warping.
33. **Independent Inspector** means the Person or Persons agreed upon by the Parties to conduct inspections under the Settlement. Subject to agreed upon changes or additions in the future, the Parties agree that BrightClaim, Inc. may serve as an Independent Inspector.

34. Installation Date means the date on which the Deck Structure is deemed to have been installed for purposes of the Settlement. For Deck Structures installed as part of the original construction of the home, the Installation Date is the date on which the local building official issued the Certificate of Occupancy. For Deck Structures installed as a replacement, renovation, improvement, or addition, or where no Certificate of Occupancy was issued, the Installation Date is the date established by one of the following: contractor invoices, contractor receipts, material supplier invoices, material supplier receipts, notice of completion, or building permit sign-off sheets.

35. Improper Construction means Incorrect On-Center Spacing or Substructure Errors, or a violation of the applicable building code, local building practice, or standard of care. Improper Construction only applies when it causes the Damage in question.

36. Improper Installation means Incorrect Fastening, Incorrect Spacing, and Incorrect Gapping. Improper Installation only applies when it causes the Damage in question.

37. Improper Use means exposure to conditions after manufacture that impact the performance of the product including: (i.) intentional, reckless or negligent physical damage to Decking or Railing resulting from mechanical force (e.g., dropping a heavy object on the deck), or excessive loads (e.g., installing a spa, pool, hot tub, or heavy appliance on top of the deck); or (ii.) damage to Decking or Railing to the extent resulting from natural disaster including, but not limited to, fire, hurricane, flood, earthquake, earth movement, or other similar force majeure events; or (iii.) use on a floating dock, a non-fixed dock, or a dock used for commercial purposes. Improper Use only applies when it causes the Damage or Deterioration in question.

38. Joint Decking Replacement Offer means an offer made to a Claimant for replacement of the Decking System paid for by a contribution from LP and a contribution from the Class Member according to the formula set forth in this Settlement. The Contractor Coordinator will coordinate the replacement with the Claimant and the Replacement Contractor, and LP's contribution will be based on the replacement of the Decking System with a system of Comparable Cost. The Claimant will have the option of negotiating upgrades with the replacement contractor at the Claimant's expense. LP will pay its contribution towards the replacement cost to the Contractor Coordinator.

39. Joint Railing Replacement Offer means an offer made to a Claimant for replacement of the Railing System paid for by a contribution from LP and a contribution from the Class Member according to the formula set forth in this Settlement. The Contractor Coordinator will coordinate the replacement with the Claimant and the Replacement Contractor, and LP's contribution will be based on the replacement of the Railing System with a system of Comparable Cost. The Claimant will have the option of negotiating upgrades with the replacement

contractor at the Claimant's expense. LP will pay its contribution towards the replacement cost to the Contractor Coordinator.

40. Judgment means the Final Order and Judgment in a form substantially the same as Exhibit B to this Settlement.

41. Long Form Settlement Notice means a form substantially the same as the document attached as Exhibit C to this Settlement.

42. LP means LP Corp., LP Corporation, Louisiana-Pacific Corp., Louisiana-Pacific Corporation, ABTco, Inc., and all of their present and/or former divisions, subordinates, parents, subsidiaries or affiliates, directors, officers, attorneys, employees, servants, successors, agents, assigns, assignors, subsidiaries, predecessors, and any entity whose liability for Decking or Railing LP assumed under any agreement. LP also means all of its present and former insurers (including-co-insurers and re-insurers) solely with regards to policies held by LP.

43. Notice Date means the date on which the Settlement Notice is first published under the Notice Program.

44. Notice Program means the program described in Exhibit D to this Settlement.

45. Opt-Out Period means the 90-day period after the Notice Date.

46. Parties means Defendant, Plaintiff and Class Members. Unauthorized Claim Brokers are neither Parties nor third-party beneficiaries under this Settlement.

47. Person means any person, corporation, association or other entity, and it includes the singular and plural.

48. Piece means one component of Decking or Railing installed in a single, continuous, un-cut segment.

49. Plaintiff means the named plaintiff designated by Class Counsel, and appointed by the Court, to serve as class representative in this action: Carol Postier.

50. Preliminary Approval Order means an order executed by the Court in this Action prior to commencement of the Notice Program. The Preliminary Approval Order shall be substantially in the form of Exhibit E to this Settlement.

51. Prior Claim means a claim submitted, or contact initiated, under the Product Advisory Program or Warranty Claims Program prior to the Settlement Date.

52. Prior Payment means any prior payment under the Settlement or the Warranty Claims Program, any prior payment from LP, or any payment from any other source that provided replacement costs for the Decking or Railing that is the subject of the Claim under consideration. As provided below, the actual cost of an inspection on a Subsequent Claim resulting in a finding of no additional Damage or Deterioration will also be treated as a Prior Payment.

53. Product Advisory Program means the voluntary product advisory announced by LP in August of 2008 and the recall program approved by the U.S. Consumer Product Safety Commission and announced by LP on May 13, 2009.

54. Railing means materials manufactured by LP at the Meridian, Idaho plant or the Selma, Alabama plant at any time up to and including October 29, 2007, and used for purposes other than as deck boards, stair treads, stair riser boards, or fascia and that fall into any of the following component categories: top rail boards (even if deck boards are used), post sleeves, post caps, horizontal rails, rail supports, railings, handrails, balusters, and crush blocks. Railing was sold under the brand names LP, WeatherBest, ABTCO, and Veranda.

55. Railing System means all of the Railing parts of a Deck Structure, and includes all of the Railing components, but does not include the Decking System.

56. Releasing Parties means any Person who met the definition of Class Member when this Action was pending or meets the definition of Class Member at the time his or her Claim is submitted or meets the definition of Class Member at any time during the applicable Claim Period and who did not timely opt out of the Action. Releasing Parties also includes each and every Person claiming by or through any Class Member as heir, administrator, devisee, predecessor, successor, representative of any kind, shareholder, partner, association member, owner, or co-tenant of any kind, affiliate, subrogee, assignee, or insurer.

57. Replacement Contractor means Persons qualified to repair or replace Deck Structures in the area where the Claimant resides. The Contractor Coordinator will select the Persons who may serve as Replacement Contractors, and only Replacement Contractors may perform the work under the Replacement Offers. In order to be a Replacement Contractor, a contractor must be registered with the Coordinating Contactor and must agree to the terms of the Claims Program.

58. Replacement Offers means any of the following: the Total Decking Replacement Offer, the Total Railing Component Replacement Offer, the Joint Decking Replacement Offer, or the Joint Railing Replacement Offer.

59. Secures means that the Independent Inspector informs the Claimant that the Deck Structure may be unsafe and places sheathing panels over areas of the Decking that show severe Deterioration.

60. Settled Claim or Settled Claims means every claim, action, cause of action, liability, right, demand, suit, matter, obligation, damage, loss or cost, including consequential damages and any claim for other damages, losses or costs, of every kind and description, that the releasing parties now have, have had in the past or may have in the future against LP arising out of the subject matter of the Action, whether known or unknown, asserted or unasserted, which if known to the Releasing Parties would have materially affected their settlement with LP and which accrue or have accrued as a result of having LP's Decking or Railing on the Releasing Parties' property. Without limiting the scope of the foregoing, "Settled Claims" shall include:

- a. property damage to Class Members' Deck Structure or to the home or building on which the Deck Structure is installed or to any surrounding property resulting from Decking or Railing;
- b. any claim for breach or violation of or for benefits conferred by any federal, state, common or other law or statute, regulation or ordinance relating to Decking or Railing including, but not limited to, the Consumer Legal Remedies Act, the Unfair Business Practices Act, or similar laws;
- c. any claim for breach of any duty imposed by law, by contract or otherwise, including, without limitation, breach of warranty (express or implied) or any other contract, promissory or equitable estoppel or principles of unjust enrichment relating to Decking or Railing;
- d. any claim based on principles of tort law or other kind of liability, including without limitation, those based on principles of strict product liability, negligence, reliance, racketeering, fraud, conspiracy, concerted action aiding and abetting, veil-piercing liability, alter-ego or successor liability, consumer fraud, negligent misrepresentation, intentional misrepresentation, negligent omission, intentional omission, or other direct or derivative liability relating to Decking or Railing;
- e. any claim related to alleged defects or inadequacies in the design, manufacture, advertising, product literature, warranty documents, installation instructions, sale, distribution, or marketing of Decking or Railing;
- f. any claim for declaratory or injunctive relief associated with the above;
- g. any claim for diminution in value of or consequential or collateral damage including, but not limited to, claimed damage to the Deck Structure or to any component of the home or building on which the Deck Structure is installed or to any surrounding property;

h. any claim for emotional damages, mental anguish, or similar claim arising out of Damage to the Deck Structure or because of the installation of the Decking or Railing on the property;

i. any claim based on the Product Advisory Program or the Warranty Claims Program;

j. any claim against Persons who are not Parties to the extent such claims are based on alleged defects or inadequacies in the design, manufacture, advertising, product literature, installation instructions, sale, distribution or marketing of Decking or Railing, and

k. any claim for penalties, punitive damages, exemplary damages, or any claim for damages based upon a multiplication of compensatory damages associated with the above.

61. Settlement means this Class Action Settlement Agreement and the rights and obligations described within it.

62. Settlement Administrator means the third party agreed upon by the Parties to resolve disputes under this Settlement. The Parties may appoint more than one Person to perform these functions. The Settlement Administrator will, among other things, receive and determine the validity of any challenge to any findings or decisions made by the Claims Office or the Independent Inspector with respect to a Claim under this Settlement.

63. Settlement Date means the date on which all of the following have occurred: (a) the entry of the Judgment without material modification, and (b) the Judgment becomes final and non-appealable through either: (i) the expiration of the allowable appeal periods without an appeal having been filed; or (ii) final affirmance of the Judgment on appeal, or final dismissal of all such appeals with prejudice, or denial of all such appeals, including petitions for review, rehearing or certiorari.

64. Settlement Election means the written confirmation by a Claimant indicating the Claimant's choice and acceptance of one of the benefits offered in a Settlement Package under this Settlement. A Settlement Election only applies where LP offers the option between a Settlement Payment Amount or a Replacement Offer. The Settlement Election will constitute a binding decision by the Claimant to choose between, and to accept, either the Settlement Payment Amount or the applicable Replacement Offer.

65. Settlement Notice means a form substantially the same as the document attached as Exhibit F to this Settlement.

66. Settlement Package means a written description of the results of the Final Inspection Report including photographs taken by the Independent Inspector at

the time of the inspection, LP's offer as required by the Settlement, and an explanation of each offer including any necessary calculations.

67. Settlement Payment Amount means the cash amount offered by LP to pay for Damage on a Claim under the Settlement.

68. Splitting means cracks parallel to the long direction of the board which is measurable with a one-quarter inch wide (1/4") and twenty-five-one-thousandths inch thick (0.025") feeler gauge inserted to a depth of one-eighth inch (1/8") into the crack. Splitting visible at the butt end of the board is sometimes called checking.

69. Subsequent Claim means a Claim on a Decking Structure submitted after the initial claim on that Decking Structure under this Settlement, regardless of who filed the initial claim.

70. Substructure Errors means violations of the applicable building code, the installation instructions, or the applicable standard of care which result in a failure to adequately support components of the Deck Structure. Substructure Errors also means the structural materials used to build the Deck Structure that were not manufactured by LP (e.g., joists, stair stringers, support posts, etc.) have defects or have experienced damage which result in a failure to adequately support components of the Deck Structure. Substructure Errors include inadequate clearance between the Decking and the underlying surface (e.g., grade, ground, hardscape, roof, or other flat surface.)

71. Termite Damage means any visible damage from wood boring insects that weakens the strength of the boards.

72. Unauthorized Claim Brokers means entities or individuals who are engaged in the business of filing or pursuing claims under this or any other class action settlement. Any entity or individual will be presumed to be a Unauthorized Claim Broker if it either: (1) is involved in more than 10 Claims under this Settlement; (2) is involved in submitting claims on behalf of more than 3 individual Class Members, (3) collects a fee for any purpose including, but not limited to, the recovery of a Settlement Payment Amount or a Replacement Offer; or (4) enters into a contract, power of attorney or similar document with any Class Member under which the Class Member agrees to pay a fee for recovery of a Settlement Payment Amount or a Replacement Offer.

73. Total Decking Replacement Offer means an offer by LP to the Class Member to replace the Decking System. The Contractor Coordinator will coordinate the replacement with the Claimant and the Replacement Contractor, and LP will pay for the replacement of the Decking System using deck materials of Comparable Cost. LP's contribution will be reduced by the amount of any Prior Payment, and the Claimant will be responsible for paying that amount to the Replacement Contractor. The Claimant will have the option of negotiating

upgrades with the Replacement Contractor at the Claimant's expense. LP will pay its contribution toward the replacement cost directly to the Contractor Coordinator.

74. Total Handrail Board Replacement Offer means an offer by LP to the Class Member to replace all of the Deteriorated Handrail Boards in the Railing System. If any of the Handrail Boards has Deterioration, then the cost of replacing all of the Handrail Boards would be covered by the offer, but the other components (e.g., bottom rails, post sleeves, post caps, balusters, etc.) would not be included in the replacement. The Contractor Coordinator will coordinate the replacement with the Claimant and the Replacement Contractor, and LP will pay for the replacement of the Deteriorated Handrail Boards with materials of Comparable Cost. The Class Member will have the option of negotiating upgrades or the replacement of additional components with the Replacement Contractor at the Class Member's expense. LP's contribution will be reduced by the amount of any Prior Payments relating to the Handrail Boards, and the Claimant will be responsible for paying that amount to the Replacement Contractor. LP will pay its contribution toward the replacement cost directly to the Contractor Coordinator.

75. Warping means a change in shape so that the Decking or Railing is no longer straight in the long direction. Warping may also be called buckling, bowing, undulating, sagging, or wavy boards. A board is not Warping if the shape of the board conforms to the curvature of the framing to which it is fastened. In order to qualify as Warping, a deviation must measure more than one-half inch (1/2") using a 16-inch straight edge.

76. Warranty or Warranties means the warranty applicable to the Decking at issue. This Settlement supersedes and replaces all Warranty remedies, and the benefits offered by the Claim Program replace any remedies available under the Warranties.

77. Warranty Claims Program means the LP Decking warranty claim program that was in effect prior to this Settlement and was provided by Louisiana-Pacific Corporation Warranty Claims Program to address Decking complaints.

78. Warranty Period means the time covered by the Warranty applicable to the Class Member's Deck. The Warranty Period for Veranda decks is 15 years from the Installation Date. The Warranty Period for WeatherBest and ABTco decks is 10 years from the Installation Date.

B. Timing of Rights and Obligations. The Settlement will proceed as follows:

1. Following the execution of the Settlement, the Parties shall jointly seek preliminary approval of the Settlement and the Notice Program.

2. As soon as practical after execution and filing of the Preliminary Approval Order, LP shall provide notice to the Class Members as described in the Notice Program.
3. As soon as practical after execution and filing of the Preliminary Approval Order, LP shall provide any additional notice required by CAFA as described with the Notice Program.
4. After completion of the Notice Program, the Parties will jointly request that the Court grant final approval of the Settlement and enter the Judgment.
5. Upon the Settlement Date, LP's obligations under the Claims Program will commence.
6. When a Class Member's Claim Period expires, the Claims Program will end for that Class Member, and the Class Member will no longer be entitled to submit a Claim. However, the Release and other obligations under the Settlement will remain in effect.

C. The Claims Program. In exchange for the Releases provided herein, LP shall provide the following benefits to Class Members. These benefits completely supersede and replace the rights and obligations of the Warranties. Commencing on the Settlement Date, LP will provide the Claims Program to Class Members during the Class Members' respective Claim Period. The Claims Program will consist of the following process:

1. Only a Class Member, or Class Counsel on behalf of a Class Member, may submit a Claim Form under this Settlement.
 - a. All Claim Forms must be signed by each and every Class Member who owns the Claim. Only a Person who meets the definition of Class Member at the time the Claim is submitted may pursue a Claim.
 - b. All Claim Forms must be sent individually (i.e., not in batches) and must bear the Class Member's return address.
 - c. All Settlement Payment Amounts will be paid to the Class Member in the form of a check made out to the Class Member and sent to the Class Member's Address.
 - d. All written communications regarding the Claim will be mailed or e-mailed to the Class Member's Address. Any other communications from the Claims Office regarding the Claim will be directed to the Class Member or Class Counsel.
 - e. Claims may not be assigned to Persons who are not Class Members, and LP is not obligated to honor any attempted assignments.

f. Persons who are Class Members at the time they submit a Claim are eligible for the relief provided in this Settlement regardless of whether they previously signed a release under the Warranty Claims Program, subject to a reduction for Prior Payments.

2. Class Members who wish to obtain relief under the Settlement will complete a Claim Form. The Claim Form will include proof of the following:

a. the Persons signing the Claim Form are Class Members: the Persons own the home which is the subject of the claim (i.e., proof of ownership) and the Deck Structure currently installed at the home contains Decking (i.e., proof of product and product identification); and

b. the Persons signing the Claim Form own all claims relating to the Deck Structure and have the responsibility and authority to act on such claims on behalf of all other owners of such claims (e.g., no other Person owns all or part of the Claim and the Class Member has not transferred claims relating to the Deck Structure); and

c. the amount that the Claimant has previously been paid from any source for repair or replacement of Decking or Railing; and

d. the Installation Date; and

e. a description, diagram, sketch or photographs depicting the location and nature of the complaint; and

f. in the case of Subsequent Claims, photographs of the new damage with an explanation of the portions of the Deck Structure depicted in the photographs.

3. Each Claimant will sign the Claim Form verification and initial each page of the Claim Form, verifying all of the information provided. The Claims Office may take reasonable steps to verify the genuineness of signatures.

4. Each Claimant will submit the completed Claim Form directly to the Claims Office. The Claims Office will send any Claim Forms submitted by any Unauthorized Claim Broker to the Class Member who owns the Claim, and such Claims will not be processed or paid until they are submitted by that Class Member along with the certification attached as Exhibit G.

5. The Claims Office will review the Claim Form to determine whether the required information and proof is complete. If the Claim Form is deemed incomplete, the Claims Office will notify the Claimant of any deficiency. The Claims Office may communicate directly with the Claimant in order to obtain the information and/or proof required by the Claim Form.

6. When the information and proof required by the Claim Form has been provided to the Claims Office and the Claims Office has deemed the Claim Form complete, the Claims Office shall contact the Independent Inspector to initiate an inspection of the Deck Structure at the Claimant's home by the Independent Inspector. At any point in the course of communicating with the Class Member, if the Claims Office determines that the Deck Structure should be inspected on an expedited basis, the Claims Office may, at its discretion, ask the Independent Inspector to conduct an inspection regardless of whether a Claim Form has been submitted or completed.

a. The Claimant shall be responsible for providing safe access to the Decking and/or Railing on the home for the inspection.

b. If the Independent Inspector Secures the Deck Structure, the Claimant is responsible for leaving any sheathing panels in place, staying off the Deck Structure, and keeping other Persons off the Deck Structure.

c. The Independent Inspector may coordinate directly with the Claimant to schedule an inspection.

d. In inspecting the Claimant's home, the Independent Inspector shall apply the definitions of Deterioration and Damage contained in this Settlement.

e. The Independent Inspector will note any observations regarding Damage, Deterioration, Improper Construction, Improper Installation and/or Improper Use relating to the Deck Structure in the findings transmitted to the Claims Office.

7. After the inspection, the Independent Inspector will promptly transmit findings to the Claims Office. The Claims Office may communicate with the Independent Inspector to resolve any problems or questions relating to the accuracy of the inspection or the reported results. When any such problems or questions are resolved, the Independent Inspector will issue a Final Inspection Report to the Claims Office.

8. When the Claims Office receives a Final Inspection Report, the Claims Office will prepare a Settlement Package and send it to the Claimant.

a. In the event that any Claimant disagrees with the Settlement Package, that Claimant may challenge the Settlement Package to the Claims Office within thirty (30) days of receipt of the Settlement Package. In the event of a challenge, the Claimant and the Claims Office shall exchange all materials regarding the Claim, including any photographs and the Claim Form.

b. If the Claimant does not challenge the Settlement Package within 30 days of receipt of the Settlement Package, then the initial determination

of the Claim by the Claims Office shall be final and may not be appealed to the Settlement Administrator, the Court, or any other Person. Where feasible, the Claims Office will provide e-mail notification that the Settlement Package has been sent.

c. If the Claimant wishes to appeal the determination of the Claims Office, the Claimant will notify the Settlement Administrator in writing, provide all of the materials exchanged during the meet and confer period, and advance the administrative fee. As provided below, an appeal to the Settlement Administrator cannot be initiated until 30 days after the Claimant has provided a written description of the dispute and any evidence supporting the Claimant's position to the Claims Office.

d. If an appeal is timely made, the appeal shall be resolved according to the procedures described in "Dispute Resolution" below.

9. Deterioration. LP will offer relief under the Settlement for Deterioration as follows.

a. Where the Final Inspection Report identifies any Deterioration on any Decking installed prior to the Notice Date, LP will provide a Total Decking Replacement Offer to the Class Member. The Total Decking Replacement Offer will be the sole remedy available to the Class Member relating to the Decking System in these situations. *See the definition of Total Decking Replacement Offer above.*

b. Where the Final Inspection Report identifies any Deterioration on Handrail Boards of the Railing System installed prior to the Notice Date, LP will provide a Total Handrail Board Replacement Offer to the Class Member for the Deteriorated Handrail Boards. Deterioration to other components of the Railing System (including but not limited to post caps, post sleeves, balusters, crush blocks, and rail supports) will be treated as Railing Damage, and will qualify the Claimant for the benefits described under Railing Damage, but will not qualify the Claimant for a Total Handrail Board Replacement Offer. *See the definition of Total Handrail Board Replacement Offer above.*

10. Decking Damage. LP will offer relief under the Settlement for Damage to Decking installed prior to the Notice Date as follows. Where the Final Inspection Report identifies no Deterioration, but identifies Damage on some or all of the Decking, LP will offer the following to the Claimant:

a. Option 1: Cash Payment. For all Claimants, LP will offer a Settlement Payment Amount calculated as follows:

LP will offer Claimants \$3.78 per linear foot for any Decking manifesting any Damage, less a reasonable use deduction of ten

percent for each year since the Installation Date (linear feet of Damage minus 10% per year).

- b. Option 2: Joint Decking Replacement Offer. As an alternative to the Settlement Payment Amount, LP has sole and complete discretion to offer the following as an additional option:

LP will contribute a percentage of the total cost for replacing the Decking System with a decking system of Comparable Cost. LP's contribution toward the total cost will be the percentage of Decking with Damage plus 25 percent of the total. Refer to the definition of Joint Decking Replacement Offer for additional information.

For example, if the Independent Inspector finds 25 percent of the Decking is Damaged, then LP will contribute 50 percent of the cost of replacement; and if the Independent Inspector finds 50 percent of the Decking is Damaged, then LP will contribute 75 percent of the cost of replacement; and if the Independent Inspector finds 75 percent of the Decking is Damaged, then LP will offer a Total Decking Replacement.

- c. All of these amounts (Options 1 and 2, above) will be adjusted for Prior Payments. In the case of Option 1, the Prior Payments will be deducted from the dollar amount offered. In the case of Option 2, LP will reduce its contribution by the amount of any Prior Payments, and the Claimant will be required to pay that amount to the Replacement Contractor in order to obtain the Replacement Offer.

- d. In the event that LP, in its sole discretion, offers Option 2 as an alternative to Option 1, the Claimant will elect between Option 1 and Option 2 by signing a form and returning it to the Claims Office.

11. Railing Damage. LP will offer relief under the Settlement for Damage to Railing installed prior to the Notice Date as follows. Where the Final Inspection Report identifies no Deterioration of Railing, but identifies Damage on some or all of the Railing, LP will offer the following to the Claimant:

- a. Option 1: Cash Payment. For all Claimants, LP will offer a Settlement Payment Amount calculated as follows

(i) LP will offer Claimants the current retail material cost of each individual Railing component manifesting any Damage.

(ii) Current retail material cost for each Railing component will be determined by reference to standard construction cost estimating data such as R.S. Means or Xactimate. The Parties agree that this data is a fair and reasonable estimate of the material costs for replacement Railing.

(iii) In addition, LP will offer Claimants a non-redundant labor payment of \$1.78 for each \$2.00 of material cost paid for Railing Damage under the preceding paragraphs (an 89 percent adjustment).

b. Option 2: Joint Railing Replacement Offer. As an alternative to the Settlement Payment Amount, LP has sole and complete discretion to offer the following as an additional option:

LP will contribute a percentage of the total cost for replacing the Railing System using railing materials of Comparable Cost. LP's contribution towards the total cost will be the cost of replacing the Railing with Damage divided by the total cost of replacing the Railing System plus 25 percent of the total. Refer to the Joint Railing Replacement Offer for additional information.

For example, if the Independent Inspector finds that the cost of replacing Damaged Railing components represents 25 percent of the cost of replacing the entire Railing System, then LP will contribute 50 percent of the cost of Total Railing Component Replacement; and if the Independent Inspector finds that the cost of replacing Damaged Railing components represents 50 percent of the cost of replacing the entire Railing System, then LP will contribute 75 percent of the cost of Total Railing Component Replacement; and if the Independent Inspector finds that the cost of replacing Damaged Railing components represents 75 percent of the cost of replacing the entire Railing System, then LP will offer pay the entire cost of a Total Railing Component Replacement.

Where LP is making a Total Handrail Board Replacement Offer, and there is also Damage to other Railing components, the total cost of replacing the Handrail Boards will be included in the cost of replacing the Railing components with Damage for purposes of calculating this offer.

c. All of these amounts (Options 1 and 2, above) will be adjusted for Prior Payments. In the case of Option 1, the Prior Payments will be deducted from the dollar amount offered. In the case of Option 2, LP will reduce its contribution by the amount of any Prior Payments, and the Claimant will be required to pay that amount to the Replacement Contractor in order to obtain the Replacement Offer.

d. In the event that LP, in its sole discretion, offers Option 2 as an alternative to Option 1, the Claimant will elect between Option 1 and Option 2 by signing a form and returning it to the Claims Office.

12. The Claims Office will contact the Contractor Coordinator, and the Contractor Coordinator will coordinate the work, but the contract for any Decking or Railing replacement work will be executed between the Replacement Contractor and the Class Member. Nothing in this Settlement will create any

cause of action against LP, the Claims Office, or the Contractor Coordinator arising out of the work performed by the Replacement Contractor.

13. Subsequent Claims made by a Class Member must be supported by Damage that was not previously compensated under the Settlement. If a Class Member makes a Claim, and it is determined that there is no new Damage, LP shall receive a credit for the actual cost charged by the Independent Inspector for the inspection. The credit will be applied as a Prior Payment in calculating the relief due under any future Claims. Even if the Claim results in no compensable Damage, the Claim will still be counted as one of the three Claims permitted under this Settlement.

14. Where a Class Member has received compensation from a source other than LP relating to the Decking which is the subject of the Claim, and LP demonstrates that some or all of that compensation covers the cost of replacing Decking that is subject to the Claim, LP shall receive a credit for the compensation (or the applicable portion of the compensation). The credit shall be applied as a Prior Payment.

15. Under no circumstances shall LP be required to compensate more than one Person for Damage relating to the same Decking or Railing.

16. After the Claims Program has been in operation for 180 calendar days, the following deadlines apply:

a. the Claims Office has 30 calendar days on average after receipt of a Claim Form to send a notice to the Claimant of any deficiency in the Claim Form or the information and proof it requires (in the case of deficiencies in the information submitted through the original Claim Form, the Claims Office will have 14 calendar days on average after receipt of the information addressing the deficiencies to notify the Claimant of any deficiency.)

b. the Claims Office has 7 calendar days on average after receipt of a completed Claim Form (i.e., a Claim Form containing all of the required information, proof, and signatures) to transmit an inspection request to the Independent Inspector;

c. if the Claimant does not restrict the timing of the inspection (e.g., ask to be present during the inspection), the Independent Inspector has 14 calendar days to schedule the inspection;

d. after the Claims Office receives the Final Inspection Report, the Claims Office has 30 calendar days on average to send a Settlement Package to the Class Member's Address;

e. where a Settlement Election applies, after the Claims Office receives a Settlement Election from the Claimant, it will take action to

implement the relief within 20 calendar days on average by either (i.) contacting the Contractor Coordinator to initiate the replacement, or (ii.) mailing a check for the Settlement Payment Amount to the Class Member's Address.

f. where the Claims Office proves that a delay in the process was attributable to causes outside of its control, the above deadlines shall not apply to the delay period.

g. Parties will use best efforts to comply with these deadlines, understanding that compliance is subject to staffing problems, changes in Claim volumes, or other unanticipated events.

h. disputes regarding compliance with these deadlines will be resolved by Settlement Administrator.

i. The above communications from the Claims Office to the Claimants will be by U.S. mail and, if feasible, supplemented by electronic mail notifications. The Claims Office may also communicate with Claimants by telephone and electronic mail.

17. LP and Class Counsel will have the right to conduct audits of the Independent Inspector at their own expense including, without limitation, field audits of the inspections or paperwork audits of the documentation. Such audits may be conducted by the Parties jointly or by one Party separately.

18. For uninstalled Decking and/or Railing, LP will offer to buy back any Decking and/or Railing at the actual price paid by the Claimant provided that the Claimant can prove the price paid by an invoice from an LP distributor or retailer. If the Claimant can prove the price paid by the Claimant in good faith to an entity other than a LP distributor or retailer, LP will offer to buy back any Decking and/or Railing at 50% of the actual price paid. In the absence of that proof, LP will offer to buy back any Decking and/or Railing at fifteen cents per linear foot (\$0.15/LF). For Railing accessories that are not sold by the linear foot (e.g., post sleeves, post caps, etc.), LP will offer to buy back the accessory at the material purchase price paid by the Claimant provided that the Claimant can prove the price paid by an invoice from an LP distributor. In the absence of that proof, no payment will be made for such uninstalled Railing accessories.

19. For installed Decking and/or Railing purchased after the Notice Date, the Claimant will cooperate with LP to pursue the seller for any civil or criminal liabilities.

D. Subsequent Claims

1. Class Members may submit Subsequent Claims for Decking that was not determined to have Deterioration or Damage in any previous Claim. Only a Person who meets the definition of Class Member at the time the Subsequent Claim is submitted may submit or pursue a Subsequent Claim.
2. Subsequent Claims will be limited to a total of two (i.e., the initial Claim plus two Subsequent Claims for a total of three Claims under the Settlement). Any Claim will count towards this total, regardless of whether the Claim results in a finding of Deterioration or Damage.
3. Subsequent Claims can be filed only during the applicable Claims Period. The submission of the initial Claim does not toll the Claims Period for Subsequent Claims.
4. In calculating the amount of LP's contribution under a Joint Decking Replacement Offer in a Subsequent Claim where none of the Decking previously identified as Damaged has been replaced, the Claims Office shall consider all Damage to the Decking in calculating the percentage of Damage. The amount paid and accepted under any Settlement Payment Amount or Warranty Claims Program payment will be deducted from (i.e., reduce) LP's contribution to a Joint Decking Replacement Offer.
5. In calculating the amount of LP's contribution under a Joint Railing Replacement Offer in a Subsequent Claim where none of the Railing previously identified and paid for as Damaged has been replaced, the Claims Office shall consider all Damage to the Railing in calculating the percentage of Damage. The amount paid and accepted under any Settlement Payment Amount or Warranty Claims Program payment will be deducted from (i.e., reduce) LP's contribution to a Joint Railing Replacement Offer.
6. The Claims Office may, at its sole discretion, determine that all of the remaining Decking on the home will be treated as Damaged or Deteriorated on a Subsequent Claim in order to avoid the expense of the Claims Program.

E. Unclaimed Settlement Payment Amounts.

1. In the event that any Class Member fails to cash the check for his or her Settlement Payment Amount within 120 days of mailing by the Claims Office, LP may stop payment on the check and such un-cashed amounts will be the property of LP.
2. If the Class Member subsequently asks the Claims Office to re-issue the Settlement Payment Amount check within the Claim Period, and the information and proof submitted in the Claim Form is still current and truthful, the Claims Office will re-issue the check.

III. CERTIFICATION OF SETTLEMENT CLASS

A. The Parties to this Settlement agree FOR SETTLEMENT PURPOSES ONLY that this Action shall be certified and proceed as a class action under Federal Rule of Civil Procedure 23(b)(3), consisting of all Class Members, with the named Plaintiff as the Class Representative and Class Counsel as counsel for the Class Members.

B. This Settlement is for settlement purposes only, and neither the fact of, nor any provision contained in, this Settlement or its Exhibits, nor any action taken hereunder shall constitute, be construed as, or be admissible in evidence as, any admission of the validity of any claim or any fact alleged by Plaintiff in this Action or in any other pending or subsequently filed action or proceeding of any wrongdoing, fault, violation of law, or liability of any kind on the part of LP or admission by LP of any claim or allegation made in this Action or in any action or proceeding. This Settlement shall, however, be admissible in any action or proceeding to enforce the terms of the Settlement.

C. Any certification of a conditional, preliminary or final settlement class pursuant to the terms of this Settlement shall not constitute, and shall not be construed as, an admission on the part of LP that this Action, or any other proposed or certified class action, is appropriate for trial class treatment pursuant to Federal Rule of Civil Procedure or any similar state or federal class action statute or rule. This Settlement is without prejudice to the rights of LP to: (1) oppose final certification in this Action should this Settlement not be approved or implemented for any reason; (2) oppose certification in any other proposed or certified class action; or (3) use the certification of this class to oppose certification of any other proposed class arising out of the issues and claims that are asserted herein.

IV. RELEASES

A. Upon entry of the Judgment, Releasing Parties shall be deemed to and do hereby release and forever discharge LP of and from any and all Settled Claims.

B. In addition, the Releasing Parties shall be deemed to and do hereby release and forever discharge LP from related subrogation claims of the Releasing Party's subrogees or insurance carriers not protected from waiver of subrogation by the provisions of applicable insurance policies (or assigned or subrogated prior to final approval of this Settlement and not subject to compromise or settlement by the policyholder), except as may otherwise be provided in this Settlement.

C. The Releasing Parties specifically release and forever discharge any other Person from any and all claims that arise out of Decking or Railing on the property of a Releasing Party to the extent such claims are based on alleged defects or inadequacies in the design, manufacture, advertising, product literature, warranty documents, installation instructions, sale, distribution, marketing, Product Advisory Program or Warranty Claims Program of Decking or Railing, all of which claims have been compromised and settled in their entirety by LP under the terms of this Settlement. One purpose of this paragraph

is to prevent claims for indemnity or contribution from third parties arising out of any action initiated by any Class Member against such third party. Accordingly, any cause of action which could be asserted by a Class Member against a third party that would form the basis for LP's liability is hereby released. This release does not apply to claims that cannot form the basis for any third party claim against LP.

D. This Release is effective and binding regardless of whether any Releasing Party receives actual notice of the Settlement.

E. If any Releasing Party brings an action or asserts a claim against LP contrary to the terms of this Release, the counsel of record for such Releasing Party shall be provided with a copy of this Settlement. If such Releasing Party does not within thirty (30) days thereafter dismiss his or her action or claim and the action or claim is subsequently dismissed or decided in favor of LP, the Releasing Party shall indemnify and hold harmless LP from any and all costs and expenses, including reasonable attorney's fees, incurred by LP in the defense of the action or claim.

F. Settled Claims shall not include (a) any claim for bodily injury (including wrongful death) or (b) claims for pain and suffering, emotional distress, mental anguish, or similar injuries resulting from such bodily injury to the extent allowed by law.

G. With respect to the Class Members' Settled Claims, the Plaintiff and the Class Members shall be deemed to have, and by operation of the Judgment shall have, expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code (to the extent it is applicable, or any other similar provisions under federal, state, or local laws to the extent any such provisions are applicable).

Section 1542 of the California Civil Code states: "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his settlement with the debtor."

H. Plaintiff and the Class Members acknowledge that they are aware that they may hereafter discover claims presently unknown or unsuspected, or facts or law in addition to or different from those that they now know or believe to be true with respect to the matters released herein. Nevertheless, it is the intention of Plaintiff and the Class Members in executing this Settlement to fully, finally, and forever settle and release all Settled Claims which exist, or which hereafter exist whether or not previously or currently asserted in any action or proceeding, and to expressly waive any common law or statutory rule which would circumscribe the extent of this full release, including any statute or rule giving the releasing party the right to complain of facts or claims relating to Decking and/or Railing that are unknown as of the date of any releases.

I. This Settlement may be pleaded as a full and complete defense to, and may be used as the basis for an injunction against, any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of this Settlement. If the court in which

such an action is pending declines to grant such an injunction, LP may seek an injunction from the Court in this Action.

**V. CLASS MEMBERS' RIGHT TO OBJECT OR REQUEST EXCLUSION;
DEFENDANTS' RIGHT OF TERMINATION**

A. A Class Member may opt out of the Class during the Opt-Out Period. To exercise the opt-out right set forth in this paragraph, the Class Member must complete, sign, and return a request for exclusion. The request must be signed by the Class Member and must state the address of the property(ies) on which Decking or Railing has been installed and the number of units covered by the opt-out. Such request must be postmarked on or before the end of the Opt-Out Period and sent to the notice administrator (who shall provide one copy of the opt-out notice to Class Counsel and one copy to LP). Any Class Member who elects to opt out of the Class pursuant to this paragraph shall not be entitled to relief under or be affected by the Settlement. Class Counsel may contact opt-outs to assure that the opt-outs understand the effect of their election. Class Members who elect to opt-out of the Class may withdraw their opt-out requests only if they accept the benefits, obligations and terms of this Settlement and dismiss with prejudice any other pending action or proceeding against LP, if any, arising from or related to Decking or Railing.

B. To the extent that the statutes of limitations and/or repose or any defense of lapse of time are tolled by operation of law, they will continue to be tolled as to any Class Member who opts out of the Settlement until thirty (30) days after receipt of the request to opt out or for such longer period as the law may provide without reference to this Settlement.

C. In the event that the number of Class Members requesting exclusion exceeds ten percent (10%) of the Class, LP may elect unilaterally to terminate this Settlement by so notifying Class Counsel and the Court, not less than ten (10) days prior to the date set for the fairness hearing.

D. A Settlement Class Member may object to the Settlement. To exercise this objection right, the Class Member must provide written notice of the objection via first class mail to the Court, Class Counsel, and LP's counsel. The objection must bear the signature of the Settlement Class Member, the Class Member's current address and telephone number, state the address of the property(ies) that contain LP decking, and state the exact nature of the objection and whether or not the Class Member intends to appear at the Fairness Hearing. If the Class Member is represented by counsel, the notice of objection shall also be signed by the attorney who represents the Class Member. Such notices must be postmarked or personally delivered on such schedule as the Court may direct. In seeking preliminary approval of this Settlement, the Parties will request that the deadline for submission of any notice of objection shall be sent on a date no less than 45 days before the Fairness Hearing. Objections that do not contain the information requested above shall not be valid. Objections that do not comply with the deadlines set by the Court in the Preliminary Approval Order shall not be valid. Additionally, objections sent by any Class Member to incorrect locations shall not be valid.

E. The performance of this Settlement is expressly contingent upon the Court's issuance of the Judgment. If the Court issues an order disapproving the Settlement, LP may elect to terminate this Settlement within ninety (90) business days of such order, rendering it as having no force or effect whatsoever, null and void, *ab initio*, and not admissible as evidence for any purpose in any pending or future litigation or other proceeding (in any jurisdiction) involving any of the Parties.

F. In the event this Settlement is terminated as provided within this Settlement, or the Judgment for any reason is not entered, the Class defined herein shall cease to exist and the Action shall proceed as if no Class or Settlement had ever existed and LP shall not have waived any and all rights it might have to oppose class certification, and to defend the allegations in the Action and the legal position of each Party shall be the same as it was immediately prior to the execution of this Settlement; and each Party may exercise its legal rights to the same extent as if this Settlement never had been executed.

VI. EXCLUSIVE REMEDY

A. Each and every Class Member submits to the jurisdiction of the Court and will be bound by the terms of this Settlement (including, without limitation, any and all releases) as well as any other Court orders including, without limitation, the Judgment barring further litigation against LP with respect to any of the Settled Claims.

B. This Settlement and the relief provided herein shall be the sole and exclusive remedy for any and all Settled Claims of Class Members against LP. The Settlement Administrator may provide only the relief provided for by this Settlement, and may not award punitive or multiple damages with respect to any claim governed by this Settlement. Upon the entry of the Judgment by the Court, each Class Member shall be barred from initiating, asserting, or prosecuting any Settled Claims against LP.

C. Class Members agree to the dismissal of any action or proceeding pending against LP to the extent any such action or proceeding seeks recovery for any Settled Claims.

D. The Court shall retain exclusive and continuing jurisdiction over the Action, the Parties, and Class Members, to interpret and enforce the terms, conditions, and obligations of this Settlement.

VII. NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

A. LP will pay for implementation and promotion of the Notice Plan. Class Counsel may, at its own expense, provide supplemental Notice to the Class.

B. The Parties agree that the Notice Plan shall represent the source of information relating to this Settlement, and Class Counsel agrees that any other communications regarding this Settlement must be approved in advance by LP.

C. The Notice Plan is intended to provide Class Members with an opportunity to opt out or appear and be heard at the Fairness Hearing.

D. The Parties agree that the Long Form Settlement Notice and the Settlement Notice provide Class Members with all of the information necessary to make an informed decision regarding the fairness of the Settlement and whether to remain a member of the Class.

E. The Parties agree that the distribution of notice substantially in the manner and form set forth in the Notice Plan meets the requirements of Rule 23 and due process, and constitutes due and sufficient notice to all persons entitled thereto, that such notice is the best practicable notice under the circumstances of this case.

F. The Parties agree that the Notice Plan provides sufficient notice to bind all Class Members, regardless of whether a particular Class Member receives actual notice.

VIII. FEES, COSTS AND EXPENSES

A. Other than as expressly provided in this Settlement, the Parties will each bear their own fees, costs and expenses.

B. LP agrees to pay Class Counsel \$400,000 in Attorney Fees and Expenses by wire transfer or check within 14 business days of the date that the Final Approval order is entered. LP agrees to make five additional payments of \$50,000 each on the first through the fifth anniversaries of Final Approval, and five additional payments of \$25,000 each on the sixth through the tenth anniversaries of Final Approval, for a total award of \$775,000 in Attorneys Fees and Expenses.

C. The payment identified above shall be full and complete compensation for all fees, costs and expenses in this Action, past and future. Payment of the Attorney Fees and Expenses shall be subject to final approval of the Settlement by the Court and will be paid by LP in addition to any relief granted to Plaintiff and Class Members for Claims. No portion of the compensation made available to Plaintiff or Class Members pursuant to this Settlement shall be reduced in any way to pay fees, costs or expenses to Class Counsel.

D. Plaintiff will receive a \$2,000 stipend for her efforts as the representative Plaintiff in this action. Plaintiff is also entitled to any other relief available under the terms of this Settlement.

E. Aside from these payments, LP shall have no obligation to pay Class Counsel or Plaintiff for time or expenses incurred in the Action or in satisfying their obligations under the Settlement. Other than the amounts approved by the Court, and paid exclusively by LP pursuant to this Settlement, Class Counsel waives, discharges and releases LP from any and all claims for attorneys' fees, by lien, statute, equity or otherwise, in connection with this Action.

IX. DISPUTE RESOLUTION

A. Any disputes between the Parties that arise out of the Settlement may be submitted by LP, the Claims Office, Claimant, or Class Counsel to a Settlement Administrator for final, binding resolution. Disputes between the Parties that arise out of the Settlement may not be raised with the Court unless the Settlement Administrator violates the law or refuses to apply the terms of the Settlement.

B. Before any dispute may be submitted to the Settlement Administrator, the party intending to submit the dispute shall make a good faith effort to resolve the dispute. At a minimum, this good faith effort shall include providing the other side with a written description of the dispute and attempting to confer with the other side in an attempt to resolve the matter. Except in the case of emergency, a party shall not submit (i.e., initiate) any dispute to a Settlement Administrator until 30 days after providing the other side with a written description of the dispute and any evidence supporting the party's position.

C. If the dispute is not resolved by the Parties, then only evidence exchanged during that negotiation between the Parties may be presented to, or considered by, the Settlement Administrator.

D. Where a dispute reasonably requires an appearance (either in-person or telephonically) before the Settlement Administrator, the Parties shall schedule a hearing at a mutually convenient date and time. The location of any hearing will be in San Francisco unless otherwise agreed to by the Parties. Where the dispute reasonably requires submission of briefs to the Settlement Administrator, the Parties shall agree upon a schedule for such briefing. Either Party may request to appear either in-person or telephonically.

E. In the event of a dispute between any Party and a non-Party, the Party may seek assistance from either the Settlement Administrator or the Court to resolve the dispute and/or enforce the Settlement.

F. Any Person asserting a violation of the Settlement shall bear the burden of proving the violation. If the Settlement Administrator requires payment of any fees before the dispute is resolved, LP will advance the fee. In all cases, any fees required by the Settlement Administrator may be awarded or allocated (in whole or in part) to the prevailing Party by the Settlement Administrator for good cause as part of the Settlement Administrator's resolution of the dispute (which award or allocation will be taken as a set-off against the Claim at issue and/or any future Claims).

G. The Settlement Administrator may award reasonable attorneys' fees, costs and expenses to the prevailing Party in any dispute under this Settlement as a sanction for bringing or opposing the appeal in bad faith or on frivolous grounds.

H. The Settlement Administrator must apply the terms of this Settlement to any dispute and may not provide relief or make any award that is inconsistent with the Claims Program.

I. If the Court or the Settlement Administrator determines that any motion or opposition was not made in good faith, the Person not acting in good faith shall pay the reasonable attorneys' fees and expenses incurred by the prevailing party as a sanction.

X. IMPROPER SOLICITATION OF CLAIMS FOR A FEE

A. The Parties agree that the Claims Program, including the Claim Form itself, is designed to be simple to understand and easy to complete. Class Members are adequately represented by Class Counsel, and both Class Counsel and the Claims Office will assist Class Members in completing the process.

B. The Parties acknowledge that some Class Members may desire assistance in completing the Claim Form, and this paragraph is not intended to prevent such assistance. The Parties also agree, however, that the purpose of this Settlement is to address genuine concerns of consumers, and it is not intended to benefit organizations or individuals who solicit Class Members in order to generate fees. The Parties also acknowledge that entities who assist Class Members in exchange for a fee or a portion of the relief offered to Class Members may significantly decrease the benefits of the Settlement to those Class Members. Accordingly:

1. Claims submitted by Unauthorized Claim Brokers that accept or charge a fee for services will not be accepted.

2. Unauthorized Claim Brokers are not entitled to any communications from LP, the Settlement Administrator, the Claims Office, or the Independent Inspector.

3. The execution by a Class Member of any agreement, including but not limited to a power of attorney, with or in favor of another Person shall not constitute an assignment of claim, shall not alter the rights and obligations under this Settlement, shall not require the Claims Office to communicate with anyone

other than the Claimant, and shall not prevent the Claims Office from communicating directly with the Claimant.

4. Any payment or benefits under this Settlement will be sent to the Class Member's Address.

5. Any checks for Settlement Payment Amounts will be made out to the Class Member only.

XI. MISCELLANEOUS PROVISIONS

A. The terms and conditions of this Settlement shall constitute the sole and exclusive remedy for any and all Settled Claims of Class Members against LP; and upon entry of the Judgment by the Court, each Class Member shall be barred from initiating, asserting or prosecuting any Settled Claims against LP.

B. From and after the entry of the Judgment, no action or proceeding may be brought by any Person on behalf of a Class Member in which any Settled Claim is asserted or the subject of inquiry; nor may any Class Member commence or remain a member of a class action or be the beneficiary of any state or federal proceeding in which any of the Settled Claims is asserted against any of LP or is the subject of inquiry.

C. The Parties agree and hereby stipulate that neither the execution of this Settlement, nor any of its provisions or attachments, nor any action taken pursuant to its terms shall be admitted in this or any other action or proceeding as evidence or construed as an admission by either Party of the validity of any claim or of any defense or of any facts alleged in this or any other action. The Parties further agree and stipulate that this Settlement shall not constitute, and shall not be construed as, an admission on the part of LP that this Action, or any other proposed or class action, is appropriate for certification as a litigation class pursuant to Federal Rule of Civil Procedure 23, or any similar state or federal class action statute or rule.

D. LP represents and warrants that (i.) it has all requisite corporate power and authority to execute, deliver, and perform this Settlement and to consummate the transactions contemplated hereby, (ii.) the execution, delivery, and performance of this Settlement and the consummation by it of the actions contemplated herein have been duly authorized by all necessary corporate action on the part of LP; (iii.) its signatories to the Settlement have full authority to sign on behalf of and to bind LP to the terms of the Settlement, and (iv) this Settlement has been duly and validly executed and delivered by LP and constitutes their legal, valid and binding obligation.

E. This Settlement has been negotiated at arm's length by Class Counsel and counsel for LP. If a dispute should later arise regarding any of its terms, no Party shall be deemed to be the drafter of any particular provision of the Settlement; and no part of the Settlement shall be construed against any Party. The Parties further acknowledge and agree that the obligations and releases contained in the Settlement are fair and reasonable in the context of the compromises negotiated.

F. This Settlement shall be construed under and governed by the laws of the State of California, applied without regard to its laws applicable to choice of law.

G. This Settlement, including all attached Exhibits, shall constitute the entire agreement among the Parties with regard to the subject matter of this agreement and shall supersede any previous agreements and understandings between the Parties. This Settlement may not be changed, modified, or amended except in writing signed by Class Counsel and LP's counsel and subject to Court approval. The Parties contemplate that the Exhibits may be modified by subsequent agreement of counsel for LP and Class Counsel prior to use.

H. This Settlement may be executed by the Parties in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

I. LP maintains that it has consistently acted in accordance with governing laws at all times and continues to deny all of the material allegations in the Action. LP enters into this Settlement without in any way acknowledging any fault, liability, or wrongdoing of any kind. Neither this Settlement, nor any of its terms or provisions, nor any of the negotiations or proceedings connected with it, shall be offered as evidence or received in evidence in any pending or future civil, criminal, or administrative action or proceeding, to establish any liability or admission by LP, except in any proceedings brought to enforce the Settlement.

J. This Settlement, if approved by the Court, shall be binding upon and inure to the benefit of the Class, the Parties, and their representatives, heirs, successors, and assigns.

K. Each Class Member who receives a Settlement Payment Amount and does not repair or replace the Decking and/or Railing for which a Settlement Payment Amount was made shall advise any direct, subsequent purchaser of the property in writing of the existence of this Settlement and the amount of the Settlement Payment Amount.

FOR DEFENDANT:

DATED: September 20, 2010

LOUISIANA-PACIFIC CORP.

By: _____



Curt Stevens
Chief Financial Officer

DATED: September 23, 2010

BINGHAM MCCUTCHEN LLP

By: 

Michael I. Beger
Attorneys for Defendant
Louisiana-Pacific Corp.

FOR PLAINTIFFS AND CLASS MEMBERS:

DATED: September 14, 2010

AUDET & PARTNERS, LLP

By: 

William M. Audet
Joshua C. Ezrin
Attorneys for Plaintiffs and Class Members