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(916) 447-4614 (Fax)

15 Attorneys for Petitioners and Class Counsel
16

17 SUPERIOR COURT OF THE STATE OF CALIFORNIA
18 FOR THE COUNTY OF SAN FRANCISCO

19	Coordination Proceeding	}	JUDICIAL COUNCIL COORDINATION
20	Special Title (Rule 1550(b))		PROCEEDING NO. 4049
21	RETIREMENT CASES	}	JUDGMENT
22	SONOMA COUNTY DEPUTY SHERIFFS' ASSOCIATION; STEPHEN FREITAS; and		Honorable Stuart R. Pollak
23	RONALD DREYER,	}	Department No. 304
24	Petitioners,		DATE: June 30, 2003
25	vs.	}	TIME: 2:00 p.m.
26	BOARD OF RETIREMENT, SONOMA COUNTY EMPLOYEES' RETIREMENT		DEPT: 304
27	ASSOCIATION,	}	Sonoma County Superior Court Case No.
28	Respondent.		228526

ENDORSED
FILED
San Francisco County Superior Court

JUN 30 2003

GORDON PARK-LI, Clerk
BY: ~~JACQUELYN WILLIS-MCGHEE~~
KAY PEEK, Deputy Clerk

1 COUNTY OF SONOMA,

2 Real Party in Interest.

3
4 DEWEY THOMAS, THEODOOR G.
5 BADER, EDWARD S. DINSMORE, JANET
6 THOMAS, MARGARET A. BADER, JESSE
7 A. EDWARDS, CARLOS GOMEZ
8 BASURTO, SR.,

Sonoma County Superior Court Case No.
227638

9 Petitioners,

10 vs.

11 BOARD OF RETIREMENT OF THE
12 SONOMA COUNTY EMPLOYEES'
13 RETIREMENT ASSOCIATION; SONOMA
14 COUNTY EMPLOYEES' RETIREMENT
15 ASSOCIATION; DOES ONE through
16 THIRTY, inclusive,

17 Respondents.

18
19 SONOMA COUNTY LAW
20 ENFORCEMENT ASSOCIATION, ED
21 CLITES, SHAUN DUFOSEE, JAMES T.
22 HUNT, ED SEARS, JIM YOUNG,
23 individually and on behalf of all others
24 similarly situated,

Sonoma County Superior Court Case No.
227936

25 Petitioners/Plaintiffs

26 vs.

27 BOARD OF RETIREMENT, SONOMA
28 COUNTY EMPLOYEES' RETIREMENT
SYSTEM,

Respondents/Defendants.

22 COUNTY OF SONOMA,

23 Real Party in Interest.

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1 Pursuant to the ORDER APPROVING SETTLEMENT AGREEMENT executed by this
2 Court on June 30, 2003, a copy of which is attached hereto as Appendix "A", it is hereby
3 ORDERED, ADJUDGED AND DECREED that all of the terms and provisions of that Settlement
4 Agreement, a copy of which is attached hereto as Appendix "B", shall be binding upon and
5 implemented by all parties to this action, including all members of a class consisting of all past,
6 present and future members of the Sonoma County Employees' Retirement Association including
7 retirees, deferred retirees, and active employees, and all of the members' survivors, beneficiaries,
8 agents, assigns and successors in interest.

9 Pursuant to California Rule of Court 1859(h) and the ORDER APPROVING
10 SETTLEMENT AGREEMENT, the Court retains jurisdiction over the parties to enforce the terms
11 of this Judgment and to decide whether or not to approve any future amendments to the Settlement
12 Agreement, provided that no Court approval need be obtained where (1) class members affected
13 by the proposed amendment have been provided at least sixty days advance written notice of the
14 proposed amendment and (2) no affected class member submits to the Court a timely written
15 objection to the proposed amendment.

16 Pursuant to California Rule of Court 1861, notice of this Judgment shall be given to the
17 class by providing a copy thereof to each current active employee member and deferred retiree
18 member of the system, each person currently receiving any benefit payments from the retirement
19 system, and each recognized employee organization for any current active employee member of
20 the system by mailing, payroll distribution or any other means reasonable calculated to provide
21 notice.

22
23 DATED: JUN 30 2003

JUDGE STUART R. POLLAK
JUDGE STUART R. POLLAK
JUDGE OF THE SUPERIOR COURT

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APPROVED AS TO FORM AND CONTENT:

Dated: 6-30-03

SILVER, HADDEN & SILVER

By: 151
STEPHEN H. SILVER
Attorneys for Petitioners and Class Counsel

Dated: 6-30-03

DAVIS, COWELL & BOWE

By: 151
W. DAVID HOLS BERRY
Attorneys for Petitioners and Class Counsel

Dated: 6-30-03

MASTAGNI, HOLSTEDT & AMICK

By: 151
KASEY CHRISTOPHER CLARK
Attorneys for Petitioners and Class Counsel

Dated: 6-30-03

NEIL BAKER
CHIEF DEPUTY COUNTY COUNSEL
COUNTY OF SONOMA

By: 151
NEIL BAKER
Attorneys for Respondent Board of Retirement,
Sonoma County Employees' Retirement
Association and County of Sonoma

03751-pld.wpd

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15 Attorneys for Petitioners and Class Counsel

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17 SUPERIOR COURT OF THE STATE OF CALIFORNIA
18 FOR THE COUNTY OF SAN FRANCISCO

19	Coordination Proceeding	)	JUDICIAL COUNCIL COORDINATION
20	Special Title (Rule 1550(b))	)	PROCEEDING NO. 4049
21	RETIREMENT CASES	)	ORDER APPROVING SETTLEMENT
		)	AGREEMENT
22	SONOMA COUNTY DEPUTY SHERIFFS'	)	Honorable Stuart R. Pollak
23	ASSOCIATION; STEPHEN FREITAS; and	)	Department No. 304
	RONALD DREYER,)	
24	Petitioners,	)	DATE: June 30, 2003
		)	TIME: 2:00 p.m.
25	vs.	)	DEPT: 304
26	BOARD OF RETIREMENT, SONOMA	)	Sonoma County Superior Court Case No.
27	COUNTY EMPLOYEES' RETIREMENT	)	228526
	ASSOCIATION,)	
28	Respondent.)	

ENDORSED
FILED
San Francisco County Superior Court
JUN 30 2003

GORDON PARK-LI, Clerk
BY: ~~JACQUELYN WILLIS-MCGHEE~~
KAY PECK, Deputy Clerk

1 COUNTY OF SONOMA,
2 Real Party in Interest.

3 DEWEY THOMAS, THEODOOR G.
4 BADER, EDWARD S. DINSMORE, JANET
5 THOMAS, MARGARET A. BADER, JESSE
6 A. EDWARDS, CARLOS GOMEZ
7 BASURTO, SR.,

8 Petitioners,

9 vs.

10 BOARD OF RETIREMENT OF THE
11 SONOMA COUNTY EMPLOYEES'
12 RETIREMENT ASSOCIATION; SONOMA
13 COUNTY EMPLOYEES' RETIREMENT
14 ASSOCIATION; DOES ONE through
15 THIRTY, inclusive,

16 Respondents.

17 SONOMA COUNTY LAW
18 ENFORCEMENT ASSOCIATION, ED
19 CLITES, SHAUN DUFOSEE, JAMES T.
20 HUNT, ED SEARS, JIM YOUNG,
21 individually and on behalf of all others
22 similarly situated,

23 Petitioners/Plaintiffs

24 vs.

25 BOARD OF RETIREMENT, SONOMA
26 COUNTY EMPLOYEES' RETIREMENT
27 SYSTEM,

28 Respondents/Defendants.

COUNTY OF SONOMA,
Real Party in Interest.

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Sonoma County Superior Court Case No.
227638

Sonoma County Superior Court Case No.
227936

1 On June 30, 2003, this matter came before this Court, in Department 304, at 2:00 p.m. upon
2 the Application for Order Approving Settlement Agreement of counsel for the class members. The
3 terms of the Settlement Agreement were described in the Notice of Proposed Settlement and
4 Fairness Hearing which was mailed to all members of the class on or about May 30, 2003. The
5 Notice advised all members of the terms of the Settlement Agreement and the right of any class
6 member to object and appear at the Fairness Hearing on June 30, 2003 at 2:00 p.m. No objections
7 were received from any class members.

8 GOOD CAUSE APPEARING THEREFOR, it is ORDERED, ADJUDGED AND
9 DECREED that the Settlement Agreement attached to the APPLICATION FOR ORDER
10 APPROVING SETTLEMENT AGREEMENT is fair and reasonable and in the best interests of
11 the members of the class, and therefore is hereby APPROVED by the Court. The Court retains
12 jurisdiction to decide whether or not to approve any future amendments to the Settlement
13 Agreement, provided that no Court approval need be obtained where (1) class members affected
14 by the proposed amendment have been provided at least sixty days advance written notice of the
15 proposed amendment and (2) no affected class member submits to the Court a timely written
16 objection to the proposed amendment.

17 LET JUDGMENT BE ENTERED ACCORDINGLY.

18
19 DATED: JUN 30 2003

JUDGE STUART R. POLLAK
JUDGE STUART R. POLLAK

20
21 APPROVED AS TO FORM AND CONTENT:

22
23 Dated: 6-30-03

NEIL BAKER
CHIEF DEPUTY COUNTY COUNSEL
COUNTY OF SONOMA

24
25
26 By: /s/

NEIL BAKER
Attorneys for Respondent Board of
Retirement, Sonoma County Employees'
Retirement Association and County of
Sonoma

SETTLEMENT AGREEMENT

1. The undersigned parties, subject to Superior Court approval after notice to members of the class, hereby agree to settle the consolidated cases of *Sonoma County Deputy Sheriffs' Association; Stephen Freitas; and Ronald Dreyer v. Board of Retirement, Sonoma County Employees' Retirement Association; County of Sonoma*; Sonoma County Superior Court Case No. 228526; consolidated with *Dewey Thomas, Theodoor G. Bader, Edward S. Dinsmore, Janet Thomas, Margaret A. Bader, Jesse A. Edwards, Carlos Gomez Basurto, Sr. v. Board of Retirement of the Sonoma County Employees' Retirement Association; Sonoma County Employees' Retirement Association; Does One Through Thirty*; Sonoma County Superior Court Case No. 227638; and *Sonoma County Law Enforcement Association, Ed Clites, Shaun Dufosee, James T. Hunt, Ed Sears and Jim Young v. Board of Retirement of the Sonoma County Employees' Retirement System, County of Sonoma*; Sonoma County Superior Court Case No. 227936 (the "Action"), which are included in the Coordinated Retirement Cases, Judicial Council Coordination Proceeding No. 4049 in San Francisco Superior Court before the Hon. Stuart Pollak, on the following terms:

THE PARTIES

2. The parties to this Settlement Agreement (the "Settlement Agreement") consist of the following persons or entities: (a) the named Petitioners in the Action, Sonoma County Deputy Sheriffs' Association, Stephen Freitas, Ronald Dreyer, Dewey Thomas, Theodoor G. Bader, Edward S. Dinsmore, Janet Thomas, Margaret A. Bader, Jesse A. Edwards, Carlos Gomez Basurto, Sr., Sonoma County Law Enforcement Association, Ed Clites, Shaun Dufosee, James T. Hunt, Ed Sears and Jim Young (collectively the "Class Representatives"), in their individual capacities and as members and representatives of a no-opt-out class consisting of all past, present and future members of the Sonoma County Employees' Retirement Association ("SCERA"), including retirees, deferred retirees and active employees, and all of the members' survivors, beneficiaries, agents, assigns, and successors in interest (the "Class Members"); (b) the County of Sonoma ("County"); (c) the Board of Retirement of SCERA; and (d) the Sonoma County Employees' Retirement Association. These persons and entities may be referred to collectively as the "Parties".

SETTLEMENT OF ACTION

3. IS HEREBY AGREED by, between and among the Parties that the Action, and any of the matters raised thereby, are hereby settled and compromised in full and will be dismissed on the merits and with prejudice on the terms and conditions set forth in this Agreement. The settlement, compromise and dismissal with prejudice set forth herein shall be subject to approval by the San Francisco County Superior Court (the "Superior Court") following notice to the members of the Class as referenced below.

APPROVAL OF SETTLEMENT

4. The parties to this Settlement Agreement agree to make appearances in the Action through their attorneys of record as necessary to obtain approval of this Settlement Agreement. The Parties agree to jointly move the Superior Court to approve the Settlement Agreement, and thereupon dismiss the Action with prejudice.

DEFINITION OF CLASS AND CLASS COUNSEL

5. The Named Petitioners have been named as Class Representatives of a certified no-opt-out class consisting of all past, present and future members of SCERA, including retirees, deferred retirees, and active employees, and all of the members' survivors, beneficiaries, agents, assigns, and successors in interest (the "Class").
6. As used in this Settlement Agreement, the term "Class Counsel" shall mean the law firms of:

Silver, Hadden & Silver ("S,H&S")
1428 Second Street
P.O. Box 2161
Santa Monica, CA 90407-2161

Rains, Lucia & Wilkinson ("R,L&W")
2300 Contra Costa Boulevard, Suite 230
Pleasant Hill, CA 94523

Davis, Cowell & Bowe ("D,C&B")
100 Van Ness Avenue, 20th Floor
San Francisco, CA 94102,

Mastagni, Holstedt & Amick ("M,H&A")
1912 "I" Street, Suite 102
Sacramento, CA 95814

TERMS AND METHODOLOGY OF SETTLEMENT

7. All Parties agree to accept both the timing and substance of the inclusions and non-inclusions to compensation earnable set forth in Resolution 24 of SCERA dated April 22, 1998 (the "Resolution"), a copy of which is attached as Exhibit "A" hereto, for the purposes of calculating benefits and contributions. No arrears contributions shall be collected from Class Members or from any of their survivors, beneficiaries, agents, assigns and successors in interest as a result of the foregoing inclusions or non-inclusions or as a result of any of the retirement enhancements provided in this Settlement

Agreement. All Parties agree that all items of remuneration in existence on or before the date that this Settlement Agreement is approved by the Superior Court that were not specifically included by the Resolution are permanently excluded from "compensation earnable" and "final compensation".

8. In return for the relinquishment of any claim by the individuals who were, became or become active safety members of SCERA on or after July 1, 2003 ("active safety members") to include in their "compensation earnable" and "final compensation" additional items of remuneration not included by the Resolution, including employer payment of required employee retirement contributions, employer payment of certain insurance premiums on behalf of members and eligible dependents, including flexible benefit plan contributions, and payment for unused leave benefits payable in connection with separation of employment ("Includability Claims"), effective July 1, 2003, the retirement allowances of active safety members shall be computed pursuant to the enhanced 3% at age 55 retirement formula set forth in California Government Code Section 31664.2, with all prior service as a safety member to be credited under that formula. Effective February 1, 2006, the retirement allowances of active safety members shall be computed pursuant to the enhanced 3% at age 50 retirement formula set forth in California Government Code Section 31664.1, with all prior service as a safety member to be credited under that formula. These valuable benefits are being awarded in return for (a) the relinquishment by the active safety members of the Includability Claims asserted by them in the Action, and (b) additional concessions made during the collective bargaining process between the County and the employee organizations formally recognized to represent those individuals, which are set forth in the Memoranda of Understanding (MOUs).
9. Effective June 22, 2004, or any earlier date determined by the County, the retirement allowances of general members shall be computed pursuant to the enhanced 3% at age 60 retirement formula set forth in California Government Code, Section 31676.17, with all prior service as a general member to be credited under that formula. In return for that enhanced formula, individuals who were, became or become general members of SCERA after the effective date of the enhanced formula shall relinquish their Includability Claims. These valuable benefits are being awarded in return for (a) the relinquishment by the general members of the Includability Claims asserted by them in the Action, and (b) additional concessions made during the collective bargaining process between the County and the employee organizations formally recognized to represent those individuals, which are set forth in the Memoranda of Understanding (MOUs).
10. In return for the relinquishment by all Class Members who retired prior to the effective date of the implementation of the 3% at age 55 formula for safety members and the 3% at age 60 formula for general members, as described above in paragraphs 8 and 9, and whose final compensation period did not include any time prior to October 1, 1997 of their includability claims, each such individual and, where applicable his or her survivors,

beneficiaries, agents, assigns and successors in interest, shall receive a one-time lump-sum payment of one thousand dollars (\$1,000.00). The estimated value of these enhancements is \$750,000.00.

11. In return for the relinquishment by all Class Members who retired prior to the effective date of the implementation of the 3% at age 55 formula for safety members and the 3% at age 60 formula for general members, as described above in paragraphs 8 and 9, and whose final compensation period included time prior to October 1, 1997 of their includability claims, along with any claims to the retroactive inclusion of items of remuneration included by the Resolution in compensation earnable and final compensation prior to October 1, 1997 (Retroactivity Claims), their "final compensation" shall be increased as follows, and their retirement allowances shall be adjusted accordingly retroactive to May 1, 1996.
 - A. For all individuals who were safety members who retired prior to January 1, 1979 and all of their survivors, beneficiaries, agents, assigns, and successors in interest, the final compensation shall be increased by one and forty-seven one-hundredths percent (1.47%);
 - B. For all individuals who were general members who retired prior to January 1, 1979 and all of their survivors, beneficiaries, agents, assigns, and successors in interest, the final compensation shall be increased by seventy-six one hundredths percent (.76%);
 - C. For all individuals who were safety members who retired between January 1, 1979 and December 31, 1985 and all of their survivors, beneficiaries, agents, assigns, and successors in interest, the final compensation shall be increased by two and six one-hundredths percent (2.06%);
 - D. For all individuals who were general members who retired between January 1, 1979 and December 31, 1985 and all of their survivors, beneficiaries, agents, assigns, and successors in interest, the final compensation shall be increased by one and one one-hundredths percent (1.01%);
 - E. For all Applicable Retired Class Members who were safety members who retired on or after January 1, 1986 and whose final compensation period, in whole or in part, included time prior to October 1, 1997 and all of their survivors, beneficiaries, agents, assigns, and successors in interest, the final compensation shall be increased by two and seventy-five one-hundredths per cent (2.75%), pro-rated for any final compensation period time occurring on or after October 1, 1997; and

- F. For all Applicable Retired Class Members who were general members who retired on or after January 1, 1986 and whose final compensation period, in whole or in part, included time prior to October 1, 1997 and all of their survivors, beneficiaries, agents, assigns, and successors in interest, the final compensation shall be increased by one and twenty-seven one-hundredths per cent (1.27%), prorated for any final compensation period time occurring on or after October 1, 1997.

The actuarial value of these enhancements is \$5,400,000.00.

12. No arrears contributions for any purposes shall be recovered from any member with respect to compensation earnable retroactively added by SCERA for the period between October 1, 1997 and July 1, 1998 and any arrears contributions already recovered with respect to that time frame from any member shall be refunded by SCERA to that member. The estimated value of this adjustment is \$50,000.00.
13. Any retroactive payments due for past retirement allowances increased as a result of paragraph 11 above shall include all applicable Cost of Living Adjustments (COLA adjustments) plus interest computed at a rate of 8 percent per year simple interest. The actuarial value of this component of the enhancements provided in paragraph 11 is \$3,010,000.
14. The total actuarial value of the settlement fund created by the Parties to provide for the benefits and obligations established by paragraphs 10, 11, 12 and 16 of this Agreement shall not exceed \$6,200,000.00.

ATTORNEYS' FEES AND COSTS

15. SCERA and the County will bear their own attorneys' fees and costs associated with the Action.
16. By this Agreement the Parties have created a settlement fund for retired Class members equal to \$6,200,000.00. That total is comprised of the estimated value of the benefits specified in paragraph 10 and the refunds specified in paragraph 12 (\$800,000), the estimated actuarial value of the retroactive payments for past due retirement allowances increased as provided for in paragraph 11 plus interest and applicable COLA adjustments as specified in paragraph 13 (\$3,010,000.00), and the estimated actuarial value of the increase in prospective payments based on the adjustments specified in paragraph 11 (\$2,390,000.00). Subject to the approval of the Court, Class Counsel will receive and divide attorneys' fees and costs in an amount equal to 15% of the specified settlement fund provided that such award shall not exceed \$940,000.00. The attorneys' fees and costs will be paid from the cash payment portions of the settlement fund as provided for in paragraphs 10 and 11. As a result, the net cash payments specified in paragraph 10

will be reduced to \$750.00 and the net value of the retroactive cash payments described in paragraph 13 which result from the adjustments specified in paragraph 11 will be reduced proportionally to provide the additional funds necessary to pay the attorneys' fees award.

SETTLEMENT REPRESENTS COMPROMISES BY ALL PARTIES

17. The settlement represents compromises by all Parties as set forth in the provisions agreed to above and the other terms of this Settlement Agreement. All Parties further gain from the termination of the litigation settled herein, and the resulting elimination of the intended uncertainties and costs of this complex litigation.

NOTICE OF SETTLEMENT TO CLASS MEMBERS

18. After approval by the Court as to form, notice of this Settlement Agreement and the scheduling of the "Fairness Hearing" for the Court to consider objections and to approve or reject this settlement shall be given to the Class Members as provided by the Court.
19. If the Superior Court approves the Parties' settlement, then this Settlement Agreement and the final judgment implementing it in the Action shall bind all Parties to the Settlement Agreement, including all individual Class Members, and each of the Parties, including each Class Member, agrees not to appeal from those provisions of the final judgment in the Action implementing the terms of this Settlement Agreement.

FINALITY OF SETTLEMENT AGREEMENT

20. All Parties agree that this Settlement Agreement settles and resolves all issues between the Parties with respect to the timing and substance of the compensation earnable and final compensation to be considered for purposes of calculating retirement benefits and contributions for the Class Members with respect to all of the items referenced in this Settlement Agreement or its attached exhibits. All Parties further agree that this Settlement Agreement is intended to be complete and final, and that the Settlement Agreement will not be changed on behalf of the settling Parties, including the individual Class Members, in response to later court developments, whether favorable or unfavorable. All Parties agree that any subsequent determinations by a court of competent jurisdiction that enlarge, define, narrow, or in any other way relate to the scope of the decision of the California Supreme Court in *Ventura County Deputy Sheriffs' Association v. Board of Retirement*, 16 Cal.4th 483 (1997) ("*Ventura*") or to the items of remuneration to be included or excluded for purposes of calculating benefits or contributions under the County Employees' Retirement Law of 1937 shall have no effect on this Settlement Agreement or its terms.
21. Although this Settlement Agreement is intended to be binding on the Parties regarding the timing and substance of the retirement treatment of all of the referenced items of

remuneration with respect to the Class Members, nothing in this Agreement is intended to expand or to limit, or to affect in any way, either positively or negatively, whatever rights any Party may have regarding the future continuation, modification or elimination of any such item of remuneration as a result of future collective bargaining between an employer and applicable recognized employee organization(s).

22. This Settlement Agreement constitutes the entire agreement among the Parties. The Parties expressly acknowledge that no other agreements, arrangements or understandings exist between them that are not expressed in this Settlement Agreement.
23. All Parties agree that this Settlement Agreement is clear and unambiguous, and agree that respective counsel for the Parties drafted it at arm's length. All Parties agree that no parol or other evidence outside this Agreement may be offered to explain, construe, contradict or clarify the terms of this Settlement Agreement, the intent of the Parties or their counsel, or the circumstances under which the Settlement Agreement was made or executed. Each Party, and counsel for each Party, has reviewed and revised, or has had the opportunity to review and revise, this Settlement Agreement, and accordingly, any rules of construction of this State, or from any other source, to the effect that any ambiguities are to be resolved against the drafting party, shall not be employed in the interpretation of this Settlement Agreement or any amendment of it.
24. The terms and provisions of this Settlement Agreement may be amended, modified, limited or expanded only by the express written agreement of those Parties and Class Members affected by the particular change sought, or, in the case of affected Class Members included in units of representation represented by recognized employee organizations, by the express written agreement of their applicable recognized employee organization(s) in collective bargaining. Court approval shall not be required to amend, modify, limit or expand this Settlement Agreement as provided above in this paragraph, but shall be required in all other instances.
25. In the event that this Settlement Agreement does not receive final approval by the Superior Court, then:
 - A. This Settlement Agreement shall be null and void and shall have no force or effect, and no party to this Settlement Agreement shall be bound by any of its terms;
 - B. This Settlement Agreement, all of its provisions, and all negotiations, statements, and proceedings relating to it shall be without prejudice to the rights of any of the Parties or any Class Member;
 - C. All Parties shall be restored to their respective positions existing immediately before the execution of this Settlement Agreement; and

- D. Neither the provisions of this Settlement Agreement, nor the fact of its having been made, shall be admissible or entered into evidence for any purpose whatsoever.

AUTHORIZATION TO ENTER INTO SETTLEMENT AGREEMENT

26. Class Counsel represent that they are authorized to enter into this Settlement Agreement on behalf of the Class Representatives. Class Counsel represent that they are seeking to protect the interests of the entire Class.
27. Each of the undersigned Class Representatives represents and certifies that he or she has read this Settlement Agreement and agrees to its terms both individually and as a representative of the Class and Class Members.
28. Each person executing this Settlement Agreement on behalf of any Party represents that he or she is authorized to enter into this Settlement Agreement on behalf of the Party for whom he or she is executing this Settlement Agreement.

CHOICE OF LAW AND EXCLUSIVE FORUM

29. This Settlement Agreement shall be governed by, and interpreted according to, the laws of the State of California as applied to domiciliaries thereof.
30. Any action to enforce this Settlement Agreement shall be commenced and maintained in the Retirement Cases Coordinated Proceeding 4049 in the San Francisco County Superior Court, if that proceeding is still continuing before that Court. Otherwise, any action to enforce this Agreement shall be commenced and maintained in the Superior Court of Sonoma County, and shall not be commenced or maintained in any other court. Each of the Parties stipulates and agrees to personal and subject matter jurisdiction and venue in the foregoing courts.

MUTUAL RELEASE AND DISCHARGE

31. Effective upon the final approval of this Settlement Agreement by the Superior Court, the Class, the Class Representatives in their individual and representative capacities on behalf of the Class and Class Members, and the Parties, on their own behalf and on behalf of each of their respective officers, directors, board members, trustees, supervisors, employees, attorneys, agents, affiliates, servants, representatives, beneficiaries, survivors, predecessors, successors, devisees, assigns, heirs, and executors HEREBY RELEASE AND DISCHARGE each other and each other's respective officers, directors, board members, trustees, supervisors, employees, attorneys, agents, affiliates, servants, representatives, beneficiaries, survivors, predecessors, successors, devisees, assigns, heirs, and executors from any and all claims, demands, causes of action, obligations,

damages and liabilities, known and unknown, suspected and unsuspected, that they, or any of them, now own or hold, or at any time heretofore or hereafter may have against each other that were asserted, or that could have been asserted in connection with, or that in any way relate to the timing and substance of the inclusion in or exclusion from compensation earnable or final compensation of any of the items of remuneration referenced in this Settlement Agreement or its attached exhibits for purposes of calculating retirement benefits or contributions of the Class Members. This mutual release and discharge does not include the obligations and rights created by this Settlement Agreement. Further, this mutual release and discharge does not preclude any action to enforce the terms of the Settlement Agreement.

WAIVER AND RELINQUISHMENT OF UNKNOWN CLAIMS

32. It is understood and agreed that, with respect to the releases set forth in this Settlement Agreement, all rights under California Civil Code Section 1542 and any similar law or any state or territory of the United States are hereby expressly waived and relinquished by the Parties. Section 1542 reads as follows:

“Certain claims not affected by general release. A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.”

33. In waiving and relinquishing the provisions of Section 1542 of the California Civil Code, the Parties acknowledge that they may hereafter discover facts, information or evidence in addition to or different from those facts, information or evidence which they now believe to exist or be true, with respect to the subject matter of the Action and other matters released herein, including the possibility of further clarifications and development in the case law pertaining to the inclusion or exclusion of items referenced in this Settlement Agreement or its attached exhibits in compensation earnable or final compensation under the provisions of the County Employees' Retirement Laws of 1937. The Parties agree that they have taken that possibility into account in determining the amount of consideration to be given under this Settlement Agreement. Further, the Parties agree that the releases given herein shall remain in effect as a full and complete general release of the matters described above, notwithstanding discovery of the existence of any such additional or different facts, information or evidence, or developments in the case law.

MATTERS AND RESERVATIONS APPLICABLE TO ENTIRE AGREEMENT

34. Nothing in this Settlement Agreement shall be interpreted as preventing SCERA, its participating employers, and their representatives, employees, and agents from

communicating with the Class Members within the normal course of their business activities.

35. The Settlement Agreement, its terms, and the negotiations and court proceedings relating to this Settlement Agreement shall not be construed as, or offered as, evidence of any kind by or against any of the Parties to this Action in this, or any other, action or proceeding (except in a proceeding to enforce this Settlement Agreement).
36. The Agreement, its terms, and the negotiations and court proceedings relating to this Settlement Agreement shall not be construed as, or offered as, any type of evidence, admission, or concession of any liability or wrongdoing on the part of any person or entity. All Parties deny any wrongdoing alleged in the Action and do not admit or concede any actual or potential fault, wrongdoing or liability in connection with any facts or claims that were alleged or could have been alleged in the Action.
37. This Settlement Agreement shall be binding upon and for the benefit of the Parties hereto, their respective officers, directors, board members, trustees, supervisors, employees, attorneys, agents, affiliates, servants, representatives, beneficiaries, survivors, predecessors, successors, devisees, assigns, heirs and executors.
38. The Parties and their attorneys undertake to implement the terms of this Settlement Agreement in good faith, and to use good faith in resolving any disputes that may arise in implementing the terms of this Settlement Agreement. The payments and adjustments to be made under this Agreement shall be made as soon as reasonably possible under the then existing circumstances. The attorneys' fees and costs awarded by the Court shall be paid within 60 days of the Court's Order approving the Settlement Agreement and the resulting Judgment.
39. The Parties and their attorneys agree to cooperate fully with one another, to use their best efforts, and to execute all documents necessary to obtain Superior Court approval of the Settlement Agreement.
40. The headings used in this Settlement Agreement are included for ease of reference, and such headings shall not control the specific language of any provision of this Settlement Agreement.
41. This Settlement Agreement may be signed in counterparts, each of which shall constitute a duplicate original and taken together shall constitute one and the same Settlement Agreement. Executed facsimile copies shall be deemed duplicate originals.

IN WITNESS WHEREOF, the Parties hereto have duly executed this Settlement Agreement on the following dates, through their authorized representatives as designated below.

SCERA RETIREMENT BOARD

APPROVED AND AGREED TO BY AND ON BEHALF OF THE BOARD OF
RETIREMENT, SONOMA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
("SCERA")

By: / /
SCERA Administrator

Dated: 6-23-03

NAMED PETITIONERS AND CLASS REPRESENTATIVES

APPROVED AND AGREED TO BY AND ON BEHALF OF THEMSELVES
INDIVIDUALLY AND AS CLASS REPRESENTATIVES ON BEHALF OF THE CLASS
AND CLASS MEMBERS

By: / /
Stephen Frietas

Dated: 6-3-03

By: / /
Ronald Dreyer

Dated: 6-3-03

By: / /
Dewey Thomas

Dated: 6-5-03

By: / /
Theodoor G. Bader

Dated: 6-6-03

By: / /
Edward S. Dinsmore

Dated: 6-10-03

By: / /
Janet Thomas

Dated: 6-5-03

By: / /
Margaret A. Bader

Dated: 6-6-03

By: / /
Jesse A. Edwards

Dated: 6-5-03

By: / /
Carlos Gomez Basurto, Sr.

Dated: 6-6-03

By: / /
Ed Clites

Dated: 6-5-03

By: 151
Shaun Dufosee

Dated: 6-2-03

By: 151
James T. Hunt

Dated: 6-3-03

By: 151
Ed Sears

Dated: 6-10-03

By: 151
Jim Young

Dated: 6-2-03

SONOMA COUNTY DEPUTY SHERIFFS' ASSOCIATION

APPROVED AND AGREED TO BY AND ON BEHALF OF ITSELF AND AS A CLASS REPRESENTATIVES ON BEHALF OF THE CLASS AND CLASS MEMBERS

By: 19
Sonoma County Deputy Sheriffs' Association

Dated: 6-3-03

SONOMA COUNTY LAW ENFORCEMENT ASSOCIATION

APPROVED AND AGREED TO BY AND ON BEHALF OF ITSELF AND AS A CLASS REPRESENTATIVES ON BEHALF OF THE CLASS AND CLASS MEMBERS

By: 151
Sonoma County Law Enforcement Association

Dated: 6-2-03

COUNTY OF SONOMA

APPROVED AND AGREED TO BY AND ON BEHALF OF COUNTY OF SONOMA

By: 151

Dated: 6-10-03

APPROVED AS TO FORM AND CONTENT

By: 151
Stephen H. Silver
Silver, Hadden & Silver
Class Counsel

Dated: 5-28-03

By: /s/
Rockne A. Lucia, Jr.
Rains, Lucia & Wilkinson
Class Counsel

Dated: 5-30-03

By: /s/
Phil Bowe
Davis, Cowell & Bowe
Class Counsel

Dated: 5-29-03

By: /s/
Kasey Christopher Clark
Mastagni, Holstedt & Amick
Attorneys for Class Counsel

Dated: 5-30-03

By: /s/
Neil Baker
Chief Deputy County Counsel
County of Sonoma

Dated: 6-10-03

By: /s/
Neil Baker
Chief Deputy County Counsel
Sonoma County Employees' Retirement Association

Dated: 6-10-03

RESOLUTION # 24

DATE April 22, 1998

RESOLUTION OF THE BOARD OF RETIREMENT, SONOMA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION, COUNTY OF SONOMA, STATE OF CALIFORNIA, DETERMINING ITEMS OF REMUNERATION TO BE INCLUDED IN THE COMPUTATION OF MEMBERS' COMPENSATION EARNABLE.

WHEREAS, pursuant to the County Employees' Retirement Law of 1937 ("1937 Act") the Board of Retirement of the Sonoma County Employees' Retirement Association ("SCERA") is responsible for determining final compensation earnable for purposes of calculating retirement benefits under the 1937 Act and the SCERA retirement plan; and

WHEREAS, on October 1, 1997, the California Supreme Court's decision in *Ventura County Deputy Sheriffs' Association, et al. v. Board of Retirement, Ventura County Employees' Retirement Association, et al.* (1997) 16 Cal.4th 483 ("*Ventura Decision*") became final; and

WHEREAS, the Board of Retirement directed that the Retirement Administrator review the retirement plan and the salary and benefits provided by the County of Sonoma to members of SCERA in light of the Supreme Court's decision; and

WHEREAS, the Retirement Administrator has recommended that the Board of Retirement address the prospective application of the Supreme Court's decision by determining that certain specified items or forms or remuneration being paid by the County of Sonoma to members of SCERA are to be included as part of final compensation earnable; and

WHEREAS, the Retirement Administrator, after consultation with representatives of the County of Sonoma, recognized employee organizations, and other interested parties, has identified items of remuneration which he believes should be considered part of final compensation earnable, and such items of remuneration are identified in Exhibit "A" which is attached to this Resolution and incorporated herein by reference; and

WHEREAS, the Board of Retirement wishes to prospectively implement the changes mandated by the *Ventura Decision* as soon as reasonably possible by taking action on the Retirement Administrator's recommendation.

NOW, THEREFORE, BE IT RESOLVED that notwithstanding Bylaw VII of the Sonoma County Employees' Retirement Association, the Board of Retirement approves and adopts Exhibit "A", and the items of remuneration identified in Exhibit "A" are hereby determined to be items of remuneration to be included in final compensation earnable for all members of SCERA, and the Retirement Administrator and staff are directed to coordinate with the County of Sonoma officials and staff to establish necessary procedures and reporting mechanisms to include such items of remuneration for purposes of Government Code sections 31460 and 31461 of the 1937 Act.

EXHIBIT A

PAGE 1 OF 7

RESOLUTION # 24

DATE April 22, 1998

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BE IT FURTHER RESOLVED, the Board of Retirement authorizes and directs that upon adoption of this Resolution, the Retirement Administrator shall thereafter make the initial determination whether additional items of remuneration or compensation are to be included in final compensation earnable, provided that, in cases of dispute regarding the Retirement Administrator's determination, the matter shall be submitted to the Board of Retirement for a final decision.

BE IT FURTHER RESOLVED, that the Retirement Administrator and staff are directed to develop and submit to the Board of Retirement recommendations regarding both retroactivity and the procedures and methods to adjust contributions and retirement allowances for the period prior to the effective date of the modifications authorized by this Resolution.

RETIREMENT BOARD MEMBERS:

Alys X Fulwider Kovacovich Merz X Panas Pels X Sowers X Stockham Brelje X

Ayes 5 Noes 0 Abstain 0 Absent 4

SO ORDERED

EXHIBIT A

PAGE 2 OF 7

EXHIBIT "A"

Income Description	Currently in Calculation	Eligible Earnings	Ineligible Earnings	Description
Regular Earnings	X			
Sick Leave Taken	X			
Vacation Leave Taken	X			
Compensatory Time Taken	X			
Holiday as Pay Status	X			
Confidential Premium	X			
Auto Allowance	X			
County Paid Deferred Compensation	X			
Resident Deputy Premium	X			
Detective Premium	X			
Youth Supervisor case Worker Premium	X			
Supervising Courtroom Clerk Premium	X			
Awards (performance related)		X		
Post Premiums		X		Premium pay given to law enforcement officers for additional hours of training (POST = Police Officer Standards & Training).
Shift Differentials		X		Additional pay given for working afternoon or evening shift.
Bilingual Pay		X		Additional pay given for being able to speak another language, usually Spanish.

EXHIBIT A

Income Description	Currently in Calculation	Eligible Earnings	Ineligible Earnings	Description
Detention Facilities Assignment Premiums		X		Additional pay given for workers in jail and juvenile halls.
RN License Premium		X		
Stand-By Premium		X		Premium pay for being on call
Vacation Buy Back		X		Per MOU- varies up to 80 hrs. per year - can sell back to the County and receive cash (in lieu of time off).
Administrative Leave Buy Back		X		Elected officials - 56 hrs.
Holiday Paid (Excess of 80 Hour Pay Status)		X		Holiday falls on regular day off (ie: work Weds - Sat., holiday on Monday - get paid 8 hrs. paid for holiday.)
Floating Holiday		X		Once a year (benefit in contract) every one gets this - give 8 hours of comp time.
Three (3) Hour Holiday Comp Time Accrual		X		
Sick Leave Conversion		X		Up to 24 hrs. A year.
Hazard Pay		X		
Animal Removal Assignment Premium		X		
Heavy Truck Operation Premium		X		
Heavy Equipment Operation Premium		X		
Fairground Special Equipment Premium		X		
Charges Duties (Health Facilities)		X		Premium pay for being in charge of particular area/staff (ie: charge nurse on P.M. shift)
Sexual Assault Premium (First \$100)		X		Premium pay for staff who do sexual assault exams
Psych. Nurse/FNP/PA Special Facilities		X		

EXHIBIT A

Income Description	Currently in Calculation	Eligible Earnings	Ineligible Earnings	Description
Detention Facility Premium (Facility Training Officer?)		X		Training new recruits for detention facility staff (correctional officers)
Cook & Chef at NCDF/MADF Premium		X		10% premium pay for working around inmates (potentially dangerous)
Work Crew Premiums		X		Supervising work crews - 5% or 7.5% increase for supervising inmates who help.
Maintenance Worker Water Agency Perm.		X		Hrs. Assisting mechanic - 10% - Min 4 hrs.
Rest Break Premium (Disposal Stations)		X		\$4.21 each day that a break is not taken.
Simulcast Attendant Premium		X		
Senior Legal Processor Premium		X		
Uniforms and Allowances		X		Given cash - not - reimbursement - \$70 up to \$120 a yr.
Cleaning Money (Uniforms)		X		
Bomb Disposal		X		Hazard & special training pay for working on the Bomb squad.
SWAT		X		Hazard & special training pay for law enforcement officers for working on the unit that handles extremely dangerous situations (ie: hostage negotiation)
SERT		X		Premium for extracting inmates from cell in jail or detention facility (hazard pay/possible violence).
I.A. Investigators		X		Internal Affairs Investigators - investigate possible wrongdoing by law enforcement officers/personnel.
Classification Officer		X		They classify where inmate will be placed (ie: violent or suicidal, etc.).

EXHIBIT A

Income Description	Currently in Calculation	Eligible Earnings	Ineligible Earnings	Description
Field Training Officer		X		For law enforcement patrol - training recruits in the field.
Facilities Training Officer		X		For correctional officers - training recruits on the job.
Dog Handler Supervisor		X		Canine Unit - supervises law enforcement officers that use dogs.
Grievance/Discipline Officer		X		For correctional officers - special training required to deal with inmate grievances/disciplinary problems
Training Coordinator		X		Person in charge of Field and Facilities Training Officers.
Helicopter Observer		X		Officers who fly in the helicopter.
Alternate Helicopter Observer		X		On-call to cover regular observer for vacation, sick leave, etc.
Inmate Program Services Officer		X		5% premium for planning inmate activities.
Water Agency Plant Operator		X		
Housing Allowance		X		
Benefit Allowance All Units			X	
Tuition and Text Book Allowance			X	
Call Back			X	
Phone Work			X	
Mileage Reimbursement			X	
Overtime			X	
Half Time Pay			X	

EXHIBIT A

Income Description	Currently in Calculation	Eligible Earnings	Ineligible Earnings	Description
Double Time			X	
Vacation Payoff at Termination			X	
Sick Leave Payoff at Termination			X	
Compensatory Time Pay at Termination			X	
Safety Boot Vouchers			X	

Premiums will be included in retirement calculation if they are earned on regular pay status hours, up to employees base allocated position (FTE). Premiums due on hours in excess of base (FTE) or overtime will not be included in retirement calculations.