

**JUDGMENT IMPLEMENTATION AGREEMENT SETTLING ALL ISSUES
CONCERNING DETERMINATION OF AMOUNTS OF BENEFITS,
CONTRIBUTIONS, AND ATTORNEYS' FEES TO BE PAID UNDER FINAL
JUDGMENT AND PEREMPTORY WRIT OF MANDATE**

This Judgment Implementation Agreement Settling All Issues Concerning Determination of Amounts of Benefits, Contributions, and Attorneys' Fees to be Paid Under Final Judgment and Peremptory Writ of Mandate ("Settlement Agreement"), which will be effective as of the date it is finally approved by the Superior Court, is entered into by the following persons or entities:

(a) the named Petitioners in the Action, Los Angeles County Professional Peace Officers' Association; Los Angeles County Fire Fighters, Local 1014; California Association of Professional Employees; Arthur J. Reddy; William Sieber; Dallas Jones; Lee Stark; James E. Vogts, and Milton Cohen (collectively the "Class Representatives"), in their individual capacities and as members and representatives of a no-opt-out Class consisting of all individuals (1) who are past or present members (including retirees, deferred retirees and active employees) or future members of the Los Angeles County Employees Retirement Association; or (2) their survivors, beneficiaries, agents, assigns, and successors-in-interest; and (3) the labor organizations recognized as the bargaining agents for the active members of LACERA (collectively the "Class Members");

(b) the County of Los Angeles ("County"); and

(c) the Board of Retirement of the Los Angeles County Employees Retirement Association ("LACERA").

All of these persons and entities, including all individual Class Members, are referred to collectively as the "Parties".

RECITALS

1. WHEREAS the Parties have been involved in litigation in the consolidated cases of *Los Angeles County Professional Peace Officers' Association; Los Angeles County Fire Fighters, Local 1014; California Association of Professional Employees; Arthur J. Reddy; William Sieber; Dallas Jones; Lee Stark; and James E. Vogts v. Board of Retirement, Los Angeles County Employees Retirement Association, and County of Los Angeles, as Real Party in Interest*, Los Angeles County Superior Court Case No. BS 051355, consolidated with *Milton Cohen v. Board of Retirement, Los Angeles County Employees Retirement Association, Los Angeles County Superior Court No. BS 051774* (hereinafter 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.

2. WHEREAS judgment was entered and a peremptory writ of mandate was issued in the Action on November 30, 2001.

3. WHEREAS, the judgment in the Action expressly denied the mandatory inclusion in pensionable compensation for purposes of calculating pension benefits of (1) payments made in connection with separation from service, (2) payments associated with the provision of insurance that are not received by employees, and (3) payments by employers of member-required retirement contributions, and did not decide matters relating to items at issue in two related coordinated cases:

Los Angeles County Fire Department Ass'n of Chiefs, et al. v. Board of Retirement, et al., (L.A.S.C. Case No. BS 057432) (involving regularly scheduled overtime pay and flexible benefit contributions not capable of being received in cash); and

Bugh v. Board of Retirement, (L.A.S.C. Case No. BS 055611) (involving pre-1991 flexible benefit contributions).

4. WHEREAS the judgment and peremptory writ of mandate in the Action required LACERA to retroactively recalculate pension benefits paid after May 26, 1995 for those Class Members whose final compensation period included time prior to October 1, 1997, in

compliance with the requirements of *Ventura County Deputy Sheriff's Assn. v. Board of Retirement* (1997) 16 Cal.4th 493 (“*Ventura*”), and to pay Class Members any additional amounts to which they are entitled, plus simple interest at the rate of 7% (seven per cent) per annum on the retroactive payments. The peremptory writ of mandate, which was issued on January 10, 2002, and served on LACERA on January 29, 2002, further ordered LACERA to file a return to the writ with the Court within six months of service of the writ.

5. WHEREAS the judgment also authorized, but did not require, LACERA to collect arrears contributions plus interest from Class Members, including by an offset reducing the increased benefits to be paid under the judgment, and retained the Superior Court’s jurisdiction to resolve any disputes regarding the collection of arrears contributions plus interest from any Class Member.

6. WHEREAS the judgment awarded Petitioners reasonable attorneys’ fees and costs, and retained the Superior Court’s jurisdiction to determine the basis for, and amount of, such attorneys’ fees and costs.

7. WHEREAS following a hearing on March 5, 2004, Class Counsel, as defined in paragraph 30, have received approval from the Superior Court for a “common fund” award of attorneys’ fees of \$3,750,000 from the Class Members’ recovery in the Action.

8. WHEREAS Class Counsel have requested that interest be added to their fee award from March 5, 2004 forward, and that question has not been determined by the Court.

9. WHEREAS the judgment was stayed while on appeal when LACERA’s six month deadline to file its return to the writ of mandate occurred, and LACERA’s return, filed with the Court on July 29, 2002, noted that the judgment, which required retroactive implementation, was stayed by the appeal and cross-appeal.

10. WHEREAS all appeals now have been exhausted and the judgment now has become final, requiring implementation of the portions of the judgment dealing with recalculating and paying retroactive benefits, determining arrears contributions, and paying Class Counsel attorneys’ fees and costs.

11. WHEREAS the information obtainable from records available to LACERA regarding individual pay items received by each Class Member prior to October 1, 1997 deteriorates as the records get older.

12. WHEREAS for time periods after March 1, 1993, computerized County payroll records are available from which it is possible to determine the items of pay that must be added to an individual Class Member's pensionable earnings pursuant to the judgment in this Action ("Ventura Pensionable Earnings" or "VPE") for each applicable pay period. However, determining individual Class Members' VPE for time periods prior to March 1, 1993 is problematic because computerized County payroll records showing such pay items for individual Class Members for such time periods are not available.

13. WHEREAS microfiche copies of County employee sequence payroll registers covering most bi-monthly or monthly pay periods between December, 1977 through February, 1993 do exist. However, these records may be incomplete, have not been computerized, are of varying legibility, and lump some VPE and non-VPE pay items together under a single code "008-Miscellaneous," and prior to 1980 do not provide even that information. Reconstructing an individual Class Member's VPE between January, 1980 and February, 1993 requires locating and consulting each microfiche sheet showing the monthly or bi-monthly payroll sequence register during an individual's final compensation period containing that individual's record for that pay period, extracting from whatever data is shown whether any VPE items were paid, and then aggregating those amounts. LACERA has occasionally consulted these microfiche records in connection with member buy backs of prior service and has found that researching an individual's compensation earnable from these records (assuming that the relevant records can be found and read) requires approximately one half hour per member/per year researched.

14. WHEREAS the payroll registers for December, 1977 through December, 1979 do not identify individual pay items received in addition to base salary, and LACERA has no payroll sequence records identifying VPE pay items for individual Class Members for any

time prior to December, 1977. Therefore, determination of an individual Class Member's VPE or arrears contributions from records available to LACERA for periods prior to 1980 is impossible.

15. WHEREAS LACERA has approximately 27,500 members who retired prior to early 1993.

16. WHEREAS, because of the lack of adequate computerized individual payroll records for members who retired with a final compensation period entirely prior to January 1, 1993 ("Pre-1993 Class Members"), LACERA's actuary developed an Implementation Plan to carry out the Final Judgment. The actuary used actual computerized payroll data to recalculate individual VPE increases for Class Members who retired after January 1, 1993 (adjusting for the missing two months of computerized data from January and February 1993). Then, using these calculations, plus group data showing the aggregate percentage increases in total payroll as a result of including VPE pay for the Class Members as a whole going back to 1981, the actuary was able to project backwards to estimate percentage increases for the Pre-1993 Class Members. The estimated percentage increases for Pre-1993 Class Members are broken down between General and Safety Class Members and between normal and disability retirements, and are differentiated by LACERA Plans A-E and by year of retirement going back to 1941.

17. WHEREAS the Implementation Plan's original unmodified percentage increases attributable to the retroactive inclusion of VPE in final compensation for the Pre-1993 Class Members under the Final Judgment and Peremptory Writ of Mandate in the Action were estimated using "conservative" assumptions to result in total distributions to the Pre-1993 Class Members of increased pension benefits, after an offset for arrears contributions, equal to approximately \$127.5 million. The County objected to those original assumptions as being overly generous to retirees, particularly with regard to those who retired prior to 1981 for whom no payroll records are available to LACERA that could be used to establish that they had received any VPE during their final compensation period.

18. WHEREAS the class representatives opposed the County's objections and, after further negotiations, the Parties reached a compromise resolution that protected the older retirees by slightly reducing the group percentage benefit increases for the Pre-1993 Class Members, including the pre-1981 members. Arrears contribution offsets were also reduced for Class Members in Plans B, C, and D in the members' favor from 40% in the original Implementation Plan to 20% so that such members would bear roughly the same burden as Class Members in Plan A, despite their less favorable statutory contribution rate structure.

19. WHEREAS, the modified percentage increases resulting from the compromise changed the actuary's estimate of the total net value of all benefit increases, after an offset for arrears contributions, for the Pre-1993 Class Members as a group from approximately \$127.5 to approximately \$121 million. The compromise embodied in the Settlement Agreement also changed the actuary's original estimated net value of all increased benefits due and owing under the Judgment and Peremptory Writ of Mandate, after the offset of arrears contributions, for all Class Members from approximately \$183 million to approximately \$177 million. The Actuary has reviewed this compromise and concluded, "We believe this modification of our original proposed implementation plan is reasonable and well within the expectations of the data provided to us."

20. WHEREAS, the settlement negotiations also produced agreement on a reserve funded by a provisional 10% reduction in the group percentage benefits for Pre-1993 Class Members calculated by the actuary, in order to provide individually calculated additional increases to the extent they can be funded from the reserve for Pre-1993 Members who could establish that an individual calculation of their VPE would produce a percentage increase that was at least 150% of their applicable group percentage increase set forth in the Implementation Plan. Any amounts not used to fund such individually calculated increases for Pre-1993 Class members will be returned to restore value to the group percentage increases that were decreased by the 10% reduction.

21. WHEREAS the Parties, including all Class Representatives on behalf of themselves and all individual Class Members, desire to fully settle and finally resolve all issues concerning the determination of amounts due to or from Class Members and their Counsel as benefits, arrears contributions, and attorneys' fees pursuant to the final judgment and peremptory writ of mandate issued in the Action.

22. NOW, THEREFORE, in return for the promises, consideration, mutual covenants, agreements, and conditions provided for in this Settlement Agreement, which the Parties, including all Class Representatives on behalf of themselves and all individual Class Members, acknowledge constitute the receipt of valuable consideration by each of them, and intending to be legally bound, the Parties, including all Class Representatives on behalf of themselves and all individual Class Members, hereby agree as follows:

JUDGMENT IMPLEMENTATION SETTLEMENT AGREEMENT

23. IT IS HEREBY AGREED by, between, and among the Parties, including all Class Representatives on behalf of themselves and all individual Class Members, that all amounts due to or from Class Members and their Counsel as benefits, arrears contributions, and attorneys' fees as a result of the final judgment and peremptory writ of mandate in the Action shall be determined and paid only in accordance with the terms and conditions set forth in this Agreement.

TERMS AND METHODOLOGY OF SETTLEMENT

24. All Parties, including all Class Representatives on behalf of themselves and all individual Class Members, agree to accept the pension benefits, arrears contribution offsets, and attorneys' fees determined as set forth in this Settlement Agreement as the sole and conclusive determination of the amount of pension benefits, contributions, and attorneys' fees due to or from each Class Member under the final judgment and peremptory writ of mandate in this Action.

BENEFIT INCREASES

25. January 1, 1993-October 1, 1997 Members. Subject to the adjustments for the arrears contribution offsets (as set forth in paragraph 29), and for payments to Class Counsel (as set forth in paragraphs 30-33), Class Members who retired with a final compensation period that included any time on or after January 1, 1993 and before October 1, 1997 will have their pension benefits payable after May 26, 1995 individually recalculated to include VPE not previously included by LACERA, if any, based upon the County's computerized payroll records, supplemented if necessary by such other materials upon which LACERA, in its reasonable discretion, may choose to rely. Such recalculated benefit payments shall be paid to the affected Class Members together with 7% simple annual interest from the time each recalculated increased payment originally would have been paid until the back payment is made.

26. Pre-January 1, 1993 Members. Subject to the adjustments set forth below, all Pre-1993 Class Members who do not timely file a claim as provided in paragraph 27 shall have their pension benefits payable on or after May 26, 1995 increased by the percentages shown in Exhibit 1a of the Implementation Plan as modified (which is attached to this Settlement Agreement as Attachment 1), together with 7% simple annual interest, based upon the year of their retirement date, retirement plan (Plans A-E), and status (General or Safety). Those percentage increases shall be reduced by the 10% provisional set-aside (as set forth in paragraph 28), the arrears contribution offsets (as set forth in paragraph 29), and for payments to Class Counsel (as set forth in paragraphs 30-33).

27. Claims for Individually Calculated Benefit Increases by Pre-1993 Class Members. Pre-1993 Class Members may assert a claim to have their pension increases, if any, individually calculated if they contend that an individual calculation would provide benefit increases equal to at least 150% of the applicable pension benefit increase set forth in Attachment 1 (Pre-1993 Claimants). A claim pursuant to this paragraph must be submitted in writing to LACERA at 300 North Lake Avenue, Pasadena, California 91101-4199 (Attention: Gregg Rademacher) within the time limit provided in paragraph 37.

(A) LACERA will individually calculate the pension benefit increase to which a Pre-1993 Claimant would be entitled based on applicable records, if any, that can be identified and located from the microfiche records in LACERA's possession, supplemented to the extent necessary by such other materials upon which LACERA, in its reasonable discretion, may choose to rely

(B) If the individual calculation under subparagraph (A) of this paragraph 27 would provide pension benefit increases equal to at least 150% of the pension benefit increases that would be provided under Attachment 1 ("150% Members"), the Pre-1993 Claimant will receive, subject to the provisions of paragraph 28(B):

(1) the applicable pension benefit increase provided to them under Attachment 1, as reduced by arrears contributions, attorneys' fees and the 10% reserve described in paragraph 28; plus

(2) a "Claimant's Supplement," which is the difference between (a) the individually calculated pension benefit increase as reduced by arrears contributions and attorneys' fees, and (b) the applicable pension benefit increase provided for under Attachment 1, as reduced by arrears contributions, attorneys' fees, and the 10% reserve described in paragraph 28.

(C) Only the 150% Members will be entitled to receive a Claimant's Supplement. Pre-1993 Claimants who establish a percentage increase above the applicable percentage reflected on Attachment 1, but below 150% of that percentage, will not receive a Claimant's Supplement, and shall be entitled only to the applicable percentage increase reflected on Attachment 1, as reduced by arrears contributions, attorneys' fees, and the 10% reserve described in paragraph 28.

(D) Pre-1993 Claimants for whom an individual calculation yields an actual percentage increase less than the applicable percentage reflected on Attachment 1 (Less Than 100% Members) shall receive only the actual percentage increase, if any, resulting from their individual calculation, as reduced by arrears contributions,

attorneys' fees, and a 10% reduction to fund the 10% reserve described in paragraph 28.

28. Reserve to Fund Payments to Pre-1993 Claimants. A reserve to fund the Claimant's Supplement payments that may be due to 150% Members shall be established by reducing by 10% the percentage increases for Pre-1993 Class Members shown in Attachment 1 ("Claimants' Reserve").

(A) If the value of the Claimants' Reserve is sufficient, then all 150% Members entitled to a Claimant's Supplement shall receive the entire amount without further reduction. Any amount of the Claimants' Reserve left over after funding the Claimant's Supplement payments will be reapportioned back pro rata to restore value to the pension benefit increase percentages applicable to all Pre-1993 Class members other than the 150% Members.

(B) If the value of the Claimants' Reserve is not sufficient to fully fund the Claimant's Supplement payments, then the 150% Members shall have their Claimant's Supplement payments reduced pro rata to the amount that can be funded from the Claimants' Reserve.

ARREARS CONTRIBUTION BENEFIT REDUCTIONS

29. All Class Members who retired with a final compensation period that included any time before October 1, 1997 (except Plan A disabled members and Plan E members) will have their pension benefit increase percentage, if any, offset by a 20% reduction to account for unpaid arrears contributions. Plan A Class Members who retired on disability with a final compensation period that included any time before October 1, 1997 will have their pension benefit increase percentage, if any, offset by an 18% reduction to account for unpaid arrears contributions. Class Members who retired from Plan E with a final compensation period that included any time before October 1, 1997, and Class members who do not receive a pension benefit increase percentage as a result of the Settlement Agreement will not have any offset

against their benefits to account for arrears contributions attributable to the final judgment and peremptory writ of mandate in this Action.

CLASS COUNSEL ATTORNEYS' FEES

30. As used in this Settlement Agreement, the term "Class Counsel" shall mean the law firms of Silver, Hadden & Silver (SH&S), 1428 Second Street, P.O. Box 2161, Santa Monica, CA 90407-2161, Davis, Cowell & Bowe (DC&B), LLP, 595 Market Street, Suite 1400, San Francisco, California 94105, and former Liaison Counsel for petitioners in the Coordinated Retirement Cases, Judicial Council Coordination Proceeding No. 4049, Carroll, Burdick & McDonough LLP (CB&McD), 44 Montgomery Street, Suite 400, San Francisco, California 94104-4606.

31. In addition to the "common fund" award of attorney's fees of \$3,750,000 to be paid from the Class Members' recovery in the Action (\$3,000,000 for SH&S, \$600,000 for DC&B, and \$150,000 for CB&McD) already awarded by the Superior Court, Class Counsel may seek to recover interest on that award from March 5, 2004, or any later date determined by the Court, at the hearing on whether or not to approve this Settlement Agreement.

32. All Class Members who will receive an increase in their pension benefits as a result of this Settlement Agreement implementing the final judgment and peremptory writ of mandate in this Action shall pay their pro-rata share of the "common fund" attorneys' fees and any interest that may be awarded to Class Counsel from their initial lump-sum retroactive benefit increase payment. In order not to burden older Class Members unfairly, LACERA shall compute the amount of each Member's pro rata share based upon the Member's relative share of the total value of projected lifetime benefit increases to be paid to the Class Members under this Settlement. LACERA shall withhold that amount from each Member's initial lump sum retroactive payment, pay it to Class Counsel, and include the amount so paid on behalf of each Class Member on that Member's IRS Form 1099R.

33. These payments shall cover 100 percent of all attorneys' fees associated with the work of SH&S, DC&B, and CB&McD performed or to be performed in connection with the

Action, including all work associated with finalizing or implementing this settlement. SH&S, DC&B, and CB&McD waive any right to seek, and agree not to seek, any additional compensation on any basis from any Party, including Class Members, for any work performed in the past or present, or to be performed in the future, with respect to the Action, and will withdraw all existing liens. The Class Members waive any right to seek, and agree not to seek, any attorneys' fees on any basis from LACERA and/or the County, including any additional compensation for fees incurred in connection with services performed in the past or present, or to be performed in the future, with respect to the Action by any past, existing, or future counsel. SH&S and DC&B will continue to represent the Class Members in the Action, including any further action or proceeding regarding the implementation of the judgment and peremptory writ as provided in this Settlement Agreement, without further charge.

JUDGMENT IMPLEMENTATION SETTLEMENT

REPRESENTS COMPROMISES BY ALL PARTIES

34. 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, including all individual Class Members, gain from the settlement of all disputes regarding the proper interpretation and implementation of the final judgment and peremptory writ of mandate in the Action, and the resulting decrease in the uncertainties and time attendant to their implementation.

NOTICE OF PROPOSED SETTLEMENT TO CLASS MEMBERS

AND WAIVER OF OBJECTIONS AND CLAIMS NOT TIMELY

FILED BY CLASS MEMBERS

35. The Parties to this Settlement Agreement, including all Class Representatives on behalf of themselves and all individual Class Members, further agree to make appearances in the Action through their attorneys of record to move the Superior Court to approve the

Settlement Agreement and to order implementation of the final judgment and peremptory writ of mandate in the Action in accordance with the terms set forth herein.

36. After approval by the Court as to form, notice of this Settlement Agreement and the scheduling of the hearing for the Court to consider objections and to approve or reject the settlement shall be given to the Class Members as provided by the Court. Class Members shall have until May 20, 2005 to file with Co-Class Counsel Silver, Hadden & Silver (SH&S), 1428 Second Street, P.O. Box 2161, Santa Monica, CA 90407-2161 any written objections to the Settlement Agreement and/or to any of its terms. For purposes of determining whether or not an objection has been timely filed, the date of filing will be deemed to be either the actual date of receipt by SH&S, or the postmarked date, whichever is earlier. SH&S will be responsible for serving all such objections on LACERA and the County, and for filing all such objections with the Court prior to the fairness hearing. Any Class Member who fails to file a timely written objection to the proposed settlement and/or any of its terms with SH&S on or before the time deadline will be conclusively presumed to have waived any objections and to have agreed to accept and be bound by the terms of the Settlement Agreement if and as it is approved by the Court.

37. Pre-1993 Class Members shall have until May 20, 2005 to file with LACERA at 300 North Lake Avenue, Pasadena, California 91101-4199 (Attention: Gregg Rademacher) any claim to have their pension increases, if any, individually calculated pursuant to paragraph 27. For purposes of determining whether or not a claim has been timely filed, the date of filing will be deemed to be either the actual date of receipt by LACERA, or the postmarked date, whichever is earlier. Any Pre-1993 Class Member who fails to file a claim pursuant to paragraph 27 with LACERA on or before the time deadline will be conclusively presumed to have waived any right to an individually-calculated pension benefit increase, and to have agreed to accept and be bound by the applicable percentage increase determined by the terms of this Settlement Agreement applicable to Pre-1993 Class Members who do not file

any such claim for an individually-calculated pension benefit increase, if and as the Settlement Agreement is approved by the Court.

EFFECT OF COURT DISAPPROVAL OF SETTLEMENT

38. 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; and

(C) All Parties shall be restored to their respective positions existing immediately before the execution of this Settlement Agreement.

FINALITY OF SETTLEMENT AGREEMENT IF APPROVED

39. This Settlement Agreement implementing the final judgment and peremptory writ of mandate in the Action, if and as it is approved by the Court, shall be binding upon and for the benefit of all the Parties, including all of the individual Class Members, and their respective members, officers, directors, board members, trustees, supervisors, employees, attorneys, agents, affiliates, servants, representatives, beneficiaries, survivors, predecessors, successors, devisees, assigns, heirs, and executors.

40. All Parties, including all Class Representatives on behalf of themselves and all individual Class Members, agree that this Settlement Agreement settles and resolves all issues between and among the Parties and all individual Class Members, with respect to the implementation and/or satisfaction of the judgment and peremptory writ of mandate in the Action. This Settlement Agreement, including the releases given herein, shall not be interpreted to expand or contract the preclusive effect of the judgment in the Action, be it under principles of res judicata, collateral estoppel or otherwise.

41. 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, including any individual Class Members, may have regarding the future continuation, modification, or elimination of any item of remuneration as a result of future collective bargaining between an employer and applicable recognized employee organization(s).

42. This Settlement Agreement constitutes the sole and entire agreement and understanding between and among the Parties with regard to the settlement of the manner of implementation and/or satisfaction of the judgment and peremptory writ in the Action, and supersedes and replaces any and all prior agreements and/or understandings between the Parties hereto with respect to the subject matter hereof. The Parties expressly acknowledge that no other agreements, arrangements or understandings exist between them with regard to the settlement of the manner of implementation and/or satisfaction of the judgment and peremptory writ of mandate in the Action that are not expressed in this Settlement Agreement. Each of the Parties hereto acknowledges to each of the other Parties that no other Party or any agent or attorney of any Party has made any promise, representation, or warranty whatsoever, express or implied, written or oral, not contained herein concerning the subject matter hereof to induce him, her, or it to execute this Settlement Agreement, and each of the Parties acknowledges that he, she, or it has not executed this Settlement Agreement in reliance on any promise, representation, or warranty not expressly contained herein. No person has any authority to make any representation, promise, or warranty on behalf of any Party that is not set forth herein.

43. All Parties, including all Class Representatives on behalf of themselves and all individual Class Members, 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, including all Class Representatives on behalf of themselves and all individual Class Members, agree that no parol or other evidence outside this Settlement 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.

AMENDMENTS

44. 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 directly affected by the particular change sought. 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.

AUTHORIZATION TO ENTER INTO SETTLEMENT AGREEMENT

45. 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.

46. 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 all Class Members.

47. 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 VENUE

48. This Settlement Agreement and any ancillary agreements executed pursuant to paragraph 39 above shall be governed by, and interpreted according to, the substantive laws of the State of California as applied to domiciliaries thereof.

49. Any action or proceeding to enforce, modify, and/or construe this Settlement Agreement shall be commenced and maintained in the Retirement Cases Coordinated Proceeding 4049 in Superior Court for the State of California, San Francisco County, if that proceeding is still continuing before that Court. Otherwise any action to enforce, modify, and/or construe this Agreement shall be commenced and maintained in the Superior Court of Los Angeles 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 for any such action or proceeding.

MUTUAL RELEASE AND DISCHARGE

50. Effective upon the final approval of this Settlement Agreement by the Superior Court, the Parties (including (1) the Class Representatives in their individual and representative capacities on behalf of the Class and all individual Class Members and (2) the Class Members), on their own behalf and on behalf of each of their respective members, 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 members, 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:

(A) the implementation and/or satisfaction of the final judgment and/or peremptory writ of mandate in the Action; and

(B) the recovery of attorney's fees incurred in connection with the litigation and/or settlement of the Action.

51. 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 or proceeding to enforce, modify, and/or construe the terms of this Settlement Agreement, including the ability to challenge the accuracy of any calculation required by this Settlement Agreement. In any such action, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs.

WAIVER AND RELINQUISHMENT OF UNKNOWN CLAIMS

52. 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 of 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.”

53. In waiving and relinquishing the provisions of Section 1542 of the California Civil Code and any similar law of any state or territory of the United States, the Parties, including all Class Representatives on behalf of themselves and all individual Class Members, 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 matters released herein. The Parties, including all Class Representatives on behalf of themselves and all individual Class Members, 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, including all Class Representatives on behalf of themselves and all individual Class Members, agree that the releases given herein shall remain in effect as a full and complete general release of the matters described therein,

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

54. Nothing in this Settlement Agreement shall be interpreted as preventing LACERA, its participating employers, and their representatives, employees, and agents from communicating with the Class Members within the normal course of their business activities.

55. The Settlement Agreement, its terms, and the negotiations and court proceedings relating to this Settlement Agreement shall not be construed or offered as an admission or concession of any liability or wrongdoing on the part of any person or entity.

56. 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.

MEDIATION OF DISPUTES/NON-TOLLING OF LIMITATIONS

57. The Parties, including all Class Representatives on behalf of themselves and all individual Class Members, and their attorneys, shall undertake reasonable steps to implement the terms of this Settlement Agreement; and further agree to attempt to resolve any disputes that may arise in implementing the terms of this Settlement Agreement by mediation. However, neither the obligation to mediate nor the commencement of any mediation or lack of commencement of any mediation will toll any applicable statute of limitation unless agreed to in writing, or preclude any Party from making any claim or commencing any action or proceeding to enforce, modify, or construe this Settlement Agreement or any obligation arising under it.

COUNTERPARTS

58. 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.

LACERA RETIREMENT BOARD

APPROVED AND AGREED TO BY AND ON BEHALF OF THE BOARD OF RETIREMENT, LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

By: _____
Chair, Board of Retirement

Dated: _____

LOS ANGELES COUNTY PROFESSIONAL PEACE OFFICERS' ASSOCIATION

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

By: _____

Dated: _____

LOS ANGELES COUNTY FIRE FIGHTERS, LOCAL 1014

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

By: _____

Dated: _____

CALIFORNIA ASSOCIATION OF PROFESSIONAL EMPLOYEES

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

By: _____

Dated: _____

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 ALL CLASS MEMBERS

By: _____
Arthur J. Reddy

Dated: _____

By: _____
William Sieber

Dated: _____

By: _____
Dallas Jones

Dated: _____

By: _____
Lee Stark

Dated: _____

By: _____
James E. Vogts

Dated: _____

By: _____
Milton Cohen

Dated: _____

COUNTY OF LOS ANGELES

APPROVED AND AGREED TO BY AND ON BEHALF OF COUNTY OF LOS ANGELES

By: _____
Gloria Molina
Chair, Board of Supervisors

Dated: _____

APPROVED AND AGREED TO BY CLASS COUNSEL

By: _____
Stephen H. Silver
Silver, Hadden & Silver
CLASS COUNSEL

Dated: _____

By: _____
Ronald Yank
Carroll, Burdick & McDonough LLP
CLASS COUNSEL

Dated: _____

By: _____
Phillip P. Bowe
Davis, Cowell & Bowe LLP
CLASS COUNSEL

Dated: _____

APPROVED AS TO FORM:

By: _____
Scott D. Bertzyk
Jones Day
Attorneys for County of Los Angeles

Dated: _____

By: _____
Michael V. Toumanoff
Tatro Tekosky Sadwick LLP
Attorneys for LACERA

Dated: _____

Los Angeles County Employees Retirement Association Modified Exhibit 1a

Percentage Increase in Benefits by Plan Updated March 2005

Amounts are BEFORE the offset of the arrears contributions
No Adjustments for Attorneys' Fees

Year of Retirement	General Plan A	Safety Plan A	General Plans B - D	Safety Plan B	General Plan E
1941	0.3333%	0.5757%			
1942	0.3401%	0.5908%			
1943	0.3470%	0.6059%			
1944	0.3540%	0.6214%			
1945	0.3611%	0.6373%			
1946	0.3683%	0.6536%			
1947	0.3758%	0.6703%			
1948	0.3833%	0.6875%			
1949	0.3910%	0.7050%			
1950	0.3989%	0.7231%			
1951	0.4069%	0.7415%			
1952	0.4151%	0.7605%			
1953	0.4235%	0.7800%			
1954	0.4320%	0.7999%			
1955	0.4407%	0.8203%			
1956	0.4495%	0.8413%			
1957	0.4586%	0.8628%			
1958	0.4678%	0.8849%			
1959	0.4772%	0.9075%			
1960	0.4868%	0.9307%			
1961	0.4966%	0.9545%			
1962	0.5066%	0.9789%			
1963	0.5168%	1.0039%			
1964	0.5272%	1.0296%			
1965	0.5378%	1.0559%			
1966	0.5486%	1.0829%			
1967	0.5596%	1.1106%			
1968	0.5709%	1.1390%			
1969	0.5824%	1.1681%			
1970	0.5941%	1.1980%			
1971	0.6060%	1.2286%			
1972	0.6182%	1.2600%			
1973	0.6306%	1.2923%			
1974	0.6433%	1.3253%			
1975	0.6563%	1.3592%			
1976	0.6695%	1.3939%			
1977	0.6829%	1.4296%			
1978	0.6967%	1.4661%	0.6830%	1.4299%	
1979	0.7107%	1.5036%	0.6968%	1.4664%	
1980	0.7250%	1.5420%	0.7108%	1.5039%	
1981	0.7396%	1.5815%	0.7251%	1.5424%	
1982	0.7544%	1.6219%	0.7397%	1.5818%	0.7397%
1983	0.7696%	1.6634%	0.7545%	1.6223%	0.7545%
1984	0.7851%	1.7059%	0.7697%	1.6637%	0.7697%
1985	0.8009%	1.7495%	0.7852%	1.7063%	0.7852%
1986	0.8170%	1.7942%	0.8010%	1.7499%	0.8010%
1987	0.8334%	1.8401%	0.8171%	1.7946%	0.8171%
1988	0.8502%	1.8872%	0.8335%	1.8405%	0.8335%
1989	0.8673%	1.9354%	0.8503%	1.8876%	0.8503%
1990	0.8847%	1.9849%	0.8674%	1.9358%	0.8674%
1991	0.9025%	2.0356%	0.8848%	1.9853%	0.8848%
1992	0.9207%	2.0877%	0.9026%	2.0361%	0.9026%

Note that for years 1993 through 1997, actual Ventura Pensionable Earnings will be used for each individual member to determine benefits.

Prepared by Milliman March 8, 2005