Cerritos, California 90703-8597 (562) 653-3200 • Facsimile: (562) 653-3333

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(hereinafter "Stipulation of Settlement" or "Settlement") is made and entered into by and between

Defendants Ventura County Community College District ("District") and its Board of Trustees ("Board") (the District and Board are collectively referred to as "Defendants" or "District") and Plaintiff Ventura County Community College Retirees Association ("Association"), along with Plaintiffs Rene G. Rodriguez, Gary Johnson, Robert Long, Robert Lopez, Barbara Hoffman, David Thomas, Vivian Lockard, Eursell Jett, Charlene Blalock-Carlson, Donald Medley, Harry Korn, individually and on behalf of the class ("Class Representatives") (the Association and Class Representatives are collectively referred to as "Plaintiffs" or "Retirees").

This Settlement shall be binding on Plaintiffs and the class they seek to represent, and Defendants, and any individual or entity which could be jointly liable with Defendants, or any of them, and their respective counsel, subject to the terms and conditions hereof and the approval of the Court.

THE PARTIES STIPULATE AND AGREE as follows:

- 1. Plaintiffs and Defendants are collectively referred to as the "Parties."
- 2. On August 31, 2007, Plaintiffs filed a Verified Petition for Writ of Mandamus and Complaint ("Lawsuit"), on behalf of themselves and all others similarly situated, against Defendants in Ventura Superior Court. Plaintiffs' Lawsuit alleged causes of action against Defendants for declaratory judgment, equitable relief (promissory estoppel, judicial estoppel), injunction and breach of fiduciary duty arising from Defendants' alleged failure to provide Plaintiffs with certain paid health benefits following Plaintiffs' retirement from the District.
 - 3. Plaintiffs have not filed a motion for class certification in this action.
- 4. For purposes of this Settlement, the "Settlement Class" is defined below in Section I.A.
- 5. Solely for purposes of settling this case, the Parties stipulate and agree that the requisites for establishing class certification with respect to the Settlement Class have been met and are met.
- 6. Defendants deny any liability or wrongdoing of any kind whatsoever associated with the claims alleged in the Plaintiffs' Lawsuit and further deny that, for any purpose other than settling Plaintiffs' Lawsuit, these actions are appropriate for class or representative treatment.

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Plaintiffs, on the other hand, believe that they have filed a meritorious action and that class certification is appropriate in this action.

- The Parties desire to fully, finally, and forever settle, compromise, and discharge all disputes and claims arising from or related to Plaintiffs' Lawsuit. In order to achieve a full and complete release of Defendants, each Class Representative acknowledges that this Stipulation of Settlement is intended to include in its effect all claims for alleged causes of action for declaratory judgment, equitable relief (promissory estoppel, judicial estoppel), injunction and breach of fiduciary duty, as alleged in Plaintiffs' Lawsuit.
- It is the intention of the Parties that this Stipulation of Settlement shall constitute a full and complete settlement and release of all claims arising from or related to the allegations of the Lawsuit against Defendants, which release includes in its effect any individual or entity which could be jointly liable with Defendants.
- 9. Plaintiffs' Counsel (also referred to herein as "Class Counsel") has conducted a thorough investigation into the facts of this class action case, including an extensive review of relevant documents, and has diligently pursued an investigation of Class Representatives' claims against Defendants. Based on their own independent investigation and evaluation, Class Counsel is of the opinion that the Settlement with Defendants for the consideration and on the terms set forth in this Stipulation of Settlement is fair, reasonable, and adequate and is in the best interest of the Settlement Class in light of all known facts and circumstances, including the risk of significant delay, the risk the Settlement Class will not be certified by the Court, the defenses asserted by Defendants, and numerous potential appellate issues. Defendants and Defendants' counsel also agree that the Settlement is fair and in the best interest of the Settlement Class. Moreover, the Parties participated in good faith negotiations for the past several months in reaching the terms of the Settlement.
- 10. The Parties agree to cooperate and take all steps necessary and appropriate to dismiss this case with prejudice.

I. **DEFINITIONS.**

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- B. <u>Medical Benefit Plan</u>. With respect to each person in the Settlement Class, the term "Medical Benefit Plan" is defined as any major medical plan hereafter offered from year to year by the District to active employees who serve in the same or substantially similar employee type held by such person in the Settlement Class at their time of retirement. As such, the term "Medical Benefit Plan" describes a major medical plan which is subject to change from year to year.
- C. <u>Primary Plan</u>. With respect to each person in the Settlement Class, the term "Primary Plan" is defined as a PPO Medical Benefit Plan which: (1) the District provides to active employees of the District who serve in the same or substantially similar employee type as that held by such person in the Settlement Class at their time of retirement; and (2) is designated by the District, or in an applicable collective bargaining agreement, as the "Primary Plan" with respect to active employees of the District who serve in the same or substantially similar employee type as that held by such person in the Settlement Class at their time of retirement.
- D. <u>Baseline Primary Plan</u>. As used in this document, the term "Baseline Primary Plan" is defined as the "Primary Plan" provided for active employees and members of the Settlement Class during the 2007-2008 Health Benefit Year. For the purpose of reference, the Baseline Primary Plan is the PPO Medical Benefit Plan commonly known as the Anthem Blue Cross Plan.
- E. <u>Subordinate Plan</u>. With respect to each person in the Settlement Class, the term "Subordinate Plan(s)" is defined as any and all Medical Benefit Plans aside from the Primary Plan,

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including, but not limited to, any HMO Plan in which such person in the Settlement Class is eligible to enroll.

- F. <u>Health Benefit Year</u>. The term "Health Benefit Year" is defined as the year commencing July 1 and concluding on the next succeeding June 30.
- G. <u>Dependent</u>. The term Dependent is defined to mean a "Dependent" as defined by the health insurance provider for the "Primary Plan" in the current Health Benefit Year. As such, the definition of "Dependent" may change from year to year.
- H. <u>Dispute Resolution Committee.</u> As used in this document, the term "Dispute Resolution Committee" shall refer to a committee formed for the purpose of resolving disputes related to the application of the provisions of the Settlement, where authorized under the express terms of this Agreement. The Dispute Resolution Committee shall consist of one (1) member appointed by the District, one (1) member appointed by the Association, and a third member jointly appointed by the District and Association appointees. The members appointed by the District and Association shall serve at the pleasure of the appointing Party. The member jointly appointed by the District and Association shall serve for the period of time required to resolve outstanding disputes with respect to a single Health Benefit Year, but may be reappointed for subsequent terms. The Dispute Resolution Committee shall make decisions only by majority vote of its members. Decisions of the Dispute Resolution Committee shall be final, and shall not be subject to challenge in a court of law. Decisions of the Dispute Resolution Committee shall not be precedential.
- I. <u>Baseline Dental and Vision Plans</u>. As used in this document, the terms "Baseline Dental Plan" and "Baseline Vision Plan" are defined, with respect to each person in the Settlement Class, as the Dental and/or Vision Plans in effect as of the date of execution of this Agreement for active employees in the same or substantially similar employee type as that held by such person in the Settlement Class at their time of retirement.

II. <u>SETTLEMENT CLASS.</u>

This Settlement is limited in application and effect to persons in the Settlement Class, as defined in Section I.A. Each person in the Settlement Class has been further identified as a

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member of one of the following sub-classes:

- A. <u>Faculty Class Member.</u> The term "Faculty Class Member" is defined to include those persons in the Settlement Class who are entitled to receive retirement health benefits from the District by virtue of their service as academic employees of the District in the bargaining unit currently represented by the American Federation of Teachers, and who meet each and all of the following criteria:
 - 1. <u>Initial Date Of Active Employment</u>. Each Faculty Class Member must have served as an active employee of the District, in the bargaining unit currently represented by the American Federation of Teachers, on or after July 1, 1972, and prior to July 1, 1990.
 - 2. <u>Retired From District Employment</u>. Each Faculty Class Member must have been actively employed by the District at the time of their retirement from service under the Public Employee Retirement System ("PERS") or State Teachers Retirement System ("STRS"); must have retired on or before August 31, 2007; and must have received District-provided retirement health benefits continuously from their date of retirement to the present.

A full and complete list of each Faculty Class Member, as agreed upon by the Parties, is set forth in Exhibit "A."

- B. <u>Classified Class Member</u>. The term "Classified Class Member" is defined to include those in the Settlement Class who are entitled to receive retirement health benefits from the District by virtue of their service as classified employees of the District in the bargaining unit represented by the California School Employees Association, Local 697 ("CSEA"), and, subsequently, Service Employees International Union, Locals 690 and 535 ("SEIU"), and who meet each and all of the following criteria:
 - 1. <u>Initial Date Of Active Employment</u>. Each Classified Class Member must have served as an active employee of the District, in the bargaining unit represented by CSEA and/or SEIU, on or after July 1, 1972, and prior to July 24, 1990.
 - 2. Retired From District Employment. Each Classified Class Member must

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have been actively employed by the District at the time of their retirement from service under the Public Employee Retirement System ("PERS") or State Teachers Retirement System ("STRS"); must have retired on or before August 31, 2007; and must have received District-provided retirement health benefits continuously from their date of retirement to the present.

A full and complete list of each Classified Class Member, as agreed upon by the Parties, is set forth in Exhibit "A."

- C. Supervisory/Management Class Member. The term "Supervisory/Management Class Member" is defined to include those in the Settlement Class who are entitled to receive retirement health benefits from the District by virtue of their service as supervisory and/or management employees of the District, and who are not entitled to such benefits as Faculty Class Members or Classified Class Members, and who meet each and all of the following criteria:
 - 1. Initial Date Of Active Employment. Each Supervisory/Management Class Member must have served as an active employee of the District on or after July 1, 1972, and prior to August 8, 1990.
 - Retired From District Employment. Each Supervisory/Management Class Member must have been actively employed by the District at the time of their retirement from service under the Public Employee Retirement System ("PERS") or State Teachers Retirement System ("STRS"); must have retired on or before August 31, 2007; and must have received District-provided retirement health benefits continuously from their date of retirement to the present.

A full and complete list of each Supervisory/Management Class Member, as agreed upon by the Parties, is set forth in Exhibit "A."

D. Individuals Not Included As Class Members. In the event a person otherwise entitled to membership in the Settlement Class has, through ignorance, inadvertence, or temporary legal disability (i.e. the individual could not have been lawfully subject to the Agreement at the time it was adopted) been excluded from Exhibit "A," the individual may apply to the District to be recognized as having the same rights as persons in the Settlement Class. If, and only if, such

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individual meets each and all of the criteria for one of the sub-classes outlined in Section II, the District in its sole discretion may enter into an agreement with such individual to afford them all of the rights and obligations of persons in the Settlement Class (including, but not limited to, the right to seek reimbursement from the District funds allocated pursuant to this Settlement), subject to each and every other term of this Settlement.

III. TERMS OF SETTLEMENT

NOW THEREFORE, in consideration of the mutual covenants, promises and agreements set forth herein, the parties agree, subject to the Court's approval, as follows:

- A. <u>Claims Settled/Compromised</u>: It is agreed by and between Plaintiffs and Defendants that any claims, damages, or causes of action arising out of the disputes which are the subject of the Lawsuit, be settled and compromised as between the Settlement Class and Defendants, subject to the terms and conditions set forth in this Stipulation of Settlement and the approval of the Ventura County Superior Court.
- Settlement Date: The settlement embodied in this Stipulation of Settlement shall В. become effective when all of the following events have occurred: (i) this Stipulation of Settlement has been executed by all parties and by Class Counsel and counsel for Defendants; (ii) the Court has given preliminary approval to the settlement; (iii) notice has been given to the Settlement Class; (iv) the Court has held a formal fairness hearing and entered a final order and judgment certifying the Class, dismissing this Lawsuit with prejudice, and approving this Stipulation of Settlement; (v) the Ventura County Superior Court has dismissed with prejudice Case No. 56-2007-00303058-CU-WM-WTA, and all claims and causes of action alleged therein; and (vi) in the event there are timely written objections filed prior to the formal fairness hearing which are not later withdrawn, the later of the following events: when the period for filing any appeal, writ or other appellate proceeding opposing the Settlement has elapsed without any appeal, writ or other appellate proceeding having been filed; or any appeal, writ or other appellate proceeding opposing the Settlement has been dismissed finally and conclusively with no right to pursue further remedies or relief; or any appeal, writ or other appellate proceeding has upheld the Court's final order with no right to pursue further remedies or relief. In this regard, it is the intention of

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the Parties that the Settlement shall not become effective until the Court's order approving the Settlement is completely final, and there is no further recourse by an appellant or objector who seeks to contest the Settlement, and the above-referenced action pending in Ventura County Superior Court has been dismissed in its entirety with prejudice.

- C. Enrollment In The Same Medical Benefit Plan As Active Employees. In each Health Benefit Year, each eligible person in the Settlement Class shall be entitled to enroll in any one Medical Benefit Plan provided by the District to active employees who serve in the same or substantially similar employee type held by such person in the Settlement Class at the time of their retirement. The Parties acknowledge that the Medical Benefit Plan(s) provided to persons in the Settlement Class are, therefore, subject to change at any time, including but not limited to changes resulting from negotiations between the District and its active employee unions, and that the resulting level of benefits and other cost-related items, including but not limited to co-pays, deductibles, and out-of-pocket maximums may change from year to year, and may be greater or lesser than is currently provided. Coverage shall be provided for eligible Dependents only to the same extent as coverage is provided to Dependents of active employees enrolled in the same Medical Benefit Plan(s).
- D. District Will Contribute The Full Premium For The Primary Plan. The District will pay the full premium required for each person in the Settlement Class to enroll in the Primary Plan. The District is not obligated to provide any Subordinate Plan. If, however, the District offers any Subordinate Plan to active employees, each person in the Settlement Class may also enroll in the Subordinate Plan, provided that the District premium contribution shall be limited to the premium applicable to the Primary Plan. In the event the premium for the Subordinate Plan exceeds the amount of the premium for the Primary Plan, such person in the Settlement Class shall pay the difference in full, in advance of enrollment in the Subordinate Plan. If such person in the Settlement Class fails to make such payment, the District shall not be obligated to enroll such person in the Settlement Class in the Subordinate Plan.
- E. <u>Co-Pays, Deductibles And Out-Of-Pocket Maximums</u>. The District may institute such co-pays, deductibles, and out-of-pocket maximums in the Primary Plan as it deems

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appropriate, although no increase in co-pays, deductibles or out-of-pocket maximums shall apply to Class Members unless the same increase in co-pays, deductibles or out-of-pocket maximums also applies to all participants (active employees and retirees) in the Primary Plan. Provided, however, that the District shall annually make certain funds available to reimburse certain excess expenditures incurred by persons in the Settlement Class enrolled in the Primary Plan, as further described below.

- 1. Baseline Amounts For Deductibles And Out-Of-Pocket Maximums. The Baseline Primary Plan provides for certain deductibles and out-of-pocket maximums, including the following:
 - A Medical Deductible in the amount of \$200 per individual.
 - A Prescription Deductible in the amount of \$50 per individual.
 - A Prescription Out-Of-Pocket Maximum in the amount of \$500 for mail-order prescriptions per individual.
- 2. Aggregate Baseline Amount. The sum total of the amounts identified in Paragraph III.E.1 (i.e. \$750) shall hereinafter be referenced as the "Aggregate Baseline Amount." As set forth in Paragraph III.E.3, the Aggregate Baseline Amount shall be increased annually, effective at the beginning of each Health Benefit Year. As set forth in Paragraph III.E.4, certain costs incurred by Class Members in excess of the Aggregate Baseline Amount shall be eligible for reimbursement.
- 3. Annual Increases To Aggregate Baseline Amount. Commencing July 1, 2008, and on each July 1 thereafter, the Aggregate Baseline Amount shall be increased annually by 6% compounded and carried forward, as reflected in the chart attached hereto and incorporated herein as Exhibit "B." It is agreed and understood that such annual increases in the Aggregate Baseline Amount may or may not correlate with actual adjustments to medical deductibles, prescription deductibles, and prescription out-ofpocket maximums for mail order prescriptions in any Health Benefit Year, which may be lower or higher than the Aggregate Baseline Amount. In the event of any dispute as to the appropriate Aggregate Baseline Amount for any future Health Benefit Year, the

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amount set forth in Exhibit "B" shall govern.

4. Excess Deductibles And Prescription Out Of Pocket Maximums. Class Member enrolled in the Primary Plan who incurs out-of-pocket costs – either on their own behalf or on behalf of an eligible and enrolled Dependant – in any Health Benefit Year in an aggregate amount in excess of the then-applicable Aggregate Baseline Amount specified in Exhibit "B" for: (a) Medical Deductibles; (b) Prescription Deductibles; and/or (c) Prescription Out-Of-Pocket Maximum for mail order prescriptions, shall be entitled to apply for reimbursement of the excess expenditure. Any such application for reimbursement shall be made as set forth in Section III.G., infra. By way of example, and not of limitation, if the medical deductible, in-network prescription deductible, and out-ofpocket maximum for mail order prescriptions contained in the Baseline Primary Plan remain unchanged through June 30, 2012, and then double (i.e. to an aggregate amount of \$1,500) effective July 1, 2012, a Class Member incurring the maximum \$1500 charge for such items in the 2012-2013 Health Benefit Year would be entitled to apply for reimbursement of \$553 (i.e. \$1500 less the then-applicable \$947 Aggregate Baseline Amount).

5. Baseline Primary Plan Out-Of-Pocket Maximum. For reference purposes only, the Baseline Primary Plan in-network medical out-of-pocket maximum is currently \$1500 per individual, and the in-network coverage for this benefit is currently 100%. It is agreed and understood that the District may change the in-network coverage percentage and medical out-of-pocket maximum for Class Members enrolled in the Primary Plan to the same extent as such changes are made with respect to active employees, provided, however, that no changes will be initiated by the District to the \$1500 in-network medical out-of-pocket maximum unless the hospital and/or medical and physician care (while in hospital) coverage was previously or concurrently changed on or after July 1, 2007. By way of example, and not of limitation, a "change" to the hospital and/or medical and physician care (while in hospital) coverage may include, but is not necessarily limited to, any decrease in the percentage of in-network coverage (i.e. below 100%).

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7. Class Members Attaining Age 80. Any Class Member who attains the age of 80 shall "lock-in" the then-effective Medical and Prescription Deductibles, Prescription Out-Of-Pocket Maximum, and In-Network Medical Out-Of-Pocket Maximum for the Primary Plan, and may thereafter apply for reimbursement of any expenditure in excess of such Medical and Prescription Deductible, Prescription Out-Of-Pocket Maximum, and In-Network Medical Out-Of-Pocket Maximum which is incurred on behalf of the Class Member (or eligible Dependent) (e.g. a Class Member turning 80 on July 1, 2020 shall be entitled to apply for reimbursement of expenditures incurred as a result of increases in the Medical and Prescription Deductibles, Prescription Out-Of-Pocket Maximum, and/or In-Network Medical Out-Of-Pocket Maximum instituted on or after July 1, 2020). Any such application for reimbursement shall be made as set forth in Section III.G, infra. Provided, however, that this Paragraph applies only if the Class Member and all eligible dependent(s) are enrolled in Medicare Part A (if eligible to do so). It is understood and agreed that the operative age is that of the class Member, and not the Class Member's spouse.

F. Other Cost-Shifting Measures. Other Cost-Shifting Measures. In the event the

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- 1. <u>Class Members Impacted By Collective Bargaining Agreements</u>. If the District enters into a collective bargaining agreement or other written agreement with one or more of its active employee unions which expressly mandates changes in plan design to the Primary Plan, or to the District's dental or vision plan, in such a manner as to shift costs to Class Members which had previously been incurred by the District, Class Members incurring such excess costs shall be entitled to apply for reimbursement of such costs, subject to the exclusions set forth in Section III.F.3, *infra*. Any such application for reimbursement shall be made as set forth in Section III.G., *infra*.
- 2. <u>Class Members Not Impacted By Collective Bargaining Agreements</u>. If the District, through formal action of its Governing Board or authorized designee, expressly mandates changes in plan design to the Primary Plan, or to the Baseline Dental Plan or to the Baseline Vision Plan, in such a manner as to shift costs to Class Members which had previously been incurred by the District, Class Members incurring such excess costs shall be entitled to apply for reimbursement of such costs, subject to the exclusions set forth in Section III.F.3, *infra*. Any such application for reimbursement shall be made as set forth in Section III.G, *infra*.
- 3. <u>Exclusions</u>. The Parties recognize that the District's health, dental, and vision insurance providers routinely make changes in plan design to the coverage plans offered to the District (including, without limitation, changes to plan design with respect to coverage for medical procedures, medical equipment, and prescription medications), which changes may result in increased cost to plan participants, including but not limited to individual Class Members. By way of example, and not of limitation, the Parties

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recognize that advancements in medical knowledge may result in changes to plan design with respect to coverage for medical procedures, medical equipment, and prescription medications. Further, the Parties recognize that the District may from time to time, and for a variety of reasons, cease its relationship with one insurance provider and enter into a relationship with a different insurance provider. Sections III.F.1 and III.F.2 of this Agreement do not provide for reimbursement of costs shifted to Class Members as a result of a change in insurance providers, or as a result of changes in plan design which are initiated by governmental entities (other than the District) or insurance providers. Rather, Sections III.F.1 and III.F.2 of this Agreement provide for reimbursement only of costs which are shifted to Class Members at District initiative (i.e. which are initially proposed by the District) in the specific manner described in Sections III.F.1 and III.F.2. By way of example, and not of limitation, the following categories of costs are not eligible for reimbursement pursuant to this Section III.F:

- Costs incurred as a result of changes in co-pays, deductibles, and a. out-of-pocket maximums for mail order prescriptions with respect to the Primary Plan (as these are governed by Paragraph III.E).
- b. Costs resulting from changes in plan design initiated by a governmental entity (exclusive of the District) or insurance provider.
- Costs associated with a Subordinate Plan.
- Costs resulting from a change in insurance provider (e.g. from Blue d. Cross to Blue Shield).
- G. Application For Reimbursement. Class Members may annually apply for reimbursement of such excess costs only as identified in Sections III.E.3., III.F.1, III.F.2 and III.F.3 (hereinafter referred to as "Excess Costs"). No interest will be due or paid on such Excess Costs. Compliance with each and all of the requirements of Sections III.G.1 through III.G.8.viii is a condition to the receipt of any funds. In any event, reimbursement will in no event exceed a specified annual maximum amount, as set forth in Section III.G.7.

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| 1. <u>Notification</u> . All communications, notifications and filings from Class |
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| Members to the District shall be directed to the Department of Human Resource |
| Employee Benefits, Ventura County Community College District, unless otherwise |
| directed by the District in writing. Class Members are solely responsible for notifying the |
| District of any change to their mailing address. Items which a Class Member must "file |
| shall be deemed filed only if personally delivered or postmarked on or before the |
| applicable due date, if any. |

- 2. Reimbursement Form. Class Members who apply for reimbursement of Excess Costs shall utilize the Reimbursement Form, a true and correct copy of which is attached hereto and incorporated herein as Exhibit "C." Applications for reimbursement which are not submitted on the Reimbursement Form will not be processed. The District shall provide additional copies of the Reimbursement Form to Class Members upon request.
- Proof Of Payment Of Excess Costs. The Reimbursement Form must be 3. accompanied by proof of payment of all Excess Costs to be reimbursed. Claims not accompanied by proof of payment will not be processed.
- Reimbursement Form Filed With District. Class Members shall file their Reimbursement Form with the District. Only one Reimbursement Form should be filed per Health Benefit Year. Reimbursement Forms must be filed on or before September 30 Excess Costs incurred in the immediate preceding Health Benefit Year. Reimbursement Forms not filed on or before September 30 will not be processed. Any potential claims for reimbursement on the part of the affected Class Member which are not filed on or before September 30 are deemed waived.

5. **Notification And Objection**

Notification To Class Members. On or before October 31 of each a. year, the District shall provide written notification by U.S. Mail to each Class Member who submitted a Reimbursement Form. Such written notification shall specify: (1) that the Reimbursement Form (562) 653-3200

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has been received and is being processed; (2) the anticipated reimbursement amount, if any; and (3) that any objections must be in writing and postmarked within 30 days of the date of mailing of such written notification.

- b. Objections By Class Members. The provisions of this Paragraph III.G.5.b shall constitute the sole and exclusive means by which Class Members may object to the anticipated reimbursement amount or lack thereof. Any objections not pursued in accordance with the requirements of this Paragraph are deemed waived.
 - 1) If No Notification Received. Class Members who contend they submitted a Reimbursement Form, but who, by November 15, have not received written notification from the District, as described in Section III.G.5.a, must advise the District immediately by filing a written objection with the District on or before November 30. Such an objection must affirm or declare that the Reimbursement Form was timely filed and must include any proof of timely filing. In the event such objection is valid, the District shall provide the Class Member with a duplicate written notification and shall extend an additional 30 days for the Class Member to file an objection to the contents of the written notification.
 - 2) If Notification Received. Class Members who contest any aspect of the written notification from the District, as described in Section III.G.5.a, must advise the District immediately by filing a written objection no later than 30 days after the date of mailing of such written notification. Written objections not filed within 30 days of the date of mailing are deemed waived.

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| 3) | Compliance with the deadlines set forth in Paragraphs |
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| | III.G.5.b is mandatory, and is a condition to the processing |
| | of the Class Member's objection. No additional response |
| | time shall be provided by virtue of the fact that writter |
| | notifications from the District are transmitted by U.S. Mail. |
| | Any deadlines falling on Saturday, Sunday, or on any |
| | weekday in which the District office is closed for business |
| | shall be extended to the next day on which the District |
| | office is open for business. |
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- Dispute Resolution. Any and all disputes pertaining to a Class c. Member's application for reimbursement of Excess Funds shall be resolved by the Dispute Resolution Committee.
- d. Disputed Funds. In the event of a dispute pertaining to a reimbursement claim by a Class Member, the District may withhold any and all disputed funds until the dispute has been fully and finally resolved. In no event shall any interest be due or owing as a result of any such withholding.

6. Reimbursement

- Reimbursement For 2007-2008 and 2008-2009. The Parties a. stipulate that no valid claims for reimbursement exist for the 2007-2008 and 2008-2009 Health Benefit Years.
- Payment Of Claims. The District shall pay the non-disputed portion b. of reimbursable Excess Costs for each Health Benefit Year by the following January 31.
- 7. Maximum Reimbursement Per Health Benefit Year. The maximum District cost of reimbursement for Excess Costs incurred in any Health Benefit Year shall be the amount specified in the chart attached hereto and incorporated herein as Exhibit "D" (e.g. the District shall reimburse no more than \$150,000 for Excess Costs incurred by any or all

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Class Members in the 2009-2010 Health Benefit Year). On or before July 1 of each Health Benefit Year, the District shall set aside a designated reserve fund in the exact amount of the District's maximum cost of reimbursement for the immediate preceding Health Benefit Year (e.g. on or before July 1, 2009, the District shall set aside a designated reserve fund in the amount of \$150,000). The designated reserve fund (and no other funds) shall be used for the sole and exclusive purpose of reimbursing Excess Costs for the immediately preceding Health Benefit Year. After all timely filed Reimbursement Forms have been processed, the District shall return any remaining funds to the District's General Fund. No funds shall be carried over from year to year.

- Claims In Excess Of Maximum Reimbursement Amount. In the event Class Members apply for reimbursement for any Health Benefit Year in a cumulative amount which exceeds the maximum reimbursement amount for that Health Benefit Year, the District will notify the Association accordingly. Upon such notice, the Association shall determine the priority of distribution in its sole discretion, and shall inform the District accordingly within sixty (60) days thereafter. The District will distribute funds according to the priority established by the Association. The Parties agree that the District will in no manner be liable for decisions regarding the priority of distribution. The Association and any and all Class Members who now or hereafter challenge the priority of distribution hereby agree to defend, indemnify and save harmless the District, its officers, agents and employees from and against any and all claims arising from or relating to the priority of distribution of Class Members for reimbursement of any Excess Funds.
- H. <u>Legal Fees And Costs.</u> Each Party shall bear their own attorneys fees and costs.
- I. <u>Funds Restricted To Class Members; Exception.</u> The funds and reimbursement amounts described in this Stipulation of Settlement are restricted to Class Members (including persons subsequently granted the same rights as persons in the Settlement Class, in accordance with Section II.D). Individuals not subject to this Stipulation of Settlement shall receive no funds under this Settlement.
 - J. <u>Survivorship.</u> In the event of a Class Member's death, any reimbursement to that

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Class Member shall be paid to the designee indicated on the Reimbursement Form, or, if no designee is indicated, to the surviving spouse, if any, or if no surviving spouse exists, to the eligible Dependent. In the absence of a designee or surviving spouse or eligible Dependent, the reimbursement shall be deemed waived, and the subject funds shall be distributed in the manner which would have occurred had the deceased Class Member not filed a Reimbursement Form.

K. <u>Eligibility For Benefits</u>. This Agreement shall be interpreted as describing the medical, dental or vision benefits to be provided by the District to Class Members already entitled to receive such benefits. This Agreement shall not be interpreted so as to extend medical, dental or vision benefits to persons not otherwise entitled to receive such benefits in any Health Benefit Year.

IV. <u>CLAIMS ADMINISTRATION.</u>

The District reserves the right to appoint a Claims Administrator to receive and process claims for reimbursement pursuant to this Settlement.

V. NOTICE TO THE SETTLEMENT CLASS.

A Notice of Pendency of Class Action, Proposed Settlement and Hearing Date for Court Approval ("Notice of Pendency of Class Action and Proposed Settlement" or "Notice") in approximately the form attached hereto as Exhibit "E" and as approved by the Court, shall be sent by the Claims Administrator to the Class Members, by first class mail. Any returned envelopes from this mailing with forwarding addresses will be utilized by the Claims Administrator to forward the Notice to the Class Members.

Within five (5) calendar days of preliminary approval of the Settlement by the Court, the Parties shall provide to the Claims Administrator a database of the individuals listed in Exhibit "A," which will list for each Class Member the Class Member's name, last known address, social security number, dates of employment, and employee type at the time of their retirement from the District. The Parties agree to consult with the Claims Administrator prior to the production date to ensure that the format will be acceptable to the Claims Administrator. The Claims Administrator will run a check of the Class Members' addresses against those on file with the U.S. Postal Service's National Change of Address List; this check will be performed only once

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per Class Member by the Claims Administrator. Within fifteen (15) calendar days of Preliminary Approval of this Settlement by the Court, the Claims Administrator will mail the Notice to the Class Members. The Class Members will have forty-five (45) calendar days within which to file any objections to the settlement.

Notices returned to the Claims Administrator as non-delivered within the forty-five (45) calendar day period for the filing of claims shall be resent to the forwarding address, if any, on the returned envelope. This will be done within five (5) business days of receipt of the non-delivered A returned Notice will be forwarded only once per Class Member by the Claims mail. Administrator. If there is no forwarding address, the Claims Administrator may do a computer search for a new address using the Class Member's social security number; this search will be performed only once per Class Member by the Claims Administrator. Upon completion of these steps by the Claims Administrator, the Parties shall be deemed to have satisfied their obligation to provide the Notice of Pendency of Class Action and Settlement to the affected member of the Settlement Class. The affected member of the Settlement Class shall remain a member of the Settlement Class and shall be bound by all the terms of the Stipulation of Settlement and the Court's Order and Final Judgment.

The Claims Administrator will not send reminder notices of any nature to Class Members.

No objections to the settlement shall be considered unless filed with the Court with copies served on all parties within the forty-five (45) day objections period.

Upon approval by Defendant's Counsel, Class Counsel shall provide to the Court, at least five (5) days prior to the final fairness hearing, a declaration by the Claims Administrator of due diligence and proof of mailing with regard to the mailing of the Notice of Pendency of Class Action and Proposed Settlement.

VI. RELEASE AND WAIVER OF CLAIMS.

It is the desire of the Parties to fully, finally, and forever settle, compromise, and discharge the disputes and claims arising from or related to the Lawsuit. Upon entry of the final order and judgment certifying the Class, and except as to such rights or claims as may be created by this

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Stipulation of Settlement, the Class Representatives and each and every member of the Settlement Class fully, finally, and forever release, relinquish, and discharge each and all of the Defendants, and any individual or entity which could be jointly liable with Defendants, and their respective counsel, from any and all claims (including unknown claims), debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, action or causes of action arising out of or relating to the Lawsuit ("Released Claims").

The Class Representatives and each and every member of the Settlement Class expressly waive and relinquish all rights and benefits of Section 1542 of the Civil Code of the State of California, and do so understanding and acknowledging the significance and consequence of specifically waiving Section 1542. Section 1542 of the Civil Code of the State of California states as follows:

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 or her settlement with the debtor.

Thus, notwithstanding the provisions of Section 1542, and to implement a full and complete release and discharge, the Class Representatives and each and every member of the Settlement Class expressly acknowledge this Settlement is intended to include in its effect, without limitation, all claims they do not know or suspect to exist in their favor against Defendants at the time of signing this Settlement, and that this Settlement contemplates the extinguishment of any such claim or claims.

The Class Representatives and each and every member of the Settlement Class acknowledge that they may later discover facts different from or in addition to those they now know or believe to be true regarding the matters released or described in this Settlement, and even so, agree the releases and agreements contained in this Settlement shall remain effective in all respects notwithstanding any later discovery of any different or additional facts. The Class Representatives and each and every member of the Settlement Class assume any and all risk of any mistake in connection with the true facts involved in the matters, disputes, or controversies described in this Settlement or with regard to any facts now unknown to the Class

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Representatives and each and every member of the Settlement Class relating to those matters.

VII. <u>DUTIES OF THE PARTIES PRIOR TO COURT APPROVAL.</u>

The Parties shall promptly submit this Stipulation of Settlement to the Ventura County Superior Court in support of Motion for Preliminary Approval and determination by the Court as to its fairness, adequacy, and reasonableness. Promptly upon execution of this Stipulation of Settlement, the parties shall apply to the Court for the entry of an order substantially in the following form (and as attached hereto as Exhibit "F"):

- 1. Scheduling a fairness hearing on the question of whether the proposed settlement should be finally approved as fair, reasonable and adequate as to the members of the Settlement Class;
 - 2. Certifying a Settlement Class;
- 3. Approving as to form and content the proposed Notice of Pendency of Class Action and Proposed Settlement;
 - 4. Approving as to form and content the proposed Claim Form;
- 5. Directing the mailing of the Notice of Pendency of Class Action and Proposed Settlement by first class mail to the Class Members;
- 6. Preliminarily approving the settlement subject only to the timely objections of Class Members and final review by the Court; and
- 7. Enjoining Plaintiffs and all Class Members from filing or prosecuting any claims, suits or administrative proceedings regarding claims released by the Settlement.

VIII. DUTIES OF THE PARTIES FOLLOWING FINAL COURT APPROVAL.

Concurrently with the filing of the motion for final approval by the Court of the Settlement provided for in this Stipulation of Settlement, Class Counsel will submit a proposed final order and judgment of dismissal:

- 1. Approving the Settlement, adjudging the terms thereof to be fair, reasonable and adequate, and directing consummation of its terms and provisions; and
- 2. Dismissing this action on the merits and with prejudice and permanently barring and enjoining all Class Members from prosecuting against Defendants, and any individual or entity

Cerritos, California 90703-8597 (562) 653-3200 • Facsimile: (562) 653-3333 Tel ephone: 1

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which could be jointly liable with Defendant, any individual, class or collective claims released, upon satisfaction of all obligations hereunder.

IX. **PARTIES' AUTHORITY.**

The signatories hereto hereby represent that they are fully authorized to enter into this Stipulation of Settlement and bind the parties hereto to the terms and conditions thereof.

X. **MUTUAL FULL COOPERATION.**

The parties agree to fully cooperate with each other to accomplish the terms of this Stipulation of Settlement, including but not limited to, execution of such documents and taking such other action as reasonably may be necessary to implement the terms of this Stipulation of Settlement. The parties to this Stipulation of Settlement shall use their best efforts, including all efforts contemplated by this Stipulation of Settlement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Stipulation of Settlement and the terms set forth herein. As soon as practicable after execution of this Stipulation of Settlement, Class Counsel shall, with the assistance and cooperation of Defendants and its counsel, take all necessary steps to secure the Court's final approval of this Stipulation of Settlement.

XI. NO PRIOR ASSIGNMENTS.

The parties and their counsel represent, covenant, and warrant that they have not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged except as set forth herein.

XII. NO ADMISSION.

Nothing contained herein, nor the consummation of this Stipulation of Settlement, is to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendants. Each of the parties hereto has entered into this Stipulation of Settlement solely with the intention to avoid further disputes and litigation with the attendant inconvenience and expenses.

ENFORCEMENT ACTIONS. XIII.

In the event that one or more of the parties to this Stipulation of Settlement institutes any

(562) 653-3200

legal action or other proceeding against any other party or parties to enforce the provisions of this Stipulation of Settlement or to declare rights and/or obligations under this Stipulation of Settlement, the successful party or parties shall be entitled to recover from the unsuccessful party or parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

NOTICES. XIV.

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Unless otherwise specifically provided herein, all notices, demands other communications given hereunder shall be in writing and shall be deemed to have been duly given as of the third business day after mailing by United States registered or certified mail, return receipt requested, addressed as follows:

To Plaintiff and the Settlement Class:

BENNETT & SHARPE, INC.

Thomas Sharpe, Esq.

2444 Main Street, Suite 110

Fresno, California 93721

Telephone: (559) 485-0120

To Defendants and Defendants' Counsel:

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

Joshua E. Morrison, Esq.

17871 Park Plaza Drive

Cerritos, California 90703

Telephone: (562) 653-3200

Facsimile: (562) 653-3333

XV. **CONSTRUCTION.**

The parties hereto agree that the terms and conditions of this Stipulation of Settlement are the result of lengthy, intensive arms-length negotiations between the parties, and this Stipulation of Settlement shall not be construed in favor of or against any party by reason of the extent to

A I URNEYS A L LAW 17871 Park Plaza Drive, Suite 200 Cerritos, California 90703-8597 Tel ephone: (562) 653-3200 • Facsimile: (562) 653-3333 1

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which any party or his, her or its counsel participated in the drafting of this Stipulation of Settlement.

XVI. CAPTIONS AND INTERPRETATIONS.

Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Stipulation of Settlement or any provision hereof. Each term of this Stipulation of Settlement is contractual and not merely a recital.

XVII. MODIFICATION.

This Stipulation of Settlement may not be changed, altered, or modified, except in writing and signed by the parties hereto, and approved by the Court. This Stipulation of Settlement may not be discharged except by performance in accordance with its terms or by a writing signed by the parties hereto.

XVIII. INTEGRATION CLAUSE.

This Stipulation of Settlement contains the entire agreement between the parties relating to the settlement and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a party or such party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

XIX. BINDING ON ASSIGNS.

This Stipulation of Settlement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, trustees, executors, administrators, successors and assigns.

XX. CLASS COUNSEL SIGNATORIES.

It is agreed that because the members of the Class are so numerous, it is impossible or impractical to have each member of the Class execute this Stipulation of Settlement. The Notice of Pendency of Class Action and Proposed Settlement, Exhibit "E" hereto, will advise all Class Members of the binding nature of the release, and the release shall have the same force and effect as if this Stipulation of Settlement were executed by each member of the Class.

XXI. COUNTERPARTS.

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This Stipulation of Settlement may be executed in counterparts, and when each party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one Stipulation of Settlement, which shall be binding upon and effective as to all parties.

APPROVED AND ACCEPTED:

| Dated: | , 2009 | | VENTURA COUNTY COMMUNITY COLLEGE DISTRICT |
|--------|--------|-----|--|
| | | | By: |
| Dated: | , 2009 | | PLAINTIFF |
| | | By: | |
| | | , | Ventura County Community College Retirees Association |
| Dated: | , 2009 | | PLAINTIFF |
| | | By: | Rene G. Rodriguez, for Himself and as Class Representative |
| Dated: | , 2009 | | PLAINTIFF |
| | | By: | Gary Johnson, for Himself and as Class Representative |

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| 1 | Dated:, | 2009 | | PLAINTIFF |
|----|---------|------|-----|--|
| 2 | | | _ | |
| 3 | | | By: | Robert Long, for Himself and as Class Representative |
| 4 | | | | |
| 5 | Dated:, | 2009 | | PLAINTIFF |
| 6 | | | By: | |
| 7 | | | J | Robert Lopez, for Himself and as Class Representative |
| 8 | Dated:, | 2009 | | PLAINTIFF |
| 9 | , | 2007 | | 1 LI III (TIII) |
| 10 | | | By: | Dankara Haffman fan Hanalf an daa Class Dangasantatina |
| 11 | | | | Barbara Hoffman, for Herself and as Class Representative |
| 12 | Dated:, | 2009 | | PLAINTIFF |
| 13 | | | | |
| 14 | | | By: | David Thomas, for Himself and as Class Representative |
| 15 | | | | |
| 16 | Dated:, | 2009 | | PLAINTIFF |
| 17 | | | By: | |
| 18 | | | Dy. | Vivan Lockard, for Herself and as Class Representative |
| 19 | | | | |
| 20 | Dated:, | 2009 | | PLAINTIFF |
| 21 | | | | |
| 22 | | | By: | Eursell Jett, for Himself and as Class Representative |
| 23 | | | | |
| 24 | Dated:, | 2009 | | PLAINTIFF |
| 25 | | | By: | |
| 26 | | | Dy. | Charlene Blalock-Carlson, for Herself and as Class Representative |
| 27 | | | | representative |
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| | 1 | Dated:, 2009 | PLAINTIFF |
|------------|----------|-------------------------|--|
| | 2 | By: | |
| | 3 | · | Donald Medley, for Himself and as Class Representative |
| | 4 5 | | |
| | 6 | Dated:, 2009 | PLAINTIFF |
| | 7 | By: | |
| | 8 | · | Harry Korn, for Himself and as Class Representative |
| 1 | 9 | APPROVED AS TO FORM ANI | D CONTENT: |
| | 10 | | |
| | 11 | Dated:, 2009 | ATKINSON, ANDELSON, LOYA, RUUD & ROMO |
| 02) 03; | 12 | | |
| | 13 | Ву: | Joshua Morrison, Esq. |
| | 14 | | Attorneys for Defendants, Ventura County Community |
| (202) | 15 | | College District and Board of Trustees |
| | 16 | Dated:, 2009 | BENNETT & SHARPE, INC. |
| d children | 17 | | |
| | 18 | By: | Thomas Sharpe, Esq. |
| | 19 | | Attorney for Plaintiffs and the Plaintiff Class |
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