

## **MUTUAL RELEASE AND SATISFACTION OF CLAIMS**

**THIS MUTUAL RELEASE AND SATISFACTION OF CLAIMS** (“Agreement”) is made and entered into this 30th day of June, 2021, by and between the California Electronic Recording Transaction Network Authority (“CERTNA”) and County of Santa Cruz, County of San Joaquin, County of El Dorado, County of Fresno, County of Madera, County of Merced, County of Monterey, County of Santa Clara, County of Shasta, the County of Solano (each a “CERTNA Member” or collectively, “CERTNA Members”). CERTNA and CERTNA Members shall be each individually a “Party” and collectively the “Parties”). There are no other parties to this Agreement.

### **RECITALS**

- A. In 2007, the Boards of Supervisors of the Counties of San Bernardino and Kern approved the formation of a Joint Powers Agreement to create CERTNA.
- B. CERTNA was formed for the joint development, implementation and operation of a system for the electronic recording of real property-related legal documents under the authority of the Electronic Recording Delivery Act of 2004.
- C. On July 24, 2008, the Board of Directors of CERTNA adopted Resolution 2009-001 to have its employees become members of the San Bernardino County Employees’ Retirement Association (“SBCERA”), which provides employees of participating employers with retirement and related benefits.
- D. After adoption of CERTNA Resolution 2009-001, employees of CERTNA became members of SBCERA in accordance with County Employees’ Retirement Law Act of 1937 as set forth in Title 3, Division 4, Part 3, Chapter 3 (beginning with section 31450) of the California Government Code.
- E. CERTNA ceased membership with SBCERA effective June 30, 2021.
- F. The withdrawing members of CERTNA with a withdrawal date of June 30, 2021 are the following Counties: County of San Joaquin, County of Fresno, County of Madera, County of Merced, County of Santa Clara, County of Shasta and County of Solano.
- G. The County of San Bernardino, withdrew as a CERTNA member effective June 30, 2020.
- H. In 2020, CERTNA notified SBCERA of its intent to explore a possible withdrawal as a participating employer of the system by terminating its agreement with SBCERA.

- I. CERTNA requested SBCERA proceed with actuarial calculations to determine the liability for termination of membership from SBCERA under General Policy No. 2020 – Participating Employer Termination and Terminal Funding Policy.
- J. SBCERA, through its actuary Segal on February 2, 2021, provided CERTNA a draft termination study with an estimated termination liability as of March 31, 2021.
- K. On March 25, 2021, the CERTNA Board approved CERTNA Resolution 2021-003 to withdraw as a participating employer from SBCERA.
- L. On April 7, 2021, the CERTNA Board amended CERTNA Resolution 2021-003 to: establish an effective date for withdrawing as a participating member from SBCERA as of June 30, 2021; provide that current, withdrawing and former members will be liable for their proportional shares of CERTNA’s unfunded pension liability obligations associated with withdrawal from SBCERA; and authorize a lump sum payment from CERTNA to SBCERA for the total liability owed.
- M. Section 11 of the Joint Powers Agreement to create CERTNA provides that withdrawing members of CERTNA remain liable for and shall pay their proportional shares of any indebtedness incurred while they were members of CERTNA, and such indebtedness includes CERTNA’s unfunded pension liability associated with CERTNA’s withdrawal from SBCERA.
- N. At the April 22, 2021 CERTNA Board meeting, the CERTNA Board approved an allocation of CERTNA’s unfunded pension liability obligations associated with CERTNA’s withdrawal from SBCERA among its current, withdrawing and former members based on share of services received from CERTNA, based on the estimated termination liability and subject to change to reflect the final amounts to be determined by SBCERA.
- O. Segal calculated CERTNA’s funding obligation as of the termination date of June 30, 2021, using a market valuation approach to be Two Million Five Hundred Twenty-Five Thousand One Hundred Twenty-One Dollars (\$2,525,121.00) in unfunded liabilities for all of CERTNA’s employees, current and former, including all benefits except those provided by the Survivor Benefit Reserve, for which CERTNA’s obligation is \$0 because it has no beneficiaries receiving payments from that reserve. The final valuation from SBCERA and allocation of unfunded pension liability for CERTNA Members is contained in Segal’s termination study dated May 27, 2021 as set forth and incorporated herein as **Exhibit A**. The final allocation of unfunded pension liability for CERTNA Members is set forth in **Exhibit B**, “Proportional Allocation of CERTNA’s Unfunded Pension Liability Obligations Among the Parties.”
- P. CERTNA, the County of San Bernardino, and the County of Kern have executed separate agreements, each entitled “Settlement Agreement and Full Release of All

Claims” memorializing the allocation of unfunded pension liability obligations as to the County of San Bernardino and the County of San Bernardino respectively, associated with CERTNA’s withdrawal from SBCERA. These settlement agreements also discharge any remaining debt arising from loans from the County of San Bernardino and the County of Kern to CERTNA as initial funding for CERTNA and fully compromise, settle and discharge all existing and future claims, complaints, charges, controversies, demands, actions or causes of action, known and unknown amongst the County of San Bernardino, the County of Kern, and CERTNA, and its members or former members relating to CERTNA’s unfunded pension liability obligations resulting from CERTNA’s withdrawal from SBCERA.

- Q. The Parties to this Agreement have agreed to the allocation of unfunded pension liability obligations associated with withdrawal from SBCERA, and the Parties wish to enter into this Agreement and fully compromise, settle and discharge all existing and future claims, complaints, charges, controversies, demands, actions or causes of action, known and unknown, that the Parties may have or claim to have against each other relating to CERTNA’s unfunded pension liability obligations resulting from CERTNA’s withdrawal from SBCERA.

**NOW, THEREFORE,** in consideration of the foregoing recitals, which are hereby adopted as terms of this Agreement, the promises and the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged by each Party, each Party to this Agreement hereby agrees as follows:

## **AGREEMENT**

**Section 1. Recitals.** The recital set forth above are expressly incorporated as terms of this Agreement. In the event of any conflict between the Recitals above and Sections 1 through 17 of this Agreement, Sections 1 through 17 shall prevail.

**Section 2. Mutual Release of Retirement Obligation Liabilities.** For and in consideration of each CERTNA Members’ making a lump sum payment to CERTNA in the amounts allocated to each CERTNA Member as set forth in the unfunded liability invoices as set forth and incorporated in **Exhibit C** “Invoices for Proportional Shares of Unfunded Pension Liability” within ten (10) days of the Effective Date, and upon such payment by all CERTNA Members as satisfaction of each CERTNA Member’s obligation to pay a proportional share of CERTNA’s unfunded pension liability obligations arising from CERTNA’s withdrawal from SBCERA, the Parties agree to release each other and their staff owners, personnel, employees, agents, servants, consultants, representatives, employees, officers, directors, subsidiaries, partners, affiliates, attorneys, accountants, assigns, and predecessors and successors in interest, of and from any and all claims, demands, liens, obligations, rights, actions, causes of action, loss of profits, damages related to CERTNA’s unfunded pension liability arising from CERTNA’s withdrawal from SBCERA and each CERTNA Member’s obligation to pay a proportional share of CERTNA’s unfunded pension liability arising from CERTNA’s withdrawal from SBCERA.

**Section 3. Mutual Release of Unknown Claims.** The Parties, on their own behalf and all others on whose behalf they execute this Agreement, understand and agree that this Agreement extends to all claims arising from CERTNA's unfunded pension liability arising from CERTNA's withdrawal from SBCERA and each CERTNA Member's obligation to pay a proportional share of CERTNA's unfunded pension liability arising from CERTNA's withdrawal from SBCERA of any kind or nature, past, present, or future, known or unknown, suspected or unsuspected, including without limitation such claims, liabilities, injuries, damages, and causes of action that the Parties do not presently anticipate, know, reasonably should have known, or suspect to exist, but that may develop, accrue, or be discovered in the future. The Parties further understand and agree that this Agreement constitutes an express waiver of any and all rights or claims arising from CERTNA's unfunded pension liability arising from CERTNA's withdrawal from SBCERA and each CERTNA Member's obligation to pay a proportional share of CERTNA's unfunded pension liability under Section 1542 of the California Civil Code ("CCP 1542"), which provides:

**CALIFORNIA CIVIL CODE SECTION 1542 RELEASE**

**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**

**Section 4. Effective Date.** This Agreement shall become effective once all of the Parties have executed the Agreement (the "Effective Date").

**Section 5. No Assignment.** Each Party represents and warrants that neither it, nor any of its directors and officers, agents, predecessors and successors in interest, assigns, affiliates, beneficiaries and all those claiming by through or under it, have assigned or transferred or purported to transfer or assign any matter herein released to a party not bound by this Agreement.

**Section 6. Advice of Counsel.** Each Party acknowledges that it has read this Agreement and assents to all of the terms and conditions contained herein without any reservations whatsoever and that it has had the opportunity to have the same explained to it by its own respective counsel. Each Party further warrants, represents and agrees that it is not relying upon and have not relied upon any representation or statement made by the other Parties or their attorneys, including CERTNA's counsel, with respect to the facts involved or with respect to their rights or asserted rights except as are contained in this Agreement.

**Section 7. Entire Agreement.** This Agreement constitutes a single integrated contract and contains all representations and the entire understanding of the Parties with respect to the matters described and released herein and supersedes all prior written and oral agreements, express or implied, that exist or may exist between the Parties with respect to the matters described and released herein.

**Section 8. Modification.** This Agreement may be modified only by a written instrument signed by all of the Parties, or their authorized representatives.

**Section 9. Waiver.** No waiver of any provision of this Agreement shall constitute a waiver of any other provision, nor shall such waiver constitute a continuing waiver.

**Section 10. Binding on Successors.** This Agreement shall be binding upon and inure to the benefit of the Parties and their representatives, successors, alter egos, related entities and assignees.

**Section 11. Further Documents.** The Parties shall, at the reasonable request of the other, execute, acknowledge and deliver whatever additional instruments, and do such other acts, as may be required or convenient to carry out the intent and purpose of this Agreement, if any.

**Section 12. Governing Law/Venue.** This Agreement shall be governed by and construed under and in accordance with the laws of the State of California. Venue for all legal proceedings related to this Agreement shall be in the Superior Court of California in the County of Kern, California.

**Section 13. Construction.** As used in this Agreement, the masculine, feminine or gender neutral, and the singular or plural number, shall each be deemed to include the others whenever the context so indicates. Preparation of this Agreement has been a joint effort of the Parties and the resulting document shall not be construed more severely against one of the Parties than against the other. This Agreement shall be construed without regard to the Party or Parties responsible for its preparation and shall be deemed to have been prepared jointly by the Parties. The Parties agree that the rule of construction to the effect that any ambiguities are to be or may be resolved against the drafting party shall not be employed in the interpretation of this Agreement to favor one party against the other.


**Section 14. Severability.** Should any court of competent jurisdiction provided for herein determine that any term, provision or portion of this Agreement is invalid, illegal, void or unenforceable, such term, the Parties shall use best efforts to redraft the provision or portion to effect the intentions of the Parties hereto. To the extent such redrafting is impossible, the affected term, provision or portion shall be deleted from this Agreement and the Agreement shall be read as though such term, provision or portion of the Agreement was never included and the remainder of this Agreement, excluding such term, provision, or portion shall continue in full force and effect. Any determination, redrafting or deletion called for hereunder shall not affect the validity or enforceability of any other term, provision, or portion of this Agreement, and the rest of the Agreement shall remain in full force and effect.

**Section 15. Attorney Fees.** In the event that either Party brings an action for breach or enforcement of this Agreement, whether such action seeks damages, declaratory relief, specific performance or any other remedy, the prevailing Party in such action shall be entitled to its costs, including reasonable attorney's fees, whether or not such action is prosecuted to judgment

**Section 16. Counterparts.** This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same Agreement.

IN WITNESS WHEREOF, this Agreement has been entered into by and between the Parties as of the Effective Date.

**CERTNA**


By:   
Sean Saldavia, Chairperson, Board  
of Directors

Date Signed: 7/29/21

Approved as to Form:

By:   
Nubia J. Goldstein, General Counsel

**THE COUNTY OF SANTA CRUZ:**

By:   
Its: Assessor - Recorder

Date Signed: 7/29/21

Approved as to Form:

By:   
JASON M. HEATH, County Counsel

**THE COUNTY OF SAN JOAQUIN:**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

{CW}02602.13}

**Section 17. Authority to Execute.** Each of the signatories below represents that he or she is authorized to execute this Agreement on behalf of the entity or person named, and to bind such entity or person to the terms of this Agreement.

*[SIGNATURES ON FOLLOWING PAGE]*

**IN WITNESS WHEREOF**, this Agreement has been entered into by and between the Parties as of the Effective Date.

**CERTNA**

By: \_\_\_\_\_  
Sean Saldavia, Chairperson, Board  
of Directors

Date Signed: \_\_\_\_\_

Approved as to Form:

By: \_\_\_\_\_  
Nubia I. Goldstein, General Counsel

**THE COUNTY OF SANTA CRUZ:**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Date Signed: \_\_\_\_\_

Approved as to Form:

By: \_\_\_\_\_  
\_\_\_\_\_, County Counsel

**THE COUNTY OF SAN JOAQUIN:**

By: \_\_\_\_\_  
Its: \_\_\_\_\_



Date Signed: \_\_\_\_\_

Approved as to Form:

By: \_\_\_\_\_  
\_\_\_\_\_, County Counsel

**THE COUNTY OF EL DORADO:**

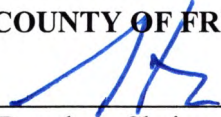
By: \_\_\_\_\_  
Its: \_\_\_\_\_

Date Signed: \_\_\_\_\_

Approved as to Form:

By: \_\_\_\_\_  
\_\_\_\_\_, County Counsel

**THE COUNTY OF FRESNO:**

By:   
Steve Brandau, Chairman of the Board of  
Supervisors of the County of Fresno

Date Signed: October 19, 2021

ATTEST:

BERNICE E. SEIDEL  
Clerk of the Board of Supervisors  
County of Fresno, State of California

By:   
Deputy

Attest:

{CW102602.13}

Bernice E. Seidel  
Clerk of the Board of Supervisors  
County of Fresno, State of California

By: \_\_\_\_\_  
Deputy

**THE COUNTY OF MADERA:**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Date Signed: \_\_\_\_\_

Approved as to Form:

By: \_\_\_\_\_  
\_\_\_\_\_, County Counsel

**THE COUNTY OF MERCED:**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Date Signed: \_\_\_\_\_

Approved as to Form:

By: \_\_\_\_\_  
\_\_\_\_\_, County Counsel

{CW102602.13}

**THE COUNTY OF MONTEREY:**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date Signed: \_\_\_\_\_

Approved as to Form:

By: \_\_\_\_\_

\_\_\_\_\_, County Counsel

**THE COUNTY OF SANTA CLARA:**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date Signed: \_\_\_\_\_

Approved as to Form:

By: \_\_\_\_\_

\_\_\_\_\_, County Counsel

**THE COUNTY OF SHASTA:**

By: \_\_\_\_\_

Its: \_\_\_\_\_

{CW102602.13}

Date Signed: \_\_\_\_\_

Approved as to Form:

By: \_\_\_\_\_  
\_\_\_\_\_, County Counsel

**THE COUNTY OF SOLANO:**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Date Signed: \_\_\_\_\_

Approved as to Form:

By: \_\_\_\_\_  
\_\_\_\_\_, County Counsel

**EXHIBIT A**

**SBCERA CERTNA TERMINATION STUDY – TERMINATION OBLIGATION AS OF  
JUNE 30, 2021**

May 27, 2021

Ms. Debby Cherney  
Chief Executive Officer  
San Bernardino County Employees' Retirement Association  
348 W Hospitality Lane, Third Floor  
San Bernardino, CA 92415-0014

**Re: San Bernardino County Employees' Retirement Association (SBCERA)  
CERTNA Termination Study – Termination Obligation as of June 30, 2021**

Dear Debby:

As requested, we have calculated CERTNA's (the "District") obligation to SBCERA based on a termination date of June 30, 2021.

**Termination Conditions**

According to SBCERA, the District currently has two members. As of the termination date, one member is expected to be a retiree while the other is expected to be a terminated vested member. SBCERA would retain the obligation to provide benefits to both members as of the termination date of June 30, 2021.

**Data Used in This Calculation**

This study is based on the information we collected and calculated in our most recent actuarial valuation for SBCERA as of June 30, 2020. In this study, we determined a proportional share of the assets for the District as of June 30, 2020 by following the same procedures used in prior termination studies for SBCERA. As detailed below, that methodology is used for determining the assets for all benefits except those provided by the Survivor Benefit Reserve.

In order to project the District's assets and liabilities to June 30, 2021, we have also collected the following additional information from SBCERA:

- Actual net market value rate of return information from July 1, 2020 through March 31, 2021.
- Actual contributions of \$226,729 made by the District and its employees for the period from July 1, 2020 through March 31, 2021 and expected contributions of \$47,603 to be

made by the District and its employees for the period from April 1, 2021 through June 30, 2021.<sup>1</sup>

- Data on both members from the District as of June 30, 2021.

Based on the above information, we have projected the allocated assets of the District from July 1, 2020 to June 30, 2021. The assets have been projected using the actual return of 24.7% for the period from July 1, 2020 through March 31, 2021 as reported to us by SBCERA. We have been directed by SBCERA to project the assets for the period from April 1, 2021 through June 30, 2021 using a return of 0.0%.<sup>2</sup>

### **Funding Obligation Settlement Conditions**

Based on the “Participating Employer Termination and Terminal Funding Obligation” policy adopted by SBCERA, a market based approach is used in determining the District’s funding obligation as of the termination date. Under this approach, there would be no reassessment of the benefit liability after the District’s termination date of June 30, 2021.

This approach dictates the use of the market value of assets and requires a valuation of the liabilities on a market-consistent basis. Under this approach, the liabilities for retirees and terminated members will be calculated using the actuarial assumptions for the June 30, 2020 actuarial valuation, except that future benefit payments will be discounted to the termination date using a market based discount rate. The market based discount rates for this purpose are the discount rates used by the Pension Benefit Guaranty Corporation (PBGC) to measure the sufficiency of assets for a terminating single-employer (non-public) defined benefit pension plan. As directed by SBCERA, we have used the rates as of March 2021,<sup>3</sup> published by the PBGC for discounting expected benefit payments from pension plans, which are 1.69% per annum for the next 20 years and 1.66% per annum thereafter.

### **Results and Methodology Used in Calculation**

The results under the “Market Valuation” approach are shown in Attachment A. We have determined that the District’s funding obligation as of the termination date using the “Market Valuation” approach is \$2,525,121 in unfunded liability for all benefits except those provided by the Survivor Benefit Reserve. The District’s funding obligation associated with the Survivor Benefit Reserve is \$0 since the District has no beneficiaries receiving payments from that reserve.

<sup>1</sup> Historically, Segal has used the actual contributions from the most recent actuarial valuation date (June 30, 2020) through the termination date. However, we have been directed by SBCERA to use the actual contributions for the period June 30, 2020 through March 31, 2021 and the expected contributions for the period April 1, 2021 through June 30, 2021.

<sup>2</sup> SBCERA’s “Participating Employer Termination and Terminal Funding Obligation” policy states that the assets should be projected to the termination date using “the net rate of return on the market value of SBCERA’s total assets from the most recent actuarial valuation date to the date of the participating employer’s termination.” However, we have been directed by SBCERA to use the actual return from the most recent actuarial valuation date (June 30, 2020) through March 31, 2021 and a rate of return of 0.0% from April 1, 2021 through June 30, 2021. Thus if SBCERA experiences a negative return for the period April 1, 2021 through June 30, 2021, the District’s funding obligation in this letter would be understated.

<sup>3</sup> Historically, Segal has used the PBGC rates as of the termination date. However, we have been directed by SBCERA to use the PBGC rates as of March 2021.

From discussions with the District, we were informed that one of the members included in the determination of the District's funding obligation had prior service while serving as an employee of the County. As directed by SBCERA, we allocated the District's funding obligation for this member by prorating the unfunded liability by the ratio of the years of service with the District to the total years of service with both the District and the County.

Any net unfunded liabilities at termination are generally required to be paid by the District as a lump sum, although the Board of Retirement may have the authority to allow for the obligation to be paid for over a period of installments. We defer to SBCERA as to whether an installment period is legally permitted. If it is permitted and SBCERA is interested in allowing installment payments, then we can provide information on the payments that would be required over various possible installment periods. Also, if there is a significant delay beyond the proposed termination date of June 30, 2021 in the payment of the funding obligation, then we recommend that the funding obligation be adjusted to reflect interest until the actual payment date.

These calculations were based on the June 30, 2020 actuarial valuation results, rate of return information from July 1, 2020 through March 31, 2021 and data noted earlier for contributions and District membership. The actuarial valuations were directed under the supervision of Molly Calcagno, ASA, MAAA, Enrolled Actuary. We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Please let us know if you have any questions.

Sincerely,



Paul Angelo, FSA, MAAA, FCA, EA  
Senior Vice President & Actuary



Molly Calcagno, ASA, MAAA, EA  
Actuary

/bbf

cc: Amy McInerney



**"Market Valuation" Method For All Benefits Except Those Provided by the Survivor Benefit Reserve**

**Table 1 Determination of Unfunded Actuarial Accrued Liability and Assets for CERTNA as of June 30, 2020**

	Member #1	Member #2
<b>1 Actuarial Accrued Liability (AAL) for CERTNA as of June 30, 2020</b>		
Active Members	\$1,670,937	\$209,246
Retirees	0	0
Total	\$1,670,937	\$209,246
<b>2 Determination of Unfunded Actuarial Accrued Liability (UAAL) for CERTNA as of June 30, 2020</b>		
i County General Cost Group UAAL as of June 30, 2020	\$1,652,787,000	\$1,652,787,000
ii County General Cost Group Projected Annual Payroll for 2020/2021 Plan Year	1,095,933,901	1,095,933,901
iii CERTNA Projected Annual Payroll for 2020/2021 Plan Year	236,399	130,167
iv UAAL Allocated to CERTNA as of June 30, 2020 (i * iii / ii)	356,515	196,306
<b>3 Determination of Actuarial Value of Asset (AVA) for CERTNA as of June 30, 2020 (Item 1 - Item 2iv)</b>	\$1,314,422	\$12,940
<b>4 Determination of Market Value of Asset (MVA) for CERTNA as of June 30, 2020</b>		
i Total SBCERA MVA As of June 30, 2020	\$10,287,333,860	\$10,287,333,860
ii Total SBCERA AVA As of June 30, 2020	11,133,172,593	11,133,172,593
iii MVA for CERTNA as of June 30, 2020 (Item 3 * i/ii)	1,214,559	11,957

**Table 2 Estimate of Projected Accumulated Assets for CERTNA as of June 30, 2021**

<b>1 MVA for CERTNA as of June 30, 2020 (See Table 1)</b>	\$1,214,559	\$11,957
<b>2 Determination of Projected Change in MVA From July 1, 2020 to March 31, 2021</b>		
i Employer Contributions from July 1, 2020 to March 31, 2021 <sup>(1)</sup>	\$89,690	\$28,656
ii Member Contributions from July 1, 2020 to March 31, 2021 <sup>(1)</sup>	100,047	8,335
iii Benefits Paid from July 1, 2020 to March 31, 2021 <sup>(1)</sup>	0	0
iv Total Cashflow from July 1, 2020 to March 31, 2021 <sup>(1)</sup>	\$189,738	\$36,991
<b>3 Actual Net Return on Market Value from July 1, 2020 to March 31, 2021<sup>(2)</sup></b>	24.7%	24.7%
<b>4 Determination of Projected MVA for CERTNA as of March 31, 2021 (Item 1 * (1+ Item 3) + Item 2iv * (1+ (Item 3)/2))</b>	\$1,727,725	\$56,470
<b>5 Determination of Projected Change in MVA From April 1, 2021 to June 30, 2021</b>		
i Employer Contributions from April 1, 2021 to June 30, 2021 <sup>(1)</sup>	\$29,664	12,970
ii Member Contributions from April 1, 2021 to June 30, 2021 <sup>(1)</sup>	1,227	3,742
iii Benefits Paid from April 1, 2021 to June 30, 2021 <sup>(1)</sup>	0	0
iv Total Cashflow from April 1, 2021 to June 30, 2021 <sup>(1)</sup>	\$30,891	\$16,712
<b>6 Actual Net Return on Market Value from April 1, 2021 to June 30, 2021<sup>(3)</sup></b>	0.0%	0.0%
<b>7 Determination of Projected MVA for CERTNA as of June 30, 2021 (Item 4 * (1+ Item 6) + Item 5iv * (1+ (Item 6)/2))</b>	\$1,758,616	\$73,182
<b>Note:</b>		
1 Excludes Survivor Benefit contributions and benefit payments.		
2 Based on unaudited financial information provided by the Association.		
3 Based on direction from the Association, we have used a 0.0% return for the period April 1, 2021 to June 30, 2021.		

**Table 3 Estimate of Unfunded Liability using Termination Basis for CERTNA as of June 30, 2021**

<b>1</b>	<b>Unfunded Liability using Termination Basis for CERTNA as of June 30, 2021</b>			
i	Projected Assets as of June 30, 2021 (See Table 2, Item 7)	\$1,758,616	\$73,182	
ii	Proportion of Projected Assets as of June 30, 2021 Attributable to CERTNA	0.652632	1.000000	
iii	Projected Assets as of June 30, 2021 Attributable to CERTNA (i * ii)	\$1,147,729	\$73,182	\$1,220,911
iv	Present Value of Future Benefits as of June 30, 2021 Determined using Market Based Interest Rate <sup>(1)</sup>	4,972,600	500,754	
v	Proportion of Present Value of Future Benefits as of June 30, 2021 Determined using Market Based Interest Rate <sup>(1)</sup> Attributable to CERTNA	0.652632	1.000000	
vi	Present Value of Future Benefits as of June 30, 2021 Determined using Market Based Interest Rate <sup>(1)</sup> Attributable to CERTNA (iv * v)	\$3,245,278	\$500,754	\$3,746,032
vii	Unfunded Liability or (Net Asset) as of June 30, 2021 Attributable to CERTNA (vi - iii) <sup>(2)</sup>	\$2,097,549	\$427,572	\$2,525,121
<u>Note:</u>				
1	Based on direction from the Association, we have used the discount rates based on the PBGC rates for March 2021 (1.69% for 20 years and 1.66% thereafter).			
2	The District's funding obligation associated with the Survivor Benefit Reserve is \$0 since the District has no beneficiaries receiving payments from that reserve.			

**EXHIBIT B**

**PROPORTIONAL ALLOCATION OF CERTNA'S UNFUNDED PENSION LIABILITY  
OBLIGATIONS AMONG THE PARTIES**

### CeRTNA Unfunded Pension Liability Allocation - With Finalized SBCERA Billing

County	Member 1	Member 2	Invoice Amount	Percentage
El Dorado	57,494	17,935	\$75,429	2.99%
Fresno	301,277	47,850	\$349,127	13.83%
Kern	316,087	48,292	\$364,379	14.43%
Merced	38,643	12,224	\$50,867	2.01%
Monterey	69,750	19,675	\$89,425	3.54%
San Bernardino	515,234	99,988	\$615,222	24.36%
San Joaquin	188,570	44,443	\$233,013	9.23%
Santa Clara	491,619	96,787	\$588,405	23.30%
Santa Cruz	50,636	15,605	\$66,241	2.62%
Shasta	25,904	9,309	\$35,214	1.39%
Solano	35,871	13,109	\$48,980	1.94%
Madera	6,463	2,356	\$8,819	0.35%
<b>Total through June 30, 2020</b>	<b>2,097,549</b>	<b>427,572</b>	<b>\$2,525,121</b>	

**EXHIBIT C**

**INVOICES FOR PROPORTIONAL SHARES OF UNFUNDED PENSION LIABILITY**

















# INVOICE

1115 Truxtun Ave. 3rd Floor  
Bakersfield, CA 93301

INVOICE NO. 1  
DATE July 27, 2021  
CUSTOMER ID SBERNARDINO

TO San Bernardino County Recorder  
Bob Dutton  
222 West Hospitality Lane  
San Bernardino, CA 92415

Contact	Period	PAYMENT TERMS	DUE DATE
Bob Dutton			Upon Receipt

QUANTITY	DESCRIPTION		LINE TOTAL
1.00	SBCERA Pension Liability through 6/3/2021	\$ 615,222.00	\$ 615,222.00
	If you are paying by ACH please indicate on the memo line		
	Certna-SBCERA Pension		

Make checks payable to: **CERTNA JPA Agency.**

Mail to: Ajaib Gill  
Assessor-Recorder  
1115 Truxtun Ave, 3rd Flr  
Bakersfield, CA 93301

<b>SUBTOTAL</b>	<b>\$ 615,222.00</b>
<b>SALES TAX</b>	
<b>TOTAL</b>	<b>\$ 615,222.00</b>

ACH : Wells Fargo Bank  
CERTNA JPA  
ABA # 121000248  
Account # 4160101358



# INVOICE

1115 Truxtun Ave. 3rd Floor  
Bakersfield, CA 93301

INVOICE NO. 1  
DATE July 27, 2021  
CUSTOMER ID FRESNO

TO Fresno County Recorder  
Paul Dictos  
2281 Tulare Street, Room 201  
Fresno, CA 93721

Contact	Period	PAYMENT TERMS	DUE DATE
Paul Dictos			Upon Receipt

QUANTITY	DESCRIPTION		LINE TOTAL
1.00	SBCERA Pension Liability through 6/3/2021	\$ 233,013.00	\$ 233,013.00
	If you are paying by ACH please indicate on the memo line		
	Certna-SBCERA Pension		

Make checks payable to: **CERTNA JPA Agency**.

Mail to: Ajaib Gill  
Assessor-Recorder  
1115 Truxtun Ave, 3rd Flr  
Bakersfield, CA 93301

<b>SUBTOTAL</b>	\$ 233,013.00
<b>SALES TAX</b>	
<b>TOTAL</b>	\$ 233,013.00

ACH : Wells Fargo Bank  
CERTNA JPA  
ABA # 121000248  
Account # 4160101358



# INVOICE

1115 Truxtun Ave. 3rd Floor  
Bakersfield, CA 93301

INVOICE NO. 1  
DATE July 27, 2021  
CUSTOMER ID SCLARA

TO Santa Clara County Recorder  
Gina Alcomendras  
70 W. Hedding ST, 1st Floor East Wing  
San Jose, CA 95110

Contact	Period	PAYMENT TERMS	DUE DATE
Gina Alcomendras			Upon Receipt

QUANTITY	DESCRIPTION		LINE TOTAL
1.00	SBCERA Pension Liability through 6/3/2021	\$ 588,405.00	\$ 588,405.00
	If you are paying by ACH please indicate on the memo line		
	Certna-SBCERA Pension		

Make checks payable to: **CERTNA JPA Agency.**

SUBTOTAL	\$ 588,405.00
SALES TAX	
<b>TOTAL</b>	<b>\$ 588,405.00</b>

Mail to: Ajaib Gill  
Assessor-Recorder  
1115 Truxtun Ave, 3rd Flr  
Bakersfield, CA 93301

ACH : Wells Fargo Bank  
CERTNA JPA  
ABA # 121000248  
Account # 4160101358



# INVOICE

1115 Truxtun Ave. 3rd Floor  
Bakersfield, CA 93301

INVOICE NO. 1  
DATE July 27, 2021  
CUSTOMER ID SCRUZ

TO Santa Cruz County Recorder  
Sean Saldavia  
701 Ocean Street, Room 230  
Santa Cruz, CA 95060

Contact	Period	PAYMENT TERMS	DUE DATE
Carol Sutherland			Upon Receipt

QUANTITY	DESCRIPTION		LINE TOTAL
1.00	SBCERA Pension Liability through 6/3/2021	\$ 66,241.00	\$ 66,241.00
	If you are paying by ACH please indicate on the memo line		
	Certna-SBCERA Pension		

Make checks payable to: **CERTNA JPA Agency.**

<b>SUBTOTAL</b>	\$ 66,241.00
<b>SALES TAX</b>	
<b>TOTAL</b>	\$ 66,241.00

Mail to: Ajaib Gill  
Assessor-Recorder  
1115 Truxtun Ave, 3rd Flr  
Bakersfield, CA 93301

ACH : Wells Fargo Bank  
CERTNA JPA  
ABA # 121000248  
Account # 4160101358



# INVOICE

1115 Truxtun Ave. 3rd Floor  
Bakersfield, CA 93301

INVOICE NO. 1  
DATE July 27, 2021  
CUSTOMER ID SHASTA

**TO** Shasta County Recorder  
Leslie Morgan  
1450 Court Street, Suite 208  
Redding, CA 96001

Contact	Period	PAYMENT TERMS	DUE DATE
Leslie Morgan			Upon Receipt

QUANTITY	DESCRIPTION		LINE TOTAL
1.00	SBCERA Pension Liability through 6/3/2021	\$ 35,214.00	\$ 35,214.00
	If you are paying by ACH please indicate on the memo line		
	Certna-SBCERA Pension		

Make checks payable to: **CERTNA JPA Agency.**

Mail to: Ajaib Gill  
Assessor-Recorder  
1115 Truxtun Ave, 3rd Flr  
Bakersfield, CA 93301

<b>SUBTOTAL</b>	\$ 35,214.00
<b>SALES TAX</b>	
<b>TOTAL</b>	\$ 35,214.00

ACH : Wells Fargo Bank  
CERTNA JPA  
ABA # 121000248  
Account # 4160101358



