

**AGREEMENT FOR ADVANCE PAYMENT OF COUNTY AND AIR POLLUTION
CONTROL DISTRICT APPROPRIATIONS AND EMPLOYEE CONTRIBUTIONS TO
THE PENSION TRUST**

1. PARTIES.

The Board of Supervisors of the County of San Luis Obispo (County), and the Board of Trustees (Trustees) of the San Luis Obispo County Pension Trust (Pension Trust) mutually agree as follows, pursuant to Section 16.05 (a) and Section 16.05 (c) of the San Luis Obispo County Employees Retirement Plan.

2. ADVANCE PAYMENT OF COUNTY APPROPRIATION AND EMPLOYER PAID PORTION OF EMPLOYEE NORMAL CONTRIBUTIONS.

For each fiscal year of the County during the term of this Agreement, the County shall transfer to the Pension Trust no later than July 30 of each fiscal year an advance payment of the County's and the Air Pollution Control District's (APCD) estimated annual appropriations obligation to said Pension Trust. Such transfer may include the Employer Paid portion of the Employee Normal Contributions as defined in Section 5.05.1 of the Retirement Plan pursuant to the collective bargaining agreements governing said contributions to the Pension Trust. County's and APCD's advance payment shall be determined and calculated by the actuary employed for that purpose by the Board of Trustees. The actuary shall make the calculation pursuant to the provisions of Retirement Plan Section 16.05(c) and as instructed by the Trustees. The discount rate to be used by the actuary will be the actuarial Earnings Assumption then in effect for the actuarial valuation less 0.50%. Except as provided in Section 3 of this Agreement, adjustments for any difference between the estimated County and/or APCD appropriations obligation and the actual County and/or APCD appropriations obligation or between the estimated Employer Paid portion of the Employee Normal Contributions and the actual amount will be made as of June 30 of each fiscal year by the Pension Trust, based on information provided by the County Auditor, said adjustment to be certified by the Trustees on advice of their actuary. Upon such adjustment, County shall pay to the Pension Trust any additional sums owed by the County and/or the APCD to the Pension Trust within five (5) working days or accept from the Pension Trust a credit in the amount equal to any overpayment by County of the estimated appropriation over the actual appropriation required.

In the event the Trustees' actuary determines that an increase in contributions to the Pension Trust is needed and communicates that amount as a recommended increase in the County Appropriation Rate, nothing in this Agreement shall be construed as precluding the County from determining, through the collective bargaining process or otherwise, how much (if any) of that increase will be funded through increases in Member Contribution Rates.

3. TRUSTEES.

The Trustees shall accept the County's payment as payment of County's and APCD's estimated Pension Trust appropriations and contributions for each fiscal year, subject to adjustment as set

forth above, except for adjustments required as a result of a change in the rate of County and/or APCD appropriation or the rate of Employee contribution which has been recommended by the Board of Trustees upon advice of their actuary. Adjustments necessary as a result of changes in the County rate of appropriation or Employee rate of contribution shall be made upon approval of said rates pursuant to Section 16.04 and Section 16.05 of the Retirement Plan. Upon payment by the County, all sums paid to the Pension Trust become assets of the Pension Trust, and as such subject to the sole and exclusive control of the Board of Trustees.

4. AUDITOR-CONTROLLER.

The Auditor - Controller is hereby authorized to pay to the Pension Trust any and all amounts determined pursuant to Section 16.05 (c) of the San Luis Obispo County Employees' Retirement Plan. This authorization shall remain in effect until rescinded by action of the Board of Supervisors.

5. REIMBURSEMENT BY COUNTY OF PENSION TRUST EXPENSES

County shall reimburse the Pension Trust for the cost of its expenses in administering this Agreement, including, but not limited to, the cost of the calculations performed by the Pension Trust's actuary as specified in paragraph 2.

6. TERM.

The term of this Agreement shall be for the County's fiscal year 2014-2015 , and annually for each fiscal year thereafter except that either party may terminate this Agreement at the end of any fiscal year by giving written notice of said termination at least sixty (60) days prior to the end of the fiscal year. Notice of such termination shall be provided by the Executive Secretary on behalf of the Pension Trust and by the Auditor-Controller on behalf of the County. Notwithstanding any other provision of this Agreement, either party may suspend this Agreement for a period not to exceed one fiscal year by notifying the other party in writing at least sixty (60) days prior to the beginning of the fiscal year in which the suspension of this Agreement is to be in effect. During such suspension of this Agreement, all Appropriations and Contributions due to the Pension Trust shall be paid in accordance with Section 16.05 (b). Notice of such suspension shall be provided by the Executive Secretary on behalf of the Pension Trust and by the Auditor-Controller on behalf of the County.

**Executed this _____ day of _____, 2014, at San Luis Obispo, California.
BOARD OF SUPERVISORS**

By: _____
Chairman
ATTEST: Clerk of the Board of Supervisors

BOARD OF TRUSTEES

By:  _____

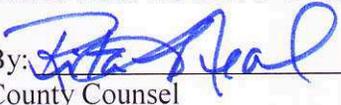
President

ATTEST: Carl Nelson, Executive Secretary, San Luis Obispo County Pension Trust

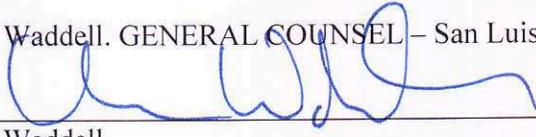
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APPROVED AS TO FORM AND LEGAL EFFECT:

Rita L. Neal, COUNTY COUNSEL

By:  _____
County Counsel

Chris Waddell, GENERAL COUNSEL – San Luis Obispo County Pension Trust

By:  _____
Chris Waddell