

REALLOCATION AGREEMENT

THIS REALLOCATION AGREEMENT (this "**Agreement**") is made as of _____, 2013 (the "**Effective Date**") by and among the County of El Dorado (the "**County**"), El Dorado Local Agency Formation Commission ("**El Dorado LAFCO**"), and the California Public Employees' Retirement System ("**CalPERS**").

WHEREAS, the County currently contracts with CalPERS for retirement benefits for its employees;

WHEREAS, concurrently with the execution of this Agreement, El Dorado LAFCO is entering into a contract for retirement benefits with CalPERS (the "**Contract**") in substantially the same form as the contract between CalPERS and the County;

WHEREAS, the County and El Dorado LAFCO have represented to CalPERS that certain CalPERS members listed on **Exhibit A** to this Agreement (the "**Members**") have historically been reported by the County to CalPERS as employees of the County, when in fact they ~~should have been reported as were~~ employees of El Dorado LAFCO.

WHEREAS, the County and El Dorado LAFCO have directed CalPERS to retroactively treat such Members as employees of El Dorado LAFCO, and to reallocate ~~all of the~~ assets and liabilities associated with such Members as of February 15, 2005 from the County's contract to El Dorado's contract as though such assets and liabilities had always accrued under El Dorado LAFCO's contract as of such date (the "**Reallocation**");

WHEREAS, this Agreement shall not become effective until and unless the Contract is made effective.

NOW, THEREFORE, in consideration of the mutual agreements contained in this Agreement, and for good and valuable consideration, the parties hereby agree as follows:

1. El Dorado LAFCO and the County agree that the Recitals are hereby incorporated into and are a part of this Agreement.

2. Subject to the terms and conditions of this Agreement and contingent upon the Contract becoming effective, the County and El Dorado LAFCO hereby consent to the Reallocation. The County, on behalf of itself and any third party beneficiaries, disclaims any ongoing right or benefit to the assets associated with the Members, and El Dorado LAFCO expressly assumes all obligations, liabilities and duties associated with the Members as a result of their CalPERS membership.

3. Notwithstanding, and in addition to, any existing or future obligation that the County and El Dorado LAFCO may have to indemnify the CalPERS Parties (as defined below), the County and El Dorado LAFCO hereby agree to jointly and severally indemnify and hold CalPERS and its trustees, agents and employees, the CalPERS Board of Administration, and the California Public Employees' Retirement Fund (together, the "**CalPERS Parties**") harmless from any claims, demands, actions, losses, liabilities, damages, judgments, expenses and costs, imposed on, sustained or incurred by the CalPERS Parties, to the extent they arise out of or relate to the Reallocation, including, without limitation, attorneys', accountants' and other investigatory fees and out-of-pocket expenses incurred by the CalPERS Parties.

4. Upon request from CalPERS from time to time, El Dorado LAFCO and the County shall execute and deliver all documents and do all other acts that may be reasonably necessary to carry out and effectuate the intent and purpose of this Agreement.

5. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to its principles of conflicts of law.

6. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

7. If any provision of this Agreement is held invalid or unenforceable, such decision shall not affect the validity or enforceability of any other provision of this Agreement, all of which other provisions shall remain in full force and effect, provided that doing so does not materially alter the intent of the parties as contemplated hereby.

8. This Agreement may not be modified or amended in any respect except in a writing signed by all parties. No waiver shall be deemed to have been granted or created by any course of conduct or acquiescence, and no waiver shall be enforceable against any party hereto unless in writing and signed by the party against which such waiver is claimed.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered as of the date first above written.

COUNTY OF EL DORADO:

By: _____
Name: _____
Title: _____

EL DORADO LOCAL AGENCY FORMATION
COMMISSION:

By: _____
Name: _____
Title: _____

CALIFORNIA PUBLIC EMPLOYEES'
RETIREMENT SYSTEM:

BY _____
KAREN DE FRANK, CHIEF
CUSTOMER ACCOUNT SERVICES
DIVISION

EXHIBIT A

EMPLOYEES

Employees:

Jose C. Henriquez, Executive Officer
Erica N. Sanchez, Policy Analyst
Denise R. Tebaldi, Administrative Assistant/Interim Commission Clerk

Former Employees:

Susan Stahmann, Clerk to the Commission
Corinne Fratini, Policy Analyst
Elisa Carvalho, Development Technician
Wendy Courtade, Office Assistant II
Elizabeth Baldwin, Clerk to the Commission
Allison Moroso, Commission Clerk

Retiree:

Roseanne Chamberlain, Executive Officer

Summary Report:	
Litéra® Change-Pro 7.0.0.400 Document Comparison done on 8/26/2013 12:42:14 PM	
Style Name: Default Style	
Original Filename: Reallocation Agreement (last accepted revisions).doc	
Modified Filename: Reallocation Agreement (with changes agreed to by CalPERS August 26, 2013).doc	
Changes:	
<u>Add</u>	3
Delete	2
Move From	0
<u>Move To</u>	0
<u>Table Insert</u>	0
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format Changes	0
Total Changes:	5