

**AGREEMENT FOR TRANSFER
OF MEMBERSHIP BENEFITS
FROM CalPERS TO SBCERA**

This Agreement is entered into this _____ day of May 2018 by and between the SAN BERNARDINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION ("SBCERA"), the CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM ("CalPERS"), BIG BEAR CITY COMMUNITY SERVICES DISTRICT ("District") and BIG BEAR FIRE AUTHORITY ("Authority").

WHEREAS, certain local safety members of CalPERS will cease to be employed by the District and will become employed by the Authority effective June 23, 2018 ("Transferred Members") as a result of the transfer of firefighting functions from the District to the Authority; and

WHEREAS, the Authority shall become a plan sponsor of the SBCERA pension plan effective June 23, 2018, and upon the aforementioned transfer the Transferred Members shall become members of SBCERA; and

WHEREAS, Government Code Sections 20588 and 31657 authorize CalPERS and the Board of Retirement of SBCERA, respectively, to enter into an agreement to terminate CalPERS' liability with respect to Transferred Members, and for SBCERA to assume liability on account of such service, and to transfer from CalPERS to SBCERA the employee and employer contributions, and interest credited thereto, on account of said safety service for each Transferred Member; and

WHEREAS, the District and Authority are necessary parties to the Agreement as each must agree to the transfer contemplated herein by approval of this Agreement by their respective governing bodies.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants hereinafter set forth, CalPERS and SBCERA agree as follows:

1. COVERED EMPLOYEES. This agreement applies to employees of the District classified as safety members by CalPERS who shall become employees of the Authority on the effective date of this agreement, and who shall remain members of CalPERS while employed by the District but will become members of SBCERA as employees of the Authority as of June 23, 2018. This agreement does not apply to persons who have retired from either SBCERA or CalPERS on or before the effective date of this agreement. Employees to whom this agreement applies are identified in Exhibit "A", attached hereto and incorporated herein. Exhibit "A" also discloses (1) the amount of the member's contributions, with interest, to be transferred, (2) the safety service the member was entitled to be credited by CalPERS at the time of cessation of his or her District employment that will be transferred, and (3) the total employer assets to be transferred. The employees identified in Exhibit "A" shall be referred to as "Transferred Employees" for purposes of this Agreement.

2. TERMINATION OF CalPERS MEMBERSHIP AND TRANSFER OF FUNDS TO SBCERA. On the first week of July 2018, CalPERS shall pay to SBCERA the sum of \$4,276,500 representing the total amount of member and employer contributions, with interest,

for the local safety members listed on Exhibit "A". Said payment shall be made in accordance with SBCERA's written instructions, which shall be provided to CalPERS no later than June 29, 2018.

Upon the transfer of said contributions and interest to SBCERA the service credit in CalPERS of each person listed on Exhibit "A" that is associated with such contributions and interest shall be removed from the member's CalPERS account. If said transfer results in all service credit of the person being removed from the member's CalPERS account, the person's CalPERS membership shall terminate.

3. INDEMNITY. SBCERA shall indemnify, defend, and hold harmless CalPERS, and its Board of Administration, board members, officers, directors, employees, agents, and representatives (collectively "Indemnitee"), against all liability, demands, claims, costs, losses, judgements, damages, recoveries, settlements, and expenses (including interest, penalties, attorneys' fees, accounting fees, and expert witness fees) incurred by Indemnitee, known or unknown, contingent or otherwise, which are related to or arise out of the service credit transferred pursuant to this Agreement For Transfer Of Membership Benefits from CalPERS to SBCERA ("Agreement"), including without limitation the following: (1) the transfer of assets and liability from CalPERS to SBCERA pursuant to the Agreement, (2) the transfer of assets and liability from CalPERS to SBCERA pursuant to Government Code sections 20588 and 31657, and (3) the change, if any, in pension, retirement or other benefits received by Transferred Members as a result of execution of the Agreement.

To the extent that the resultant liability of SBCERA to any Transferred Employees resulting from the transfer exceeds the assets transferred in association with such Transferred Employees, any such difference shall be treated in the same manner as an actuarial loss to SBCERA and collected from the Authority, in its role as an SBCERA participating employer, as unfunded actuarial accrued liability (UAAL). Such determination shall be made on the basis of the liabilities and assets transferred on June 23, 2018 and shall not take into account any subsequent changes. To the extent that SBCERA and the Authority may agree that it is necessary, whether to preserve the interest of SBCERA's other participating employers or members or for other reasons, SBCERA and the Authority may enter into a separate agreement for the payment of such UAAL, and shall negotiate in good faith toward such an agreement.

4. AMBIGUITIES NOT HELD AGAINST DRAFTER/INDEMNITEE. This Agreement has been freely and voluntarily negotiated by the parties. As such, the rules that (1) ambiguous contractual provisions are construed against the drafter of the provision and (2) ambiguous indemnity provisions are construed against the indemnitee both shall be inapplicable to this Agreement.

5. ATTORNEYS' FEES TO PREVAILING PARTY. If any action or other proceeding is brought to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees from the other parties. These fees are in addition to any other relief to which the prevailing party may be entitled. This provision shall be applied to the entire Agreement.

6. TERMINATION OF CalPERS LIABILITY. Upon the transfer of funds to SBCERA by CalPERS, as required by Section 2 of this Agreement, all liability of CalPERS on account of removed safety service credit of the members identified in Exhibit "A" shall cease and shall become the liability of SBCERA, pursuant to Government Code Section 20588 and 31657.

7. EFFECTIVE DATE OF AGREEMENT. This Agreement shall become effective on June 23, 2018.

[Signatures Follow on Next Page]

Dated: _____

Board of Retirement of San Bernardino
County Employees' Retirement Association

By: _____
Louis Fiorino, Chairman

Dated: _____

Board of Administration of California
Public Employees' Retirement System

By: _____
Priya Mathur, President

Dated: _____

Big Bear City Community Services District

By: _____
Karyn Oxandaboure, President

Dated: _____

Big Bear Fire Authority

By: _____
John Green, Chairman

APPROVED AS TO FORM:

Michael Calabrese, SBCERA Chief Counsel

EXHIBIT "A"

Transferred Employees

Active

<i>Last Name</i>	<i>First Name</i>	<i>Original Hire Date</i>	<i>Pension Formula</i>	<i>Big Bear City Community Service District Service</i>
Cole	Kevin	12/10/2016	PEPRA Safety – 2.7% @ 57	1.615
Covarrubio	Elijah	08/20/2013	PEPRA Safety – 2.7% @ 57	3.969
Schlosser	William	01/25/2014	PEPRA Safety – 2.7% @ 57	4.431
Dykesten	Norman	05/27/2006	Classic Safety – 3% @ 50	12.061
Fonda	Matthew	09/06/2000	Classic Safety – 3% @ 50	14.608
Lambert	Brian	02/07/2004	Classic Safety – 3% @ 50	14.396
LaVoire	Roger	04/14/2009	Classic Safety – 3% @ 50	9.500
Mandolini	Josh	07/04/1998	Classic Safety – 3% @ 50	19.969
McDaniel	James	06/25/2005	Classic Safety – 3% @ 50	12.969
Parham	Brian	07/04/1998	Classic Safety – 3% @ 50	19.969
Rogers	Daniel	06/25/2005	Classic Safety – 3% @ 50	12.969
Wagner	Luke	04/16/2005	Classic Safety – 3% @ 50	13.200
Whitmore	Robert	04/12/2009	Classic Safety – 3% @ 50	9.500