

CERTIFICATE

Adams County Board of Retirement

We, the members of the Adams County Board of Retirement, do hereby certify that attached hereto is a true and correct copy of a resolution, which was duly adopted by the Adams County Board of Retirement at a meeting held in accordance with its bylaws on the 19th day of December, 2012.

IN WITNESS WHEREOF, we have hereunto affixed our names this 19th day of December, 2012.

ADAMS COUNTY BOARD OF RETIREMENT

[Signature]

[Signature]

Brigitte C Gruning

Paul S. [Signature]

STATE OF COLORADO)
) ss.
COUNTY OF ADAMS)

Subscribed and sworn to before me this 19th day of December, 2012.

My Commission Expires:

11/04/2014

Pamela R. Mathisen

Notary Public

(Notary Seal)



My Commission Expires 11/04/2014

RESOLUTION OF THE
ADAMS COUNTY BOARD OF RETIREMENT

WHEREAS, unless otherwise provided herein, the changes to the Adams County Retirement Plan (the “Plan”) contemplated by this resolution shall be effective January 1, 2014;

WHEREAS, the Plan was previously amended and restated by action of the Adams County Board of Retirement (“Retirement Board”), effective January 1, 2011;

WHEREAS, Section 13.1 of Article XIII permits the Retirement Board to amend the Adams County Retirement Plan from time to time;

WHEREAS, the Plan’s funded status has been severely impacted by the poor financial market performance of the Plan’s investments, reductions in hiring, and salary increases being less than expected;

WHEREAS, effective January 1, 2005, the Retirement Board made changes to help resolve the funding problem by amending the Plan to reduce benefits for employees hired on or after January 1, 2005, thereby creating two categories of Members, which are commonly known as Tier 1 for Members hired before January 1, 2005 and Tier 2 for Members hired on or after January 1, 2005;

WHEREAS, effective January 1, 2010, the Retirement Board made additional changes to help resolve the funding problem by amending the Plan to reduce benefits for Members hired on or after January 1, 2010, thereby creating a third category of Members commonly known as Tier 3;

WHEREAS, the Retirement Board also made changes to help resolve the funding problem by increasing the Employer and Member contributions so that by 2015 each will be contributing 9% of a Member’s monthly compensation;

WHEREAS, notwithstanding the Retirement Board's efforts to improve the Plan's funded status, as of January 1, 2012, the Plan was less than 50% funded based on the market value of its assets and without further modifications, the Plan's actuary has projected the Plan to be less than 51% funded by 2044 based on the market value of its assets;

WHEREAS, the Colorado General Assembly recently amended C.R.S. Section 24-54-101 *et al.* through its enactment of Senate Bill 12-149 ("SB 12-149");

WHEREAS, SB 12-149 permits the Retirement Board to amend the Plan to modify the benefits and age and service requirements for existing Members of the Plan if the Retirement Board determines that the modification is required to ensure the sustainability of the Plan and the modifications do not adversely affect vested benefits already accrued for such Members;

WHEREAS, SB 12-149 will be repealed effective July 1, 2017;

WHEREAS, the Retirement Board has been advised by the Plan's actuary that at the Plan's current funded status, the Plan cannot rely on investment returns to resolve the funding problem and the sustainability of the Plan is in jeopardy;

WHEREAS, the Retirement Board has determined that at this time Member contributions should not be increased beyond 9% to improve the sustainability of the Plan because a higher contribution level (together with Social Security and Medicare contributions) would pose a hardship on Members;

WHEREAS, C.R.S. Section 24-54-104(1) provides that Members shall pay a percentage of their salary toward the cost of the Plan and that the rate of contribution paid by the Employer for such costs shall not exceed the Members' contributions;

WHEREAS, based on advice from the Plan's actuary to ensure the sustainability of the Plan and as provided by SB 12-149, the Retirement Board has determined that as a result of the

Plan's current funded status and the lack of options for resolving the funding problem, modifications to the benefits and service requirements as permitted by SB 12-149 are required to ensure the sustainability of the Plan;

WHEREAS, the Plan's actuary has advised the Retirement Board that to ensure the sustainability of the Plan pursuant to SB 12-149, the Retirement Board should set a goal that the Plan is projected to be between 95% and 105% funded by 2044 based on the market value of its assets;

WHEREAS, to accomplish this goal, the Retirement Board has determined that certain Plan provisions should be amended effective January 1, 2014 such that the Plan is projected to be approximately 95% funded by 2044 based on the market value of its assets (the "Amendment");

WHEREAS, the Retirement Board and the Plan have provided to Members written notice of the possibility of a reduction of retirement benefits in the future and hosted meetings to inform Members of the need for a reduction in benefits and to describe the benefit reductions being considered by the Retirement Board;

WHEREAS, the Retirement Board has determined that, effective January 1, 2014, a two-component retirement benefit for Members in Tiers 1 and 2 shall be created, hereinafter referred to as "Component A" and "Component B";

WHEREAS, Component A shall be the Member's retirement benefit that has accrued through December 31, 2013, as calculated pursuant to Section 6.1(b) of the Plan prior to the Amendment, except that the average monthly compensation for Component A shall include compensation earned on or after January 1, 2014 and shall be calculated based on Section 2.1(c) of the Plan prior to the Amendment;

WHEREAS, Component B shall be equal to the Member's career compensation earned on or after January 1, 2014 multiplied by 1.75% and divided by 12, and the sum of Components A and B shall be subject to the minimum benefit provisions of Section 6.4 of the Plan prior to the Amendment;

WHEREAS, the Member's normal pension calculated under Component A and Component B shall not exceed 80% of the Member's average monthly compensation during any consecutive 12-month period in which the Member receives the highest average monthly compensation (the "80% Cap");

WHEREAS, in the event the Member's normal pension calculated under Component A and Component B combined exceeds the Member's normal pension calculated under the terms of the Plan prior to the Amendment, the Member's normal pension shall be calculated pursuant to the terms of the Plan prior to the Amendment;

WHEREAS, a Member in Tier 1 or Tier 2 who requests a refund of his or her contribution accumulation on or after January 1, 2014, shall receive the sum of: (a) a refund of the Member's contribution accumulation determined based on (i) the Member's contributions made through December 31, 2013 with interest accumulating through the date of such refund, (ii) the percent of the contribution accumulation determined in the applicable table under Section 6.3(b) of the Plan prior to the Amendment, and (iii) the Member's completed years of continuous service at his or her termination of employment, adjusted as provided in Section 6.3 of the Plan prior to the Amendment, and (b) a 100% refund of the Member's contributions made on or after January 1, 2014 including interest thereon and excluding a refund of the Employer's contributions with respect to the Member made on or after January 1, 2014 and any interest thereon;

WHEREAS, a Member who elects and actually purchases service credit pursuant to the Plan provisions for purchase of service credit relating to noncovered employment for employees hired prior to January 1, 2010 (the “Subsidized Purchase of Service Provisions”) shall be entitled to have such service credit attributed to the normal pension calculated under Component A;

WHEREAS, the extended purchase of service provisions shall be revised for a Member in Tier 1 or Tier 2 to reflect the addition of Component B;

WHEREAS, the extended purchase of service provisions shall be eliminated for Members hired on or after January 1, 2014;

WHEREAS, a Member in Tier 1 or Tier 2 who is or becomes disabled under the terms of the Plan on or after January 1, 2014, shall have his Component B benefit for the period of disability on or after January 1, 2014 determined based on the greater of:

(i) the Member’s career compensation earned on or after January 1, 2014 multiplied by 1.75% and divided by 12, or

(ii) 1.75% of the Member’s career monthly compensation earned on or after January 1, 2014 multiplied by the total number of his years of credited service earned on or after January 1, 2014,

provided that the sum of the Component A and B disability benefits shall be subject to the minimum benefit provisions of Section 6.4 prior to the Amendment and shall not exceed the lesser of the 80% cap or the disability benefit determined under the terms of the Plan prior to the Amendment;

WHEREAS, special computations are performed for a Member in Tier 3 who has a leave of absence for qualified military service, and similar computations shall be incorporated into the

Plan for Component B for a Member in Tier 1 or Tier 2 who has a leave of absence for qualified military service that begins or continues on or after January 1, 2014; and

WHEREAS, the Retirement Board hereby delegates to the Plan's Executive Director the authority to construe and interpret the Plan to resolve any and all issues that may arise in connection with or as a result of the Amendment;

NOW THEREFORE, BE IT RESOLVED THAT:

1. Unless otherwise provided herein, the changes to the Plan contemplated by the resolution shall be effective January 1, 2014;

2. Notwithstanding previous efforts to improve the Plan's funded status, as of January 1, 2012, the Plan was less than 50% funded based on the market value of its assets and without further modifications, the Plan's actuary has projected the Plan to be less than 51% funded by 2044 based on the market value of its assets;

3. According to the Plan's actuary, the Plan at its current funded status cannot rely on investment returns to resolve the funding problem and the sustainability of the Plan is in jeopardy;

4. At this time, Member contributions should not be increased beyond 9% to improve the sustainability of the Plan because a higher contribution level (together with Social Security and Medicare contributions) would pose a hardship on Members;

5. Based on advice from the Plan's actuary to ensure the sustainability of the Plan and as provided by SB 12-149, modifications to the benefits and service requirements permitted by SB 12-149 are required to ensure the sustainability of the Plan;

6. The Plan's actuary has advised the Retirement Board that to ensure the sustainability of the Plan pursuant to SB 12-149, the Retirement Board should set a goal that the

Plan be projected to be between 95% and 105% funded by 2044 based on the market value of its assets;

7. Certain Plan provisions should be amended effective January 1, 2014 by the Amendment such that the Plan is projected to be 95% funded by 2044 based on the market value of its assets;

8. Members have received written notice of the possibility of a reduction of retirement benefits in the future and were invited to meetings informing them of the need for a reduction in benefits and describing the benefit reductions being considered by the Retirement Board;

9. Effective January 1, 2014, two-component retirement benefits for Members in Tiers 1 and 2, referred to herein as Component A and Component B, shall be created;

10. Component A shall be the Member's retirement benefit that has accrued through December 31, 2013, as calculated pursuant to Section 6.1(b) of the Plan prior to the Amendment, except that the average monthly compensation for Component A shall include compensation earned on or after January 1, 2014 and shall be calculated based on Section 2.1(c) of the Plan prior to the Amendment;

11. Component B shall be equal to the Member's career compensation earned on or after January 1, 2014 multiplied by 1.75% and divided by 12, and the sum of Components A and B shall be subject to the minimum benefit provisions of Section 6.4 of the Plan prior to the Amendment;

12. The Member's normal pension calculated under Component A and Component B shall not exceed the 80% Cap;

13. In the event the Member's normal pension calculated under Component A and Component B combined exceeds the Member's normal pension calculated under the terms of the Plan prior to the Amendment, the Member's normal pension shall be calculated pursuant to the terms of the Plan prior to the Amendment;

14. A Member in Tier 1 or Tier 2 who requests a refund of his or her contribution accumulation on or after January 1, 2014 shall receive the sum of: (a) a refund of the Member's contribution accumulation determined based on (i) the Member's contributions made through December 31, 2013 with interest accumulating through the date of such refund, (ii) the percent of the contribution accumulation determined in the applicable table under Section 6.3(b) of the Plan prior to the Amendment, and (iii) the Member's completed years of continuous service at his or her termination of employment, adjusted as provided in Section 6.3 of the Plan prior to the Amendment, and (b) a 100% refund of the Member's contributions made on or after January 1, 2014 including interest thereon and excluding a refund of the Employer's contributions with respect to the Member made on or after January 1, 2014 and any interest thereon;

15. A Member who elects and actually purchases service credit pursuant to the Subsidized Purchase of Service Provisions shall be entitled to have such service credit attributed to the normal pension calculated under Component A;

16. The extended purchase of service provisions shall be revised for a Member in Tier 1 or Tier 2 to reflect the addition of Component B;

17. The extended purchase of service provisions shall be eliminated for Members hired on or after January 1, 2014;

18. A Member in Tier 1 or Tier 2 who is or becomes disabled under the terms of the Plan on or after January 1, 2014, shall have his Component B benefit for the period of disability on or after January 1, 2014 determined based on the greater of:

(i) the Member's career compensation earned on or after January 1, 2014 multiplied by 1.75% and divided by 12, or

(ii) 1.75% of the Member's career monthly compensation earned on or after January 1, 2014 multiplied by the total number of his years of credited service earned on or after January 1, 2014,

provided that the sum of the Component A and B disability benefits shall be subject to the minimum benefit provisions of Section 6.4 prior to the Amendment and shall not exceed the lesser of the 80% Cap or the disability benefit determined under the terms of the Plan prior to the Amendment;

19. Special computations are performed for a Member in Tier 3 who has a leave of absence for qualified military service, and similar computations shall be incorporated into the Plan for Component B for a Member in Tier 1 or Tier 2 who has a leave of absence for qualified military service that begins or continues on or after January 1, 2014; and

20. The Retirement Board hereby delegates to the Plan's Executive Director the authority to construe and interpret the Plan to resolve any and all issues that may arise in connection with or as a result of the Amendment.