



Coastal Bend Bays & Estuaries Program, Inc.

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Date: January 28, 2010
To: CBBEP Board of Directors
From: Alice Sanchez, Business Manager
Subject: Proposed changes to the CBBEP Retirement Plan

The current CBBEP employee retirement plan had two components, an SEP Account to which CBBEP contributes an amount equal to 6% of the employees salary, and a voluntary 403(b) salary deferral plan. During 2009, the plan administrator Wachovia/Wells Fargo, stopped accepting contributions to the employees' 403(b) accounts. Not many employees had been participating in the voluntary 403(b) plan.

The CBBEP Finance and Human Resources Committee, with Mr. Corrigan and Mr. Green in attendance, met on January 11th to discuss possible changes to the retirement plan and to develop recommendations for consideration by the CBBEP Board of Directors. Mr. Corrigan had arranged for Mr. Robert Fox with Fields, Nemec and Associates to attend the meeting and discuss our options.

Mr. Fox suggested that the best strategy would be for CBBEP to switch to a 401(k) retirement plan that allowed for both employer and employee contributions. A new plan could be structured in a way that would provide some level of guaranteed contribution by CBBEP and provide an incentive for more employees to actively participate in saving for retirement.

The Committee recommended that the retirement plan be structured with a set 3% contribution by the company to all eligible employees. Employees wishing to save for their own retirement would be eligible for an additional 6% company contribution based on a 1:1 match.

Other details to be addressed include deciding if there is to be an eligibility period before an employee can participate in the 401(k). We discussed a possible one year waiting period, and a vesting schedule for the company contribution. Mr. Corrigan discussed a five year vesting schedule of 20% per year or vesting schedule.

The Committee also recommended that program staff issue a Request for Proposals for administration of the 401(k) plan.

**RESOLUTION OF CBBEP BOARD OF DIRECTORS TO
TERMINATE 403(b) PLAN**

WHEREAS, Coastal Bend Bays & Estuaries Program, Inc. (CBBEP) provides a 403(b) plan.

WHEREAS, CBBEP's 403(b) plan adoption agreement allows the plan to be terminated.

WHEREAS, the Board believes it to be in the best interest of CBBEP to terminate its 403(b) plan.

BE IT THEREFORE RESOLVED as follows:

1. The Board of Directors hereby terminates CBBEP's 403(b) plan and authorizes, empowers and directs the Executive Director to take all action necessary to carry out such termination in accordance with the plan and applicable law;

This Resolution was adopted by the CBBEP Board of Directors on the 28th day of January, 2010.

President, CBBEP Board of Directors