

**ADOPTED BY THE BOARD OF DIRECTORS OF  
THE NATOMAS BASIN CONSERVANCY,  
A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION,  
ON APRIL 5, 2023**

**A RESOLUTION TO CORRECT SEP-IRA PLAN**

**WHEREAS**, the Conservancy sponsors and maintains a Simplified Employee Pension – Individual Retirement Account (SEP-IRA) arrangement for its eligible employees, and

**WHEREAS**, following a review of the design and operation of the SEP-IRA, the Conservancy was informed by its special outside employee benefits counsel (“Counsel”) that the SEP-IRA had not been documented and operated in full compliance with applicable IRS rules, and that the failure to properly document the SEP-IRA could jeopardize the favorable tax treatment that the arrangement affords the participants; and

**WHEREAS**, as a result of this analysis and determination, Counsel has worked closely with the Conservancy’s CEO and CFO to analyze the scope of these issues and develop an appropriate strategy so that neither the Conservancy nor its employees suffer adverse tax consequences; and

**WHEREAS**, in order to properly preserve the SEP-IRA’s tax-favored status, the CEO, CFO and Counsel recommend that the Conservancy’s Board of Directors approve and adopt the following plan of action (“Plan of Action”):

1. In accordance with applicable IRS rules, IRS correction programs, and advice of Counsel, the SEP-IRA will be submitted under the IRS’s Voluntary Correction Program in order to gain IRS approval that the Conservancy’s SEP-IRA remains tax-qualified; and
2. Because certain employees of the Conservancy were added to the SEP-IRA later than they should have been given IRS rules, it will be necessary to contribute additional amounts to their individual IRAs under the SEP-IRA, along with amounts to make up for lost earnings; and
3. Current and former employees of the Conservancy (and their beneficiaries) who are affected by these corrections will be located and notified as required by applicable IRS rules; and
4. Part of the overall corrections to bring the SEP-IRA arrangement into compliance will involve restating the original SEP-IRA document onto a newer IRS Form 5305-SEP.

**WHEREAS**, the Conservancy’s Board of Directors deems it to be in the best interests of the Conservancy and participants in the SEP-IRA arrangement to preserve the tax-favored status of the SEP-IRA by following the advice of Counsel and the recommendations of management;

**NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE NATOMAS BASIN CONSERVANCY THAT,**

1. The foregoing Plan of Action is authorized and approved.
2. The CEO and CFO are authorized and directed to work with Counsel to take all actions deemed necessary or appropriate to implement the Plan of Action and this resolution.

**PASSED AND ADOPTED** as of the 5th day of April, 2023.

**ATTEST:**

\_\_\_\_\_  
Steven Cohn, Secretary

Date: \_\_\_\_\_