

BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA BARBARA

A RESOLUTION AMENDING THE
COUNTY OF SANTA BARBARA'S
DEFERRED COMPENSATION PLAN

Resolution No. _____

WHEREAS, on November 23, 1981, the Board of Supervisors (hereinafter "Employer") established and adopted a deferred compensation plan (hereinafter "Plan") for the benefit of its eligible employees; and

WHEREAS, as subsequently amended by Employer, the Plan continues to be in effect; and

WHEREAS, Employer desires to amend the Plan to allow the Plan to make loans to Plan Participants as authorized by the Internal Revenue Code and under the following terms and conditions by adding to Article VI of the Plan as follows:

"Participant Loans

A Participant may receive a loan from the Plan subject to the terms and conditions of the Plan's loan agreement and provisions of this Section. The loan must be secured by the Participant Account. For purposes of this Section, the value of a Participant Account shall include the outstanding balance of any loan made by the Plan to the Participant. No more than 50% of the value of the Participant's Account shall be used as security. The loan must bear a reasonable interest rate. The loan, when made, must satisfy Code Section 72(p) and 457 and the regulations promulgated thereunder.

At the time of any distribution, the amount of a Participant Account payable to the Participant or Beneficiary shall be reduced by the Participant's outstanding loan balance plus any accrued interest. In the event of a default, foreclosure on the loan note and attachment of security will not occur until a distributable event occurs under the Plan. At such time, the Participant Account shall be reduced by the Participant's outstanding loan balance plus any accrued interest.

The Administrator shall establish such rules, procedures, forms and agreements it deems prudent and necessary to effect, approve and administer Participant loans under this Section.”

NOW, THEREFORE, the Board of Supervisors does resolve as follows:

THAT Article VI of the County of Santa Barbara Deferred Compensation Plan shall be amended as set forth above and approved by the Board of Supervisor’s on this date.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Barbara, State of California, this ____ day of _____, 2006, by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

Chair, Board of Supervisors
County of Santa Barbara

ATTEST:
MICHAEL F. BROWN
CLERK OF THE BOARD

By _____
Deputy Clerk

Approved as to Form:

Deputy County Counsel

Approved as to Form:
Auditor -Controller

By _____