THIRD AMENDMENT

TO THE CITY OF ALEXANDRIA FIREFIGHTERS AND POLICE OFFICERS PENSION PLAN

Pursuant to the powers of amendment reserved under Section 12.1 of The City of Alexandria Firefighters and Police Officers Pension Plan, as amended and restated effective as of January 1, 2009 (the "Plan"), said Plan shall be and the same is hereby amended by the City of Alexandria, Virginia (the "City"), effective as of January 1, 2009, as follows:

FIRST CHANGE

Subsection (5) of the definition of "Remuneration" in Section 1.6 of the Plan is hereby designated as subsection (6) and the following new subsection (5) is hereby added:

> (5) Remuneration shall also include regular Earnings received after such Participant's severance from employment (as defined in Treas. Reg. §1.415(a)-1(f)(5)) (but not severance payments); provided that payment of such Earnings is made by the later of (i) two and one-half (2-1/2) months after the Participant's severance from employment or (ii) the end of the calendar year that includes the Participant's severance from employment; and provided further, in order for these post-severance payments to be considered Remuneration, these amounts may only consist of the following (which would otherwise constitute Compensation):
>
> > (i) Regular compensation for services during the Participant's regular working hours, or compensation for service outside of the Participant's regular working hours (such as overtime or shift differential), commission, bonuses, or other similar payments, if such

payment would have been paid to the Participant prior to severance from employment if the Participant had continued in employment with the City;

(ii) Payment for unused, accrued, bona fide sick, vacation or other leave (but only if the Participant would have been able to use the leave if employment had continued); and

(iii) For plan years beginning on or after January 1, 2009, payments to Participants who do not currently perform services for the Employer by reason of qualified military service (as that term is defined in Section 414(u)(1) of the Code) to the extent those payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the Employer rather than entering qualified military service.

Other types of payments paid to the Participant after severance from employment shall not be considered Remuneration, even if paid within the time frame described above. In no event, however, shall Remuneration for this purpose include any amounts not permitted to be included under Section 415 of the Code."

SECOND CHANGE

The definition of Required Beginning Date in Section 1.6 is hereby amended to read as follows:

"Required Beginning Date" means April 1st following the later of (i) the calendar year in which the Participant attains age 70½ or (ii) the calendar year in which such Participant retires from employment with the City.

IN WITNESS WHEREOF, the City has caused this Amendment to be executed by its Acting City Manager on this 7 day of June, 2011.

CITY OF ALEXANDRIA

By: _____
Bruce Johnson, Acting City Manager

APPROVED AS TO FORM:

_____
DEPUTY CITY ATTORNEY