

**THIRD AMENDMENT TO
THE CITY OF ALEXANDRIA SUPPLEMENTAL RETIREMENT PLAN,
AS AMENDED AND RESTATED EFFECTIVE AS OF JANUARY 1, 2009**

Pursuant to the powers of amendment reserved under Section 14.1 of The City of Alexandria Supplemental Retirement 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

The definition of “Remuneration” in Section 1.1(II) of the Plan is hereby amended to add the following to the end thereof:

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 constitute Earnings under Section 1.1(q)):

- (1) 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;
- (2) 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
- (3) 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 or exceed the dollar limit specified in Section 401(a)(17) of the Code applicable for the Plan Year, as adjusted from time to time by the Secretary of Treasury.”

SECOND CHANGE

The definition of “Required Beginning Date” in Section 1.1(kk) is hereby amended to read as follows:

A Participant’s “**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.

THIRD CHANGE

The last paragraph of Section 11.5 is hereby amended to read as follows:

If the limit on Annual Additions under Code Section 415 would otherwise be exceeded, the portion of the employer contributions and of forfeitures for the Limitation Year under all such other plans that would otherwise have been allocated to the Participant thereunder, but which exceeds the limit, shall not be allocated to the Participant but shall be deemed a forfeiture for the Limitation Year and shall be disposed of as provided in such other plans; provided, however, that the amount of the employer contributions and forfeitures that is not allocated and is deemed forfeiture under this Section 11.5 shall be effected in the order prescribed by the Administrator, but first under any defined contribution plan that is not a money purchase pension plan and, if the limitation still is not satisfied, then under such money purchase pension plan. If the limit on Annual Additions under Code Section 415 still is not satisfied after all employer contributions and forfeitures under all such other plans are not allocated (and deemed forfeited) for the Limitation Year, the limit shall be satisfied by reducing Annual Additions under this Plan as provided in this Section 11.5.

If the Annual Additions to the Plan on behalf of a Participant in any Limitation Year beginning before July 1, 2007 would otherwise exceed the limit on Annual Additions under Section 11.1, the limit shall be satisfied by reducing the Participant's Mandatory Employee Contributions to the extent necessary. If a Participant is covered by any other plan taken into account under this Section 11.5 and if the Annual Additions for the Limitation Year would otherwise exceed the limit on Annual Additions under Code Section 415, such excess shall be reduced first by returning the after-tax employee contributions made by the Participant for the Limitation Year under all plans other than the Plan, and the income attributable thereto, to the extent necessary in the order prescribed by the Administrator. If the limit on Annual Additions under Code Section 415 still is not satisfied after returning all of the after-tax employee contributions made by the Participant under all such other plans, the excess shall be reduced by returning or forfeiting, as provided in each such plan, the elective contributions made on the Participant's behalf for the Limitation Year under all such other plans, and, if elective contributions are returned, the income attributable thereto, to the extent necessary in the order prescribed by the Administrator. If the limit on Annual Additions under Code Section 415 still is not satisfied, the provisions of the prior paragraph shall apply, so as to limit the Annual Additions under this and all other plans to which Code section 415 applies.

IN WITNESS WHEREOF, the City has caused this Third Amendment to be executed by its City Manager on this ____ day of _____, 2010.

CITY OF ALEXANDRIA

By: _____
James K. Hartmann, City Manager