

**CITY OF ALEXANDRIA RETIREMENT INCOME PLAN FOR
DEPUTY SHERIFFS, EMERGENCY RESCUE TECHNICIANS,
AND FIRE MARSHALS**

Amended and Restated Effective as
of January 1, 2009

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PREAMBLE

The City of Alexandria Retirement Income Plan for Deputy Sheriffs, Emergency Rescue Technicians, and Fire Marshals, originally effective as of July 1, 1990, and renamed effective as of January 1, 2005, is hereby amended and restated in its entirety.

The terms of the Plan, as amended and restated, shall apply only with respect to Plan Years commencing on or after January 1, 2009; provided, however, that any provision which is contained in this amended and restated Plan (as the same may be further amended from time to time) and which is required to be effective before the effective date of this amended and restated Plan in order to retain the qualification of the Plan under Code Section 401(a) shall, nevertheless, be effective as of its required effective date under the Code.

Except as is otherwise explicitly provided in the Plan or as is required by applicable law, the terms of the Plan, as amended and restated, shall apply only with respect to employees of the Employer on and after January 1, 2009, and the rights, benefits and interests of any employee who died, retired or otherwise terminated his employment with the Employer prior to January 1, 2009, shall be determined under the provisions of the Plan as in effect on the date such former employee died, retired or otherwise terminated his employment with the Employer.

The Plan, as amended and restated hereby, is intended to qualify as a profit sharing plan under Code Section 401(a) and is a governmental plan as described in Code Section 414(d) and Section 3(32) of the Employee Retirement Income Security Act of 1974, as amended. The Plan is maintained for the exclusive benefit of eligible employees and their beneficiaries.

ARTICLE I DEFINITIONS

- 1.1 ACCRUED BENEFIT. The term Accrued Benefit means the value on any applicable date of the Participant's Account.
- 1.2 ACTIVE PARTICIPANT. The term Active Participant means any Participant who (a) performs duties as an Employee for the Employer, and (b) is not an Inactive Participant.
- 1.3 ANNUITY. The term Annuity means a series of payments made over a specified period of time which, for a fixed annuity are, of equal, specified amounts, and for a variable annuity increase or decrease to reflect changes in investment performance of the underlying portfolio.
- 1.4 ANNUITY CONTRACT. The term Annuity Contract means the Group Annuity Contract issued by the Insurance Company to the Employer to fund the benefits provided under this Plan; as such contract may hereafter be amended from time to time in accordance with the terms hereof.
- 1.5 ANNUITY STARTING DATE. The term Annuity Starting Date means the first day of the first period for which an amount is payable as an Annuity. In the case of a benefit not payable in the form of an Annuity, the term Annuity Starting Date means the first day on which all events have occurred which entitle the Participant to such benefit.
- 1.6 BENEFICIARY. Each Participant shall have the right to designate anyone as their Beneficiary. The Participant may change the Beneficiary and/or the form of death benefit at any time.

If any distribution hereunder is made to a Beneficiary in the form of an Annuity, and if such Annuity provides for a death benefit, then such Beneficiary shall also have the right to designate a Beneficiary and to change that Beneficiary from time to time. As an alternative to receiving the benefit in the form of an Annuity, the Beneficiary may elect to receive a single cash payment or any other form of payment provided for in the Plan.

If a Beneficiary has not been designated, or if no designated Beneficiary survives the Participant, the Participant's entire Vested Interest shall be distributed to the Participant's Spouse, if living; otherwise in equal shares to any surviving children of the Participant. In the event none of the above named individuals survives the Participant, the Participant's entire Vested Interest shall be paid to the executor or administrator of the Participant's estate.

A Beneficiary under this Section 1.6 shall be the designated Beneficiary under Code Section 401(a)(9) and Treas. Reg. §1.401(a)(9)-4.

- 1.7 CODE. The term Code means the Internal Revenue Code of 1986, as amended from time to time.
- 1.8 COMPENSATION.
- (A) The term Compensation means the regular or base salary or wages paid by the Employer to the Participant for the period specified in the Plan and excluding overtime payments and bonuses.
 - (B) Compensation shall include only that Compensation which is actually paid to the Participant during the determination period. Except as provided elsewhere in the Plan, the determination period shall be the Plan Year. However, for the Plan Year in which an Employee begins participation in the Plan and the Plan Year in which an Employee ends participation in the Plan, the determination period is the portion of the Plan Year during which the Employee is a Participant in the Plan.
 - (C) Compensation shall include any amount which is contributed by the Employer pursuant to a salary reduction agreement and which is not includible in the gross income of the employee under Code Section 125, 132(f), 402(e)(3), 402(h), or 403(b); Compensation deferred under an eligible deferred compensation plan within the meaning of Code Section 457(b); and employee contributions described in Code Section 414(h)(2) that are picked up by the employing unit and, thus, are treated as employer contributions.
 - (D) The annual Compensation of each Participant taken into account in determining allocations for any Plan Year shall not exceed \$200,000, as adjusted for cost of living increases in accordance with Code Section 401(a)(17)(B). The cost of living adjustment in effect for a calendar year applies to annual Compensation for the determination period that begins with or within such calendar year.
- 1.9 CONTRIBUTION PERIOD. The term Contribution Period means that regular period specified by the Employer in Article IV for which contributions shall be made.
- 1.10 DISABILITY. The term Disability means a Participant's incapacity to engage in any substantial gainful activity because of a medically determinable physical or mental impairment which can be expected to result in death, or to be of long, continued and indefinite duration. Such determination of Disability shall be made by the Administrator with the advice of competent medical authority. All Participants in similar circumstances will be treated alike.
- 1.11 DISABILITY RETIREMENT DATE. The term Disability Retirement Date means the first day of the month after the Plan Administrator has determined that a Participant's incapacity is a Disability.
- 1.12 EARLY RETIREMENT DATE. The term Early Retirement Date means the first day of the month coinciding with or next following the date a Participant is separated from

Service with the Employer on or after the date he attains age 55 and has five Years of Service for any reason other than death or Disability, provided that on such date the Participant has not attained his Normal Retirement Age.

- 1.13 EFFECTIVE DATE. The term Effective Date means July 1, 1990. The effective date of this restatement is January 1, 2009.
- 1.14 EMPLOYEE. The term Employee means an individual who is employed by the Employer as the Chief of the Fire Department or as the Sheriff, a Deputy Sheriff, Emergency Rescue Technician or Fire Marshal; provided, however, that the term "Employee" shall not include any individual serving as Chief of the Fire Department if such individual is covered by the City of Alexandria Firefighters and Police Officers Pension Plan.
- 1.15 EMPLOYER. The term Employer means the City of Alexandria.
- 1.16 EMPLOYER CONTRIBUTION. The term Employer Contribution means any contribution made to the Plan by the Employer on behalf of a Participant.
- 1.17 ENTRY DATE. The term Entry Date means either the Effective Date or immediately thereafter when an Employee who has fulfilled the eligibility requirements commences participation in the Plan.

If an Employee is not in the active Service of the Employer as of his initial Entry Date, his subsequent Entry Date shall be the date he returns to the active Service of the Employer, provided he still meets the eligibility requirement.

- 1.18 FIDUCIARY. The term Fiduciary means any, or all, of the following, as applicable:
 - (A) Any Person who exercises any discretionary authority or control respecting the management of the Plan or its assets; or
 - (B) Any Person who renders investment advice for a fee or other compensation, direct or indirect, respecting any monies or other property of the Plan or has authority or responsibility to do so; or
 - (C) Any Person who has discretionary authority or responsibility in the administration of the Plan; or
 - (D) Any Person who has been designated by a Named Fiduciary pursuant to authority granted by the Plan, who acts to carry out a fiduciary responsibility.
- 1.19 FORFEITURE. The term Forfeiture means the amount, if any, by which the value of a Participant's Account exceeds his Vested Interest following such Participant's Termination of Employment, and at the time specified in Section 9.1.

- 1.20 **INACTIVE PARTICIPANT.** The term Inactive Participant means any Participant who does not currently meet the requirements to be an Active Participant due to a suspension of the performance of duties for the Employer.

In addition, a Participant who ceases to meet the eligibility requirements in accordance with Section 3.1 shall be considered an Inactive Participant.

- 1.21 **INSTALLMENT REFUND ANNUITY.** The term Installment Refund Annuity means an annuity which provides fixed monthly payments for a period certain of not less than three nor more than 15 years. If the Participant dies before the period certain expires, the annuity will be paid to the Participant's beneficiary for the remainder of the period certain. The period certain shall be chosen by the Participant at the time the annuity is purchased, and the Installment Refund Annuity will be the amount of benefit which can be purchased with the Participant's Vested Interest. The Installment Refund Annuity is not a life annuity and in no event shall the period certain extend to a period which equals or exceeds the life expectancy of the Participant.
- 1.22 **INSURANCE COMPANY.** The term Insurance Company means Connecticut General Life Insurance Company, a legal reserve life company of Hartford, Connecticut.
- 1.23 **INVESTMENT FUNDS.** The term Investment Funds means the investment accounts made available under the Annuity Contract and designated by the Administrator for the investment of Plan assets.
- 1.24 **LATE RETIREMENT DATE.** The term Late Retirement Date means the first day of the month coinciding with or next following the date a Participant is separated from Service with the Employer after his Normal Retirement Age, for any reason other than death.
- 1.25 **NAMED FIDUCIARY.** The term Named Fiduciary means the Plan Administrator and any other Fiduciary designated in writing by the Employer, and any successor thereto.
- 1.26 **NONELECTIVE CONTRIBUTIONS.** The term Nonelective Contributions means contributions made by the Employer that the Participant may not elect to have paid in cash or other benefits instead of being contributed to the Plan.
- 1.27 **NORMAL RETIREMENT AGE.** The term Normal Retirement Age means the date the Participant attains age 60.
- 1.28 **NORMAL RETIREMENT DATE.** The term Normal Retirement Date means the first day of the month coinciding with or next following the date a Participant attains his Normal Retirement Age.
- 1.29 **PARTICIPANT.** The term Participant means any Employee of the Employer, who is or becomes eligible to participate under this Plan in accordance with its provisions and shall include an Active Participant and an Inactive Participant.

1.30 PARTICIPANT'S ACCOUNT. The term Participant's Account means the sum of the following sub-accounts held on behalf of each Participant:

- Nonelective Contributions, if any, and earnings thereon.

A Participant's Account shall be invested in accordance with Sections 12.6, and any rules established thereunder by the Plan Administrator, which shall be applied in a consistent and nondiscriminatory manner.

1.31 PERSON. The term Person means any natural person, partnership, corporation, trust or estate.

1.32 PLAN. The term Plan means City of Alexandria Retirement Income Plan for Deputy Sheriffs, Emergency Rescue Technicians, and Fire Marshals, the terms of which are set forth herein as it may be amended from time to time. This Plan is intended to be a Profit Sharing Plan in which profits are not required in order for a contribution to be made.

1.33 PLAN ADMINISTRATOR. The terms Plan Administrator and Administrator are used interchangeably throughout the Plan and shall mean the City Manager or the Person or Persons designated by the City Manager. If more than one Person is designated as the Plan Administrator by the City Manager, the committee thus formed shall be known as the Administrative Committee and all references in the Plan to the Plan Administrator or Administrator shall be deemed to apply to the Administrative Committee.

1.34 PLAN YEAR. The term Plan Year means the 12-month period commencing on January 1 and ending on the following December 31.

1.35 TERMINATION OF EMPLOYMENT. The term Termination of Employment means a severance of the Employer-Employee relationship which occurs prior to a Participant's Normal Retirement Age for any reason other than Early Retirement, Disability or death.

1.36 VESTED INTEREST. The term Vested Interest on any date means the nonforfeitable right to an immediate or deferred benefit in the amount which is equal to the value on that date of that portion of the Participant's Account that is attributable to and derived from Employer Contributions multiplied by his Vesting Percentage determined on the date applicable.

1.37 VESTING PERCENTAGE. The term Vesting Percentage means the percentage used to determine a Participant's Vested Interest in contributions made by the Employer, plus the earnings thereon, credited to his Participant's Account that are not 100% immediately vested. The Vesting Percentage for each Participant shall be determined in accordance with the following schedule based on Years of Service with the Employer:

<u>Years of Service</u>	<u>Vesting Percentage</u>
Less than five	0%

Five or more

100%

However, if an Active Participant dies prior to attaining his Normal Retirement Age, his Vesting Percentage shall be 100%.

ARTICLE II SERVICE

- 2.1 SERVICE. The term Service means active employment with the Employer as the Chief of the Fire Department, the Sheriff or as an Employee who is classified as a Deputy Sheriff, Emergency Rescue Technician, or Fire Marshal.
- 2.2 ABSENCE FROM EMPLOYMENT. Absence from employment on account of a leave of absence authorized by the Employer pursuant to the Employer's established leave policy will be counted as employment with the Employer provided that such leave of absence is of not more than two years duration. Absence from employment on account of active duty with the Armed Forces of the United States will be counted as employment with the Employer. Subject to Section 2.9, if the Employee does not return to active employment with the Employer, his Service will be deemed to have ceased on the date the Administrator receives notice that such Employee will not return to the active Service of the Employer. The Employer's leave policy shall be applied in a uniform and nondiscriminatory manner to all Participants under similar circumstances.
- 2.3 PERIOD OF SERVICE. The term Period of Service or Service means the Employer-Employee relationship which begins on the Employee's employment date and continues until his Severance from Service Date.

An Employee's Period of Service shall include any Period of Severance beginning on his Severance from Service Date, which is less than 12 months.

If an Employee accrued Service as a Firefighter or Police Officer and subsequently left that job classification to become the Chief of the Fire Department, the Sheriff, or a Deputy Sheriff, Emergency Rescue Technician, or Fire Marshal, any Service accrued under the "City of Alexandria Firefighters and Police Officers Pension Plan" shall be considered Service under the Plan for the Employee's Vesting Percentage.

- 2.4 PERIOD OF SEVERANCE. The term Period of Severance means a period of time commencing on the Participant's Severance from Service Date and ending on the date such individual is re-employed by the Employer.
- 2.5 SEVERANCE FROM SERVICE DATE. The Severance from Service Date shall be the earliest of (A) or (B) below.
- (A) The date the Employee terminates employment by reason of a quit, discharge, permanent Disability, retirement or death.
 - (B) The first anniversary of the first day the Employee separates from Service for any other reason such as an authorized leave of absence, sickness, vacation, etc., after which the Employee does not return to work.

- 2.6 ONE-YEAR BREAK-IN-SERVICE. The term One-Year Break-in-Service shall mean a 12-consecutive-month Period of Severance, beginning on the Employee's Severance from Service Date.

In the case of an individual who is absent from Service for maternity or paternity reasons, the 12-consecutive-month period beginning on the first anniversary of the first date of such absence shall not constitute a One-Year Break-in-Service. An absence from Service for maternity or paternity reasons means an absence (1) by reason of the pregnancy of the individual, (2) by reason of the birth of a child of the individual, (3) by reason of the placement of a child with the individual in connection with the adoption of such child by such individual, or (4) for purposes of caring for such child for a period beginning immediately following such birth or placement.

- 2.7 YEAR(S) OF SERVICE. The term Year(s) of Service means a Period of Service equaling 12 months. Service counted in computing Years of Service need not be consecutive or continuous, and all fractional Periods of Service shall be aggregated.
- 2.8 SERVICE UPON RE-EMPLOYMENT. An Employee shall be considered a re-employed Employee when he is rehired prior to incurring a One-Year Break-in-Service. Upon re-employment, all Service, including Service prior to re-employment, shall be aggregated in determining such re-employed Employee's Vesting Percentage. An Employee who is rehired, after incurring a One-Year Break-in-Service shall be considered a newly hired Employee and any prior Service shall not count toward such re-employed Employee's Vesting Percentage.
- 2.9 QUALIFIED MILITARY SERVICE. Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Code Section 414(u).

ARTICLE III
ELIGIBILITY AND PARTICIPATION

- 3.1 ELIGIBILITY AND PARTICIPATION. Each Employee shall be eligible to become a Participant as of the date such Employee becomes the Chief of the Fire Department, the Sheriff, or becomes employed by the City of Alexandria as a Deputy Sheriff, Emergency Rescue Technician, or Fire Marshal; provided, however, that an individual serving as Chief of the Fire Department who is covered by the City of Alexandria Firefighters and Police Officers Pension Plan shall not be eligible to become a Participant.
- 3.2 RE-EMPLOYED EMPLOYEE. In the case of an individual who ceases to be an Employee and is subsequently rehired as an Employee, the following provisions shall apply in determining his eligibility to again participate in the Plan:
- (A) If the Employee had met the eligibility requirement(s) specified in Section 3.1 prior to his separation from employment, he shall become an Active Participant in the Plan as of the date he is re-employed, after completing the applicable form(s), in accordance with Section 3.2.
 - (B) If the Employee had not met the eligibility requirement(s) specified in Section 3.1 prior to his separation from employment, he shall be eligible to participate in the Plan on the first Entry Date following his fulfillment of such eligibility requirement(s).
- 3.3 ELIGIBLE CLASS. In the event a Participant become ineligible to participate because he is no longer a member of an eligible class of Employees, such Employee shall participate immediately upon his return to an eligible class of Employees.

In the event an Employee who is not a member of the eligible class of Employees becomes a member of the eligible class, such Employee shall participate immediately.

ARTICLE IV CONTRIBUTIONS

- 4.1 NONELECTIVE CONTRIBUTIONS. The Employer may make a contribution under the Plan for any Contribution Period of an amount which shall be determined by resolution. Such resolution shall either specify a fixed amount or specify a definite formula by which a fixed amount can be determined.

Such Nonelective Contribution shall be allocated as of the last day of the Contribution Period for which such contribution is made to each Participant who is an Active Participant as of any day of the Contribution Period.

Notwithstanding the above provision, an allocation will be made on behalf of a Participant who dies, retires, or becomes disabled during the Contribution Period.

For each Contribution Period the contribution shall be allocated to each Participant in the proportion that the Compensation paid to each Participant during the Contribution Period bears to the Compensation paid to all such Participants, subject to the limitations on Allocations specified in Article V.

The contribution as described above, for any Plan Year, shall be paid to the Insurance Company not less frequently than monthly.

- 4.2 PAYMENT OF EXPENSES. The Employer may contribute to the Plan the amount necessary, to pay any applicable expense charges and administration charges. In lieu of the Employer's contributing the amount necessary to pay such charges, these expenses may be paid from Plan assets.
- 4.3 ALLOCATION OF FORFEITURES. The contributions made by the Employer shall be reduced by any Forfeitures available as an Employer credit in accordance with Section 9.4.
- 4.4 CREDITING OF CONTRIBUTIONS MADE BY THE EMPLOYER. The Contributions made by the Employer shall be credited to the Participant Account of each Participant for whom such contributions are made, in accordance with the provisions of Article XII.

ARTICLE V
LIMITATIONS ON ALLOCATIONS

5.1 LIMITATIONS ON ALLOCATIONS. Definitions - The following definitions are atypical terms which refer only to terms used in the Limitation on Allocations sections of this Article V.

- (A) Annual Addition - The term Annual Additions shall mean the sum of the following items credited to the Participant under this Plan and any other tax qualified retirement plan sponsored by the Employer for a Limitation Year and treated as a defined contribution plan for purposes of Code Section 415: Employer contributions that are separately allocated to the Participant's credit in any defined contribution plan; forfeitures; employee contributions participant contributions (other than contributions that are picked up by the Employer as described in Code Section 414(h)(2); and amounts credited after March 31, 1984 to a Participant's individual medical account (within the meaning of Code Section 415(l).
- (B) Remuneration - The term Remuneration shall mean a participant's wages as defined in Code Section 3401(a) and all other payments of compensation to the Participant from the Employer for which the Employer is required to furnish the Participant a written statement under Code Sections 6041(d) and 6051(a)(3). Remuneration shall be determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed. Remuneration does not include any employee contributions picked up by the Employer as described in Code Section 414(h)(2). Remuneration shall include any amount which would otherwise be deemed Remuneration under this definition but for the fact that it is subject to a salary reduction agreement under any plan described in Code Section 457(b), 132(f) or 125. Remuneration with respect to any Limitation Year shall in no event exceed the dollar limit specified in Code Section 401(a)(17) (as adjusted from time to time by the Secretary of the Treasury). The cost of living adjustment in effect for a calendar year applies to Remuneration for the Limitation Year that begins with or within such calendar year.
- (C) Employer - The term Employer shall mean the City of Alexandria and any other employer who is required to be treated as a single employer with the City under Code Section 414(b), (c), (m) or (o) or otherwise required to be taken into account under regulations under Code Section 415. All such employers shall be considered a single employer for purposes of applying the limitations of this Article.
- (D) Limitation Year - The term Limitation Year shall mean the Plan Year.

5.2 LIMITATIONS ON ALLOCATIONS. Notwithstanding anything contained herein to the contrary, the total Annual Additions credited to a Participant's Account under this Plan

(and under all other defined contribution plans, defined benefit plans and welfare benefit funds to which the Employer contributes) for any Limitation Year shall in no event exceed the lesser of (i) \$40,000 (as adjusted for the Limitation Year under Code Section 415(d)) or (ii) 100 percent of the Participant's Remuneration. The Remuneration limit referred to in (ii) shall not apply to any contribution for medical benefits after separation from service (within the meaning of Code Section 401(h) or 419A(f)(2) which is otherwise treated as an Annual Addition. The dollar limit referred to in (i) shall be adjusted, effective January 1 of each year, under Code Section 415(d) in such manner as the Secretary shall prescribe. The limit as adjusted shall apply to Limitation Years ending with or within the calendar year for which the adjustment applies.

In the event that the limitations on Annual Additions described above are exceeded with respect to any Participant in any Limitation Year due to forfeiture allocations, a reasonable error in estimating a Participant's annual Remuneration, or such other circumstances as are permitted by law, then the contributions allocable to the Participant for such Limitation Year shall be reduced to the minimum extent required by such limitations in the following order of priority (unless otherwise determined by the Administrator according to applicable law):

- (A) If such Participant is covered by the Plan as of the end of the Limitation Year in which such excess arose, all excess Annual Additions allocated to such Participant's Account shall, be used as soon as possible to reduce Employer Contributions allocable to such Participant in the next and succeeding Limitation Years.
- (B) If the Participant is not covered by the Plan as of the end of the Limitation Year in which the excess arose (or any succeeding Limitation Year, if applicable), then such excess amounts shall be credited to an account designated as the limitations account and carried forward to the next and succeeding Limitation Years and shall be used as soon as possible to reduce Employer Contributions for all remaining Participants in the Plan. No investment gains or losses or other income shall be allocated to this limitations account. In the next succeeding Limitation Year, all amounts in the limitations account must be allocated before any Employer Contributions may be made to the Plan for any such Limitation Year.
- (C) The Administrator shall determine to what extent the Annual Additions to any Participant's Account must be reduced in each Limitation Year. In the event the Employer maintains any other plan to which Annual Additions may be credited, and a Participant participates in both plans during any Limitation Year, then the Administrator shall reduce the Annual Additions to such other plan before reducing Annual Additions to this Plan.
- (D) In the event this Plan is terminated, any amounts credited to the limitations account described above which have not been reallocated as set forth herein shall, upon the Employer's request, be returned to the Employer.

To the extent a Participant's allocations are subject to provisions of Code Section 415 which have not been set forth in the Plan, such provisions are hereby incorporated by reference into this Plan and for all purposes shall be deemed a part of the Plan.

ARTICLE VI
DISTRIBUTION OF BENEFITS

- 6.1 DISTRIBUTIONS IN GENERAL. Each Participant may elect a distribution in the form of an Annuity, a single sum cash payment, or a combination of the above.
- 6.2 MINIMUM DISTRIBUTION REQUIREMENTS. Distributions shall be made in accordance with Code Section 401(a)(9) and Treasury Regulations issued thereunder as provided in this Article VI, including the minimum distribution incidental benefit requirement. The provisions of this Article VI apply for purposes of determining minimum required distributions under Code Section 401(a)(9) and take precedence over any inconsistent provisions of the Plan; provided, however, that these provisions are intended solely to reflect the requirements of Code Section 401(a)(9) (and accompanying Treasury Regulations) and are not intended to provide or expand (and shall not be construed as providing or expanding) any benefit or distribution option not otherwise expressly provided for under the terms of the Plan. The provisions of this Article VI shall apply only to the extent required under Code Section 401(a)(9) as applied to a governmental plan and if any special rules for governmental plans are not set forth herein, such special rules are hereby incorporated by reference and shall for all purposes be deemed a part of the Plan. Notwithstanding anything contained herein to the contrary, any distribution option under the Plan that is consistent with a reasonable and good faith interpretation of Code Section 401(a)(9) shall be permitted under this Article VI.
- 6.3 COMMENCEMENT OF DISTRIBUTIONS. Distributions to a Participant will commence no later than the date determined in accordance with the provisions of this Section. The Accrued Benefit of a Participant shall be distributed (or shall commence being distributed) no later than the first day of April following the later of the calendar year in which the Employee retires, or the calendar year in which the Employee attains age 70½ ("Required Beginning Date").
- 6.4 DISTRIBUTION REQUIREMENTS.
- (A) The requirements of this Section shall apply to any distribution of a Participant's Accrued Benefit.
 - (B) As of the calendar year immediately preceding the calendar year which contains the Participant's Required Beginning Date ("Distribution Calendar Year"), distributions, if not made in a lump sum payment, may be made only (1) over a term certain not to exceed the life expectancy of the Participant or the joint life expectancies of the Participant and a designated Beneficiary, or (2) over the life of the Participant or the joint lives of the Participant and a designated Beneficiary. Notwithstanding the foregoing, distribution shall in no event extend beyond the maximum permissible period described in Treas. Reg. §1.401(a)(9)-2.
 - (C) The minimum amount which must be distributed during each calendar year, commencing with the Distribution Calendar Year, must be at least an amount

equal to the lesser of (1) the Participant's total distributable interest, or (2) the quotient obtained by dividing the Participant's total distributable interest at the beginning of each such calendar year (valued for this purpose as of the Valuation Date immediately preceding the first day of such calendar year, adjusted for contributions allocated and distributions made subsequent to such Valuation Date but prior to the first day of such calendar year) by the lesser of (A) the applicable life expectancy (as described below), or (B) if the Participant's Beneficiary is not his spouse, by the applicable divisor, as described in Treas. Reg. §1.401(a)(9)-2.

- (D) For purposes of calculating the applicable life expectancy, the following rules shall apply:
- (1) Life expectancies shall be calculated pursuant to Treas. Reg. §1.401(a)(9)-1, by the use of the return multiples contained in Treas. Reg. §1.72-9, or in such other manner as may otherwise be prescribed or permitted by law.
 - (2) For the Distribution Calendar Year, the Participant's life expectancy shall be determined based upon his attained age on his birthday during such Distribution Calendar Year. For the Distribution Calendar Year, the designated Beneficiary's life expectancy shall be determined based upon his attained age on his birthday during such Distribution Calendar Year.
 - (3) Except as provided in subsection (4) below, for each calendar year subsequent to the Distribution Calendar Year, the Participant's life expectancy and his designated Beneficiary's life expectancy, as determined with respect to the Distribution Calendar Year, shall be reduced by one for each calendar year which has begun since the Required Beginning Year.
 - (4) Notwithstanding the rules contained in subsection (3) above, the Participant may elect, prior to his Benefit Starting Date, to have his life expectancy, or the joint life expectancies of the Participant and his spouse (if his spouse is his Beneficiary), recalculated on an annual basis, based upon his (and, if applicable, his spouse's) attained age on his birthday (and, if applicable, his spouse's birthday) during the calendar year for which such recalculation is applicable. In no event, however, may the life expectancy of a non-spouse Beneficiary be recalculated.
- (E) Notwithstanding that distributions under the Plan may have commenced to the Participant before the Distribution Calendar Year, the Participant shall receive no credit under this Section 6.4 for such earlier distributions; rather, the total remaining distributable interest of the Participant, calculated as provided above at the beginning of the Distribution Calendar Year, shall be subject to the minimum distribution requirements contained in this Section 6.4.

(F) Notwithstanding the rules contained in this Section 6.4, if distribution hereunder is made under an annuity contract purchased from an insurance company, which contract provides for annual (or more frequent) nonincreasing (except as otherwise permitted under applicable Treasury Regulations) payments commencing no later than the April 1st following the Distribution Calendar Year and payable over a period permitted by Section 6.4(B), then the life expectancy of the Participant (and his Beneficiary, if applicable) shall be determined based upon the age of the Participant (and his Beneficiary, if applicable) as of the birthday occurring during the calendar year in which benefits commence, even if such calendar year is prior to the Participant's Distribution Calendar Year, and such calendar year shall be treated as the Distribution Calendar Year. In all events, distribution under any such annuity contract shall comply with the requirements of Code Section 401(a)(9) (and accompanying Treasury Regulations).

6.5 NON-TRANSFERABLE. The Participant's right to any Annuity payments, benefits, and refunds is not transferable and shall be free from the claims of all creditors to the fullest extent permitted by law.

6.6 DEATH DISTRIBUTION PROVISIONS. Notwithstanding anything contained herein to the contrary, the payment of death benefits shall comply with the requirements of Code Section 401(a)(9) (and accompanying Treasury Regulations), and thus, the following rules shall apply to the extent required thereunder:

(A) In the event of a Participant's death prior to the April 1st following his Distribution Calendar Year (unless his benefits have irrevocably commenced under an annuity contract meeting the requirements of Section 6.4(F), in which case the provisions of this Section 6.6(A) shall not apply, but rather, the provisions of Section 6.6(B) shall apply), then death benefits, if any, attributable to such Participant shall be completely distributed to his Beneficiary no later than the last day of the calendar year containing the fifth anniversary of the Participant's death, subject to the exceptions contained in Sections 6.6(A)(1) and (2) below:

(1) If the Participant or Beneficiary has elected that death benefits be paid in installments over a term certain or over the life of the Beneficiary, then such distributions shall be made, as elected, over a term certain not to exceed the life expectancy of the Beneficiary or over the life of the Beneficiary, commencing in either case no later than the last day of the calendar year containing the first anniversary of the Participant's death. Such method of distribution must comply with Section 6.6, except that the applicable life expectancy shall be that of the Beneficiary.

(2) If the designated Beneficiary is the Participant's spouse, then the rules contained in Section 6.6(A)(1) above shall be modified as follows:

(a) The date distributions would otherwise be required to commence in accordance with Section 6.6(A)(1) above shall not be earlier

than the later of (i) the last day of the calendar year containing the first anniversary of the Participant's death, or (ii) the last day of the calendar year in which the Participant would have attained age 70½.

- (b) In the event of the spouse's death after the Participant but prior to the spouse's required benefit commencement date, as described in Section 6.6(A)(2)(a), (unless such spouse's benefits have irrevocably commenced under an annuity contract meeting the requirements of Section 6.4(F), but payable over a period permitted by Section 6.6(A), in which case the provisions of this Section 6.6(A)(2)(b) shall not apply, but rather, the provisions of Section 6.6(B) shall apply as if the spouse were the Participant), then subsequent distributions, if any, shall be subject to the 5-year or 1-year rule described above, whichever is applicable, but such rule shall be applied as if the spouse were the Participant; provided, however, that the rules contained in Section 6.6(A)(2)(a) shall not be available to the surviving spouse of the Participant's surviving spouse.

- (B) In the event of a Participant's death (1) subsequent to the April 1st following his Distribution Calendar Year and subsequent to his actual commencement of benefits under a payment option other than an annuity contract described in Section 6.4(F), or (2) subsequent to the irrevocable commencement of benefits under an annuity contract meeting the requirements of Section 6.4(F), then any death benefits payable to the Participant's Beneficiary shall be distributed at least as rapidly as under the method of distribution being utilized as of the date of the Participant's death.

6.7 ALTERNATE PAYEE SPECIAL DISTRIBUTION. Distributions pursuant to Section 16.7 may be made without regard to the age or employment status of the Participant.

ARTICLE VII ROLLOVERS

7.1 DIRECT ROLLOVERS TO OTHER PLANS. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Distributee's election under this Article, a Distributee may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover, except as otherwise provided by the Employer's administrative procedures as permitted by regulations. In addition, a Distributee's election of a Direct Rollover shall be subject to the following requirements:

- (A) If the Distributee elects to have only a portion of an Eligible Rollover Distribution paid to an Eligible Retirement Plan in a Direct Rollover, that portion must be equal to at least \$500.
- (B) If the entire amount of a Distributee's Eligible Rollover Distribution is \$500 or less, the distribution may not be divided. Instead, the amount must either be paid to the Distributee or to an Eligible Retirement Plan in a Direct Rollover.
- (C) A Distributee may not elect a Direct Rollover if the Distributee's Eligible Rollover Distributions during a year are reasonably expected by the Plan Administrator to total less than \$200 (or any lower minimum amount specified by the Plan Administrator).
- (D) A Distributee's election to make or not make a Direct Rollover with respect to one payment in a series of periodic payments shall apply to all subsequent payments in the series, except that a Distributee shall be permitted at any time to change, with respect to subsequent payments in the series of periodic payments, a previous election to make or not make a Direct Rollover. A change of election shall be accomplished by the Distributee notifying the Plan Administrator of the change. Such notice must be in the form and manner prescribed by the Plan Administrator.

7.2 DEFINITIONS.

- (A) Direct Rollover: A Direct Rollover is a payment by the Plan to the Eligible Retirement Plan specified by the Distributee.
- (B) Distributee: A Distributee means a Participant, his surviving Spouse, or his Spouse or former Spouse who is an alternate payee under a domestic relations order, as defined in Code Section 414(p). A nonspouse beneficiary of a deceased Participant is also a Distributee for purposes of Section 7.1, provided, however, in the case of a nonspouse beneficiary, the direct rollover may be made only to an individual retirement account or annuity under Code Section 408 that is established on behalf of the nonspouse beneficiary and that will be treated as an

inherited IRA pursuant to the provisions of Code Section 402(c)(11). The determination of the extent to which a distribution to a nonspouse beneficiary is required under Code Section 401(a)(9) shall be made in accordance with IRS Notice 2007-7, Q&A 17 and 18, 2007-5 I.R.B. 395.

(C) Eligible Retirement Plan: An Eligible Retirement Plan is:

- (1) An individual retirement account described in Code Section 408(a), including a Roth IRA described in Code Section 408A;
- (2) An individual retirement annuity described in Code Section 408(b), including a Roth IRA described in Code Section 408A;
- (3) A qualified trust described in Code Section 401(a) or an annuity plan described in Code Section 403(a), that accepts the Distributee's eligible rollover distribution;
- (4) An annuity contract described in Code Section 403(b) that accepts the Distributee's eligible rollover distribution; and
- (5) An eligible plan described in Code Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state, that accepts the Distributee's eligible rollover distribution and agrees to account separately for amounts transferred into such plan from this plan.

The foregoing definition of eligible retirement plan shall also apply in the case of a distribution to a surviving Spouse, or to a Spouse or former Spouse who is the alternate payee under a domestic relations order as defined in Code Section 414(p).

(D) Eligible Rollover Distribution: An Eligible Rollover Distribution is any distribution of all or any portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated beneficiary, or for a specified period of ten years or more; and any distribution to the extent such distribution is required under Code Section 401(a)(9).

A portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be paid only to an individual retirement account or annuity described in Code Section 408(a) or (b) or to a qualified trust or annuity plan described in Code Section 401(a) or 403(a)

or an annuity contract described in Code Section 403(b) if such trust or annuity plan or contract provides for separate accounting for amounts so transferred (and earnings thereon), including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible

7.3 ROLLOVERS FROM OTHER PLANS. The Plan will accept a Rollover Contribution and/or a Direct Rollover of a distribution to a Participant from another Eligible Retirement Plan as follows:

- (A) Direct Rollovers. The Plan will accept a direct rollover of an Eligible Rollover Distribution from:
 - (1) a qualified trust described in Code Section 401(a) or an annuity plan described in Code Section 403(a), including after-tax employee contributions.
 - (2) an annuity contract described in Code Section 403(b), including after-tax employee contributions.
 - (3) an eligible plan under Code Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.
- (B) Rollover Contributions from Other Plans. The Plan will accept contribution from a Participant of an eligible rollover distribution from:
 - (1) a qualified trust described in Code Section 401(a) or an annuity plan described in Code Section 403(a), excluding after-tax employee contributions.
 - (2) an annuity contract described in Code Section 403(b), excluding after-tax employee contributions.
 - (3) an eligible plan under Code Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.
- (C) Rollover Contributions from IRAs. The Plan will accept a Rollover Contribution of the portion of a distribution from an individual retirement account or annuity described in Code Sections 408(a) or 408(b) that is eligible to be rolled over to the Plan and would otherwise be includible in gross income.
- (D) Rollover Contribution. A Rollover Contribution is the amount of an Eligible Rollover Distribution that was paid to the Participant from an Eligible Retirement Plan and that the Participant contributes to the Plan within 60 days of receipt.

ARTICLE VIII
RETIREMENT BENEFITS

- 8.1 NORMAL RETIREMENT. A Participant who attains his Normal Retirement Age shall have a Vesting Percentage of 100%. If a Participant retires from the active Service of the Employer on his Normal Retirement Date (i.e., the Participant ceases to be employed as a Deputy Sheriff, Emergency Rescue Technician, or Fire Marshal), he shall be entitled to receive a distribution of the entire value of his Participant's Account as of his Normal Retirement Date.
- 8.2 DISABILITY RETIREMENT. A Participant who retires from the Service of the Employer on account of Disability shall have a Vesting Percentage of 100% and shall be entitled to receive a distribution of the entire value of his Participant's Account as of his Disability Retirement Date.

ARTICLE IX
TERMINATION OF EMPLOYMENT

- 9.1 DISTRIBUTION. As of a Participant's Termination of Employment, he shall be entitled to receive a distribution of his entire Vested Interest. Such distribution shall be further subject to the terms and conditions of Article VI.

If at the time of his Termination of Employment the Participant's Vesting Percentage is not 100%, the Participant's non-vested Account will become a Forfeiture upon the date such terminated Participant incurs a One-Year Break-in-Service.

If a Participant with a non vested Account is rehired by the Employer and resumes participation in the Plan before incurring a One Year Break in Service, then the Participant's non-vested Account shall not be forfeited and the Participant's prior Service shall be restored.

If the Participant, whose non vested Account became a Forfeiture in accordance with the terms of this Section, is rehired by the Employer and resumes participation in the Plan after incurring a One Year Break in Service, then the Participant's non-vested Account shall remain forfeited, but the Participant's prior Service shall be restored in accordance with Section 2.3 for purposes of determining the extent to which the Participant is vested in amounts credited to his Account following resumption of covered employment.

- 9.2 DISTRIBUTION – CESSATION OF PARTICIPATION. In the event a Participant becomes ineligible to participate in the Plan because he is no longer a member of an eligible class of Employees, but the Participant continues to work for the Employer, he shall be entitled to receive a distribution of his entire Vested Interest. Such distribution shall be further subject to the terms and conditions of Article VI.

If at the time of his becoming ineligible to participate in the Plan, the Participant's Vesting Percentage is not 100%, the Participant's non-vested Account will become a Forfeiture upon the date such Participant incurs a One-Year Break-in-Service.

- 9.3 NO FURTHER RIGHTS OR INTEREST. A Participant shall have no further interest in or any rights to any portion of his Participant's Account that becomes a Forfeiture due to his Termination of Employment or cessation of participation once the Participant incurs a One Year Break in Service in accordance with Article II.

- 9.4 APPLICATION OF FORFEITURES. Any Forfeiture arising in accordance with the provisions of Section 9.1 and Section 9.2 shall be used by the Employer to reduce and in lieu of the contributions made by the Employer next due under Article IV, or to pay Plan expenses, at the earliest opportunity after such Forfeiture becomes available.

ARTICLE X
FIDUCIARY DUTIES AND RESPONSIBILITIES

- 10.1 GENERAL FIDUCIARY STANDARD OF CONDUCT. Each Fiduciary of the Plan shall discharge his duties hereunder solely in the interest of the Participants and their Beneficiaries and for the exclusive purpose of providing benefits to Participants and their Beneficiaries and defraying reasonable expenses of administering the Plan. Each Fiduciary shall act with the care, skill, prudence and diligence under the circumstances that a prudent man acting in a like capacity and familiar with such matters would use in conducting an enterprise of like character and with like aims, in accordance with the documents and instruments governing this Plan, insofar as such documents and instruments are consistent with this standard.
- 10.2 SERVICE IN MULTIPLE CAPACITIES. Any Person or group of persons may serve in more than one Fiduciary capacity with respect to this Plan.
- 10.3 LIMITATIONS ON FIDUCIARY LIABILITY. Nothing in this Plan shall be construed to prevent any Fiduciary from receiving any benefit to which he may be entitled as a Participant or Beneficiary in this Plan, so long as the benefit is computed and paid on a basis which is consistent with the terms of this Plan as applied to all other Participants and Beneficiaries. Nor shall this Plan be interpreted to prevent any Fiduciary from receiving any reasonable compensation for services rendered, or for the reimbursement of expenses properly and actually incurred in the performance of his duties with the Plan; except that no Person so serving who already receives full-time pay from an Employer shall receive compensation from this Plan, except for reimbursement of expenses properly and actually incurred.
- 10.4 INVESTMENT MANAGER. When an Investment Manager has been appointed he is required to acknowledge in writing that he has undertaken a Fiduciary responsibility with respect to the Plan.

ARTICLE XI
THE ADMINISTRATOR

11.1 DESIGNATION AND ACCEPTANCE. The City Manager may designate a person or persons to serve as Administrator under the Plan and such person, by joining in the execution of this Plan accepts such appointment and agrees to act in accordance with the terms of the Plan. If the City manager does not designate one or more persons to service as Administrator, the City Manager shall be the Administrator.

11.2 DUTIES AND AUTHORITY. The Administrator shall administer the Plan in a nondiscriminatory manner for the exclusive benefit of Participants and their Beneficiaries.

The Administrator shall perform all such duties as are necessary to operate, administer, and manage the Plan in accordance with the terms thereof, including but not limited to the following:

- (A) To determine all questions relating to a Participant's coverage under the Plan;
- (B) To maintain all necessary records for the administration of the Plan;
- (C) To compute and authorize the payment of retirement income and other benefit payments to eligible Participants and Beneficiaries;
- (D) To interpret and construe the provisions of the Plan and to make regulations which are not inconsistent with the terms thereof; and
- (E) To advise or assist Participants regarding any rights, benefits, or elections available under the Plan.

The Administrator shall take all such actions as are necessary to operate, administer, and manage the Plan as a retirement program which is at all times in full compliance with any law or regulation affecting this Plan.

The Administrator may allocate certain specified duties of plan administration to an individual or group of individuals who, with respect to such duties, shall have all reasonable powers necessary or appropriate to accomplish them.

11.3 EXPENSES AND COMPENSATION. All expenses of administration may be paid out of Plan assets unless paid by the Employer. Such expenses shall include any expenses incident to the functioning of the Administrator, including, but not limited to, fees of accountants, counsel, and other specialists and their agents, and other costs of administering the Plan. Until paid, the expenses shall constitute a liability of the Plan. However, the Employer may reimburse the Plan for any administration expense incurred. Any administration expense paid to the Plan as a reimbursement shall not be considered

an Employer Contribution. Nothing shall prevent the Administrator from receiving reasonable compensation for services rendered in administering this Plan, unless the Administrator already receives full-time pay from any Employer adopting the Plan.

- 11.4 INFORMATION FROM EMPLOYER. To enable the Administrator to perform his functions, the Employer shall supply full and timely information to the Administrator on all matters relating to this Plan as the Administrator may require.
- 11.5 ADMINISTRATIVE COMMITTEE; MULTIPLE SIGNATURES. In the event that more than one person has been duly nominated to serve on the Administrative Committee and has signified in writing the acceptance of such designation, the signature(s) of one or more persons may be accepted by an interested party as conclusive evidence that the Administrative Committee has duly authorized the action therein set forth and as representing the will of and binding upon the whole Administrative Committee. No person receiving such documents or written instructions and acting in good faith and in reliance thereon shall be obliged to ascertain the validity of such action under the terms of this Plan. The Administrative Committee shall act by a majority of its members at the time in office and such action may be taken either by a vote at a meeting or in writing without a meeting.
- 11.6 RESIGNATION AND REMOVAL; APPOINTMENT OF SUCCESSOR. The Administrator, or any member of the Administrative Committee, may resign at any time by delivering to the City Manager a written notice of resignation, to take effect at a date specified therein, which shall not be less than 30 days after the delivery thereof, unless such notice shall be waived.
- The Administrator may be removed with or without cause by the City Manager by delivery of written notice of removal, to take effect at a date specified therein, which shall be not less than 30 days after delivery thereof, unless such notice shall be waived.
- The City Manager, upon receipt of or giving notice of the resignation or removal of the Administrator, shall promptly designate a successor Administrator who must signify acceptance of this position in writing. In the event no successor is appointed, the City Manager will function as the Administrative Committee until a new Administrator has been appointed and has accepted such appointment.
- 11.7 INVESTMENT MANAGER. The Administrator may appoint, in writing, an Investment Manager or Managers to whom is delegated the authority to manage, acquire, invest, or dispose of all or any part of the Plan assets. With regard to the assets entrusted to his care, the Investment Manager shall provide written instructions and directions to the Employer, who shall in turn be entitled to rely upon such written direction. This appointment and delegation shall be evidenced by a signed written agreement.
- 11.8 DELEGATION OF DUTIES. The Administrator shall have the power, to the extent permitted by law, to delegate the performance of such Fiduciary and non-Fiduciary duties, responsibilities, and functions as the Administrator shall deem advisable for the

proper management and administration of the Plan in the best interests of the Participants and their Beneficiaries.

ARTICLE XII
PARTICIPANTS' RIGHTS

12.1 GENERAL RIGHTS OF PARTICIPANTS AND BENEFICIARIES. The Plan is established and the Plan assets are held for the exclusive purpose of providing benefits for such Employees and their Beneficiaries as have qualified to participate under the terms of the Plan.

12.2 CLAIMS PROCEDURE.

- (A) Any person claiming a benefit under the Plan (a "Claimant") shall apply for such benefit by filing a claim with the Administrator in writing on the form or forms prescribed by the Administrator. If no form or forms have been prescribed, a claim for benefits shall be made in writing to the Administrator setting forth the basis for the claim. The Claimant shall furnish the Administrator with such documents, evidence, data, authorizations, consents or information in support of such claim as the Administrator considers necessary or desirable to determine the validity of the claim. The Administrator shall respond in writing to any claim for benefits.
- (B) If the claim is denied, either in whole or in part, the written notice of denial shall state, in a manner calculated to be understood by the Claimant:
 - (1) The specific reason or reasons for denial, with specific references to the Plan provisions on which the denial is based;
 - (2) A description of any additional material or information necessary for the Claimant to perfect his claim, if possible, and an explanation of why such material or information is necessary; and
 - (3) An explanation of the Plan's claims review procedure and the time limits applicable to such procedures.
- (C) The written notice denying or granting the Claimant's claim shall be provided to the Claimant within 90 days after the Administrator's receipt of the claim, unless special circumstances require an extension of time for processing the claim. If such an extension is required, written notice of the extension shall be furnished by the Administrator to the Claimant within the initial 90-day period and in no event shall such an extension exceed a period of ninety (90) days from the end of the initial 90-day period. Any extension notice shall indicate the special circumstances requiring the extension and the date on which the Administrator expects to render a decision on the claim.
- (D) Any Claimant whose claim is denied (or such Claimant's authorized representative) may, within sixty (60) days after the Claimant's receipt of notice of the denial, request a review of the denial by notice given, in writing, to the

Administrator. Upon such a request for review, the claim shall be reviewed by the Administrator (or its designated representative) which may, but shall not be required to, grant the Claimant a hearing.

- (E) The Claimant shall be provided reasonable access to, and copies of, all relevant documents, records and information directly related to the claim. In connection with the review, the Claimant may have an authorized representative act on the claimant's behalf. The Claimant may submit comments, documents, records and other relevant information in writing to the Administrator.
- (F) The decision on review normally shall be made within sixty (60) days of the Administrator's receipt of the request for review. If an extension of time is required due to special circumstances, the Claimant shall be notified, in writing, by the Administrator, and the time limit for the decision on review shall be extended up to a total of one hundred and twenty (120) days. Any extension notice shall indicate the special circumstance requiring the extension and the date on which the Administrator expect to render a decision on the appeal.
- (G) The Administrator shall notify the Claimant in writing of all benefit determinations as soon as possible, but no later than fifteen (15) days after the benefit determination is made.
- (H) The decision on review shall be in writing and shall state, in a manner calculated to be understood by the Claimant the specific reason or reasons for the decision, with specific references to the relevant Plan provisions on which the decision is based.
- (I) The Administrator has the exclusive discretionary authority to construe and to interpret Plan terms, to decide all questions of eligibility for benefits and to determine the amount of such benefits, and its decisions on such matters shall be final and conclusive. This grant of discretionary authority extends to all decisions made by the Administrator on review, which shall be final and binding with respect to all concerned parties.
- (J) A Claimant shall be entitled, either in his own name or in conjunction with any other interested parties, to bring such actions in law or equity or to undertake such administrative actions or to seek such relief as may be necessary or appropriate to compel the disclosure of any required information, to enforce or protect his rights, to recover present benefits due to the Claimant or to clarify rights to future benefits under the Plan. However, in any civil action, in law or equity, any interpretation or determination made pursuant to the discretionary authority conveyed upon the Administrator shall be upheld, unless it is shown that the interpretation or determination made by the Administrator was an abuse of discretion (or was arbitrary and capricious).

- 12.3 REMEDIES AVAILABLE TO PARTICIPANTS. A Participant or Beneficiary shall be entitled, either in his own name or in conjunction with any other interested parties, to bring such actions in law or equity or to undertake such administrative actions or to seek such relief as may be necessary or appropriate to compel the disclosure of any required information, to enforce or protect his rights, to recover present benefits due to him or to clarify his rights to future benefits under the Plan.
- 12.4 LIMITATION OF RIGHTS. Participation hereunder shall not grant any Participant the right to be retained in the Service of the Employer or any other rights or interest in the Plan other than those specifically herein set forth.
- 12.5 PARTICIPANT'S ACCOUNT AND VALUATION. A Participant's Account shall be maintained on behalf of each Participant until such account is distributed in accordance with the terms of this Plan. At least once per year, as of the last day of the Plan Year, each Participant's Account shall be adjusted for any earnings, gains, losses, contributions, and expenses, attributable to such Plan Year, in order to obtain a new valuation of the Participant's Account.
- 12.6 PARTICIPANT DIRECTED INVESTMENT OF ACCOUNTS.
- (A) Subject to such limitations as may from time to time be required by law, imposed by the Administrator or contained elsewhere in the Plan, and subject to such operating rules and procedures as may be imposed from time to time by the Administrator (or the Insurance Company), each Participant (including for this purpose former Participants with a deferred vested benefit, Beneficiaries and/or an alternate payee under a domestic relations order in which a Participant's Account has been validly divided into separate accounts for the Participant and alternate payee) shall direct the investment of his Participant's Account in accordance with the following:
 - (B) The Administrator shall designate the investment options offered by the Insurance Company from among which each Participant may direct the investment of his Participant's Account. The Administrator may, in its absolute discretion change, modify or limit such Investment Funds and may establish uniform rules and procedures to be followed with respect to the investment of Participants' Accounts in such Investment Funds.
 - (C) The Administrator shall determine the manner, period, and frequency of investment elections (e.g., daily, weekly, or monthly). Different terms and conditions may be specified for different Investment Funds (e.g., monthly elections for one Investment Fund and daily elections for another Investment Fund). Any term or condition imposed by the Administrator may apply to an entire Participant's Account or may be applied separately to different subaccounts, different Investment Funds or to different types of contributions (e.g., future contributions versus the current balance of a Participant's Account).

Except as the Administrator shall otherwise determine, any initial or subsequent investment designation shall be in writing, on a form supplied by and filed with the Administrator (or the Insurance Company), and shall be effective on such date as may be specified by the Administrator (or the Insurance Company). The Administrator may provide for telephone or other electronic investment designations to the extent that such facilities are made available by the funding agency, and may establish (and thereafter change) a limit on the number of designations that may be made by any Participant during a specified period.

- (D) All contributions and other amounts added to a Participant's Account (except for investment earnings) shall be allocated among the separate Investment Funds in accordance with the then effective investment designation. Except as the Administrator shall otherwise determine, any distributions shall be taken proportionately from each separate Investment Fund in which the Participant's Account is invested at the time of the distribution. As of the effective date of any new investment designation, the entire balance of the Participant's Account at that date shall be reallocated among the designated investment media according to the percentages specified in the investment designations (unless the Administrator permits, and the Participant has designated, different allocations as between existing balances and future contributions), but no reallocations of the Participant's Account are to be made merely to adjust for disproportionate investment growth among such funds (other than in response to a subsequent investment designation filed with respect to the Participant's Account).
- (E) In the event the Administrator (or the Insurance Company) receives an initial or revised investment designation which it deems to be incomplete, unclear, not in accordance with procedures established pursuant to this Section or otherwise improper, the Participant's investment designation then in effect shall remain in effect (or, in the case of a deficiency in an initial designation, the Participant shall be deemed to have filed no designation) until a complete investment designation is filed in accordance with the rules and procedures established by the Administrator (or the Insurance Company).
- (F) It is intended that each Participant be required to direct the investment of his Participant's Account to the extent set forth in this Section. In the event that the Administrator (or the Insurance Company) possesses at any time instructions as to the investment of less than all of a Participant's Account, the Participant shall be deemed to have designated that the non-directed portion of his Participant's Account be invested in an Insurance Company separate account that invests primarily in money market instruments (or if no such separate account is available, then in the Investment Fund which most closely resembles a money market or stable asset fund). To the extent that the Administrator finds it to be administratively appropriate to hold a portion of the assets of the Plan out of the operation of this Section, or to the extent that the operation of this Section is suspended or terminated with respect to any portion of the assets of the Plan as

aforesaid, then the Administrator shall direct the Insurance Company with respect to the investment.

- (G) The Administrator may determine at any time to vary the rules provided above to accord with the requirements of any Investment Fund, for ease in administration, or for any other reason.

ARTICLE XIII
THE INSURANCE COMPANY

- 13.1 DUTIES AND RESPONSIBILITIES. The Insurance Company shall issue the Annuity Contract and thereby assume all the duties and responsibilities set forth therein. The terms of the Annuity Contract may be changed as provided therein without amending this Plan, provided such changes shall conform to the requirements for qualification under Code Section 401(a), as amended from time to time.
- 13.2 RELATION TO EMPLOYER, ADMINISTRATOR AND PARTICIPANTS. The Insurance Company may receive the statement of the Administrator or, if the Administrator so designates, the Employer, as conclusive evidence of any of the matters decided in the Plan and the Insurance Company shall be fully protected in taking or permitting any action on the basis thereof and shall incur no liability or responsibility for so doing. The Insurance Company shall not be required to question any action by the Employer or the Administrator or any Participant nor to determine that such action is properly taken under the Plan. The Insurance Company shall be fully discharged from any and all liability with respect to any payment to any Participant hereunder in accordance with the terms of the Annuity Contract. The Insurance Company shall not be required to take any action contrary to its normal rules and practices.

ARTICLE XIV
AMENDMENT OR TERMINATION OF THE PLAN

- 14.1 AMENDMENT OF PLAN. The Employer shall have the right from time to time to modify or amend, in whole or in part, any or all provisions of the Plan, by resolution of the City Council. The Administrator shall be furnished a copy of any modification or amendment. No amendment shall deprive any Participant or Beneficiary of any Vested Interest hereunder.

No amendment to the Plan shall decrease a Participant's Account balance. Furthermore, no amendment to the Plan shall have the effect of decreasing a Participant's Vested Interest determined without regard to such amendment as of the later of the date such amendment is adopted or the date it becomes effective.

- 14.2 CONDITIONS OF AMENDMENT. The Employer shall not make any amendment which would cause the Plan to lose its status as a qualified plan within the meaning of Code Section 401(a).

- 14.3 TERMINATION OF THE PLAN. The Employer intends to continue the Plan indefinitely for the benefit of its Employees, but reserves the right to terminate the Plan at any time by resolution of the City Council. Upon such termination, the liability of the Employer to make contributions hereunder shall terminate.

- 14.4 FULL VESTING. Upon the termination or partial termination of the Plan, or upon complete discontinuance of Employer contributions, the rights of all affected Participants in and to the amounts credited to each such Participant's Account shall be 100% vested and nonforfeitable.

- 14.5 DISTRIBUTIONS UPON PLAN TERMINATION. If this Plan is terminated and the Employer does not maintain or establish another defined contribution plan, each Participant shall receive a total distribution, in the form of a lump-sum distribution of his Participant's Account in accordance with the terms and conditions of Article VI.

However, if this Plan is terminated and the Employer does maintain or establish another defined contribution plan as discussed in the above paragraph, or if the Plan is only partially terminated, each Participant shall receive a total distribution of his Participant's Account, excluding any amounts attributable to contributions made by the Employer, in accordance with the terms and conditions of Article VI. In such a situation, any amounts in a Participant's Account attributable to contributions made by the Employer may be distributed only upon the occurrence of an event described in Article VIII or IX.

- 14.6 APPLICATION OF FORFEITURES. Upon the termination of the Plan, any Forfeitures which have not been applied as of such termination to reduce the contribution made by the Employer shall be credited on a pro rata basis to the Participant's Account of the then Active Participants in the same manner as the last contribution made by the Employer under the Plan.

- 14.7 APPROVAL BY THE INTERNAL REVENUE SERVICE. Notwithstanding any other provisions of this Plan, the Employer's adoption of this Plan is subject to the condition precedent that the Employer's Plan shall be approved and qualified by the Internal Revenue Service as meeting the requirements of Code Section 401(a). In the event the Plan initially fails to qualify and the Internal Revenue Service issues a final ruling that the Employer's Plan fails to so qualify as of the Effective Date, all liability of the Employer to make further contributions hereunder shall cease. The Plan Administrator and any other Named Fiduciary shall be notified immediately by the Employer, in writing, of such failure to qualify. Upon such notification, the value of the Participants' Accounts shall be distributed in cash to the Employer, subject to the terms and conditions of Article VI.
- 14.8 SUBSEQUENT UNFAVORABLE DETERMINATION. If the Employer is notified subsequent to initial favorable qualification that the Plan is no longer qualified within the meaning of Code Section 401(a), and if the Employer shall fail within a reasonable time to make any necessary changes in order that the Plan shall so qualify, the Participants' Accounts shall be fully vested and nonforfeitable and shall be disposed of as if the Plan had terminated, in the manner set forth in this Article XIV.

ARTICLE XV
SUBSTITUTION OF PLANS

- 15.1 SUBSTITUTION OF PLANS. The Employer may substitute an individually designed plan or a master or prototype plan for this Plan without terminating this Plan as embodied herein and this shall be deemed to constitute an amendment and restatement in its entirety of this Plan as heretofore adopted by the Employer; provided, however, that the Employer shall have certified to the Insurance Company that this Plan is being continued on a restated basis which meets the requirements of Code Section 401(a).
- 15.2 TRANSFER OF ASSETS. Upon 90 days' written notification from the Employer (unless the Insurance Company shall accept a shorter period of notification) that a different plan meeting the requirements set forth in Section 15.1 above has been executed and entered into by the Administrator and the Employer, and after the Insurance Company has been furnished the Employer's certification in writing that the Employer intends to continue the Plan as a qualified Plan under Code Section 401(a), the Insurance Company shall transfer the value of all Participant's Accounts to the Employer or such person or persons as may be entitled to receive the same. The Insurance Company may rely fully on the representations or directions of the Employer with respect to any such transfer and shall be fully protected and discharged with respect to any such transfer made in accordance with such representations, instructions, or directions.

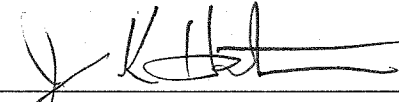
ARTICLE XVI
MISCELLANEOUS

- 16.1 NON-REVERSION. This Plan has been established by the Employer for the exclusive benefit of the Participants and their Beneficiaries. Except as otherwise provided in Sections 14.7 and 16.6, under no circumstances shall any funds contributed hereunder, at any time, revert to or be used by the Employer, nor shall any such funds or assets of any kind be used other than for the benefit of the Participants or their Beneficiaries.
- 16.2 GENDER AND NUMBER. When necessary to the meaning hereof, and except when otherwise indicated by the context, either the masculine or the neuter pronoun shall be deemed to include the masculine, the feminine, and the neuter, and the singular shall be deemed to include the plural.
- 16.3 REFERENCE TO THE CODE. Any reference to any section of the Code or to any other statute or law shall be deemed to include any successor law of similar import.
- 16.4 GOVERNING LAW. The Plan shall be governed and construed in accordance with the laws of the Commonwealth of Virginia.
- 16.5 COMPLIANCE WITH THE CODE. This Plan is intended to comply with all requirements for qualification under the Code, and if any provision hereof is subject to more than one interpretation or any term used herein is subject to more than one construction, such ambiguity shall be resolved in favor of that interpretation or construction which is consistent with the Plan being so qualified. If any provision of the Plan is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions, and this Plan shall be construed and enforced as if such provision had not been included.
- 16.6 CONTRIBUTION RECAPTURE. Notwithstanding any other provisions of this Plan, in the case of a contribution which is made by an Employer by a mistake of fact, Section 16.1 shall not prohibit the return of such contribution to the Employer within one year after the payment of the contribution. The amount which may be returned to the Employer is the excess of (1) the amount contributed over (2) the amount that would have been contributed had there not occurred a mistake of fact. Earnings attributable to the excess contribution may not be returned to the Employer, but losses attributable thereto must reduce the amount to be so returned. Furthermore, if the withdrawal of the amount attributable to the mistaken contribution would cause the balance of the individual account of any Participant to be reduced to less than the balance which would have been in the account had the mistaken amount not been contributed, then the amount to be returned to the Employer would have to be limited so as to avoid such reduction.
- 16.7 DOMESTIC RELATIONS ORDERS. Notwithstanding any other provisions of this Plan, the Participant's Account may be segregated and distributed pursuant to a domestic relations order which creates or recognizes the existence of an alternate payee's right to

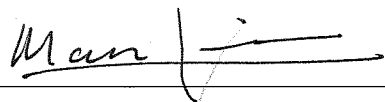
receive all or a portion of the benefits payable to a Participant under the Plan. The Plan Administrator shall establish procedures for processing a domestic relations order.

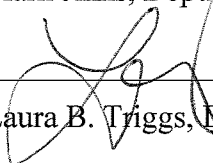
Executed at Alexandria, Virginia on January 22, 2009.

CITY OF ALEXANDRIA

By: 
James K. Hartmann, City Manager

ADMINISTRATOR

By: 
[Mark Jinks, Deputy City Manager]

By: 
[Laura B. Triggs, Director of Finance]

RESOLUTION NO. 2307

WHEREAS, the City of Alexandria maintains the "City of Alexandria Retirement Income Plan for Deputy Sheriffs, Emergency Rescue Technicians, and Fire Marshals" (the "Plan"); and

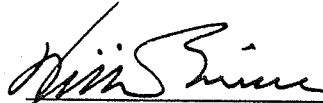
WHEREAS, the City of Alexandria desires to adopt and incorporate certain amendments to the Plan as set forth in the Plan attached hereto; and

WHEREAS, the City of Alexandria desires to restate the Plan attached hereto; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF ALEXANDRIA, VIRGINIA THAT the Alexandria City Council does hereby recognize, adopt, amend, approve and restate the Plan to incorporate the amendments attached hereto and incorporated fully herein by reference; and

BE IT FURTHER RESOLVED THAT this Resolution shall be effective immediately; provided however, that the amendments hereby approved shall be effective as stated in the Plan.

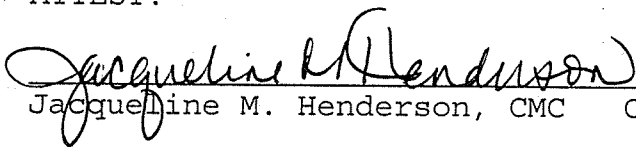
ADOPTED: December 9, 2008



WILLIAM D. EUILLE

MAYOR

ATTEST:



Jacqueline M. Henderson, CMC City Clerk

