

FOURTH AMENDMENT
TO THE
CITY MANAGER DEFINED BENEFIT PENSION PLAN
FOR THE CITY OF LAKEWOOD

WHEREAS, effective April 1, 2000, the City of Lakewood adopted the City Manager Defined Benefit Pension Plan and Trust for the City of Lakewood (the "Plan"); and

WHEREAS, the Plan was amended by that certain First Amendment, dated July 23, 2001, by that certain Second Amendment, dated December 10, 2002, and by that certain Third Amendment, dated January 14, 2008; and

WHEREAS, the City of Lakewood now desires to amend the Plan to incorporate required provisions of the Final Regulations under Internal Revenue Code Section 415.

NOW, THEREFORE, in consideration of the premises, Article VI. BENEFIT PAYMENTS, CLAIMS PROCEDURE, AND MAXIMUM LIMITATION, Section 6.05, is amended in its entirety to read as follows:

6.05 Maximum Limitation. The annual accrued retirement benefit of the Participant under this Plan cannot exceed \$160,000, as adjusted, effective January 1 of each year, under section 415(d) of the Code in such manner as the Secretary shall prescribe, and payable in the form of a straight life annuity (a limitation as adjusted under section 415(d) will apply to limitation years ending with or within the calendar year for which the adjustment applies).

Notwithstanding the preceding limitations, an annual benefit of \$10,000 or less payable to the Participant under this Plan and all other defined benefit plans the Employer maintains is not a violation of this section if the Participant has not participated at any time in a defined contribution plan, a welfare plan as defined in Section 419(e) of the Code, or an individual medical account as defined in Section 415(1)(2) of the Code or a simplified employee pension, as defined in Section 408(1), the Employer has maintained.

For purposes of determining whether the Participant's benefits exceed the limitations of this Section 5.01, the following rules shall apply:

(a) **Adjustment If Benefit Not Single Life Annuity:** If the form of benefit is other than a single life annuity, such form must be adjusted to an Actuarially Equivalent single life annuity. For Limitation Years beginning on or after July 1, 2007:

1. The Actuarial Equivalent of a Plan benefit payable in a form not subject to Code Section 417(e)(3) means the actuarially equivalent straight life annuity equal to the greater of the annual amount of the straight life annuity payable to the Participant under the Plan commencing at the same Annuity Starting Date as the Participant's form of benefit and the annual amount of the straight life annuity commencing at the same Annuity Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using a five percent (5%) interest rate and the Applicable Mortality Table, as defined in section 1.01.

2. The Actuarial Equivalent of a Plan benefit payable in a form subject to Code Section 417(e)(3) means the actuarially equivalent straight life annuity equal to the greater of the benefit computed using the Plan's interest rate and mortality table used for actuarial equivalence for the particular form of benefit payable to the Participant at the Annuity Starting Date and the benefit computed using a five and one-half percent (5.5%) interest rate and the Applicable Mortality Table, commencing at the same Annuity Starting Date. For Plan Years beginning after December 31, 2005, the Actuarial Equivalent of a Plan benefit payable in a form subject to Code Section 417(e)(3) means the actuarially equivalent straight life annuity payable at the Participant's Annuity Starting Date equal to the benefit computed using the Applicable Mortality Table and an interest rate that is the greatest of:

- i. Five and one-half percent (5.5%);
- ii. the rate that provides a benefit that is not more than one hundred five percent (105%) of the benefit that would be provided if the Applicable Interest Rate were the interest rate assumption; or
- iii. the rate used for actuarial equivalence for the particular form of benefit payable.

No adjustment is required for the following: qualified joint and survivor annuity benefits; pre-retirement disability benefits; pre-retirement death benefits; and post-retirement medical benefits.

(b) Adjustment If Benefit Commences Before Age 62: If the benefit of the Participant begins prior to age 62, the defined benefit dollar limitation applicable to the Participant at such earlier age is an annual benefit payable in the form of a straight life annuity beginning at the earlier age that is the actuarial equivalent of the defined benefit dollar limitation applicable to the Participant at age 62 (adjusted under (a) above, if required). The defined benefit dollar limitation applicable at an age prior to age 62 is determined as the lesser of (i) the actuarial equivalent (at such

age) of the defined benefit dollar limitation computed using the interest rate and mortality table (or other tabular factor) specified in section 1.01 of the plan and (ii) the actuarial equivalent (at such age) of the defined benefit dollar limitation computed using a 5 percent interest rate and the applicable mortality table as defined in section 1.01 of the plan. Any decrease in the defined benefit dollar limitation determined in accordance with this paragraph (b) shall not reflect a mortality decrement if benefits are not forfeited upon the death of the Participant. If any benefits are forfeited upon death, the full mortality decrement is taken into account.

(c) Adjustment if Benefit Commences After Age 65: If the benefit of the Participant begins after the Participant attains age 65, the defined benefit dollar limitation applicable to the Participant at the later age is the annual benefit payable in the form of a straight life annuity beginning at the later age that is actuarially equivalent to the defined benefit dollar limitation applicable to the Participant at age 65 (adjusted under (a) above, if required). The actuarial equivalent of the defined benefit dollar limitation applicable at an age after age 65 is determined as (i) the lesser of the actuarial equivalent (at such age) of the defined benefit dollar limitation computed using the interest rate and mortality table (or other tabular factor) specified in section 1.01 of the plan and (ii) the actuarial equivalent (at such age) of the defined benefit dollar limitation computed using a 5 percent interest rate assumption and the applicable mortality table as defined in section 1.01 of the plan. For these purposes, mortality between age 65 and the age at which benefits commence shall be ignored.

(d) Adjustment for Less than Ten Years of Service or Participation: If the Participant has fewer than 10 years of participation in the plan, the defined benefit dollar limitation shall be multiplied by a fraction, (i) the numerator of which is the number of years (or part thereof) of participation in the plan and (ii) the denominator of which is 10. If the Participant has fewer than 10 years of service with the Employer, the defined benefit compensation limitation shall be multiplied by a fraction, (i) the numerator of which is the number of years (or part thereof) of service with the employer and (ii) the denominator of which is 10.

(f) Limitation on Reduction: In no event shall the provisions herein reduce the limitations provided under Sections 415(b)(1) and (4) of the Code to an amount less than one-tenth of the applicable limitation (as determined without regard to this Section).

(g) Application to Changes in Benefit Structure: To the extent provided by the Secretary of the Treasury, these provisions shall be applied separately with respect to each change in the benefit structure of the plan.

The annual benefit otherwise payable to the Participant at any time will not exceed the maximum permissible amount. If the benefit the Participant would otherwise accrue in a limitation year would produce an annual benefit in excess of the maximum permissible amount, the rate of accrual will be reduced so that the annual benefit will equal the maximum permissible amount.

IN WITNESS WHEREOF, effective as of January 1, 2008, the undersigned hereby accept the Plan as amended herein and agree to be bound thereby:

THE CITY OF LAKEWOOD, COLORADO

ATTEST:

Margy Greer

By: _____
Mayor

TRUSTEES:

By: _____

By: _____

By: _____