

CITY COUNCIL RESOLUTION

WHEREAS, the Board of Light, Gas and Water Commissioners at its meeting held October 18, 2007, approved amendments to the Memphis Light, Gas and Water Division Retirement and Pension System, as amended and restated effective January 1, 2001, and further;

WHEREAS, the amendments to Article II - Section 2.2 - Treatment of Interruptions of Service are more specifically described as: (a) Employee's Reemployment After Break in Service; (b) Employee's Reemployment Before Break in Service; (c) Conditions and Limitations on the Purchase of Division Prior Service; (d) Exclusive Rights With Respect to Prior Service; and (e) Termination of Active Participation.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MEMPHIS, that the following amendments to the Memphis Light, Gas and Water Division Retirement and Pension System, as amended and restated effective January 1, 2001, are approved:

Article II, ELIGIBILITY, Section 2.2 shall be deleted in its entirety and the following Section 2.2 shall be substituted therefore:

2.2 Treatment of Interruptions of Service.

(a) Employee's Reemployment After Break in Service. (i) If a Covered Employee terminates employment with the Division and then is reemployed or reinstated as a Covered Employee after incurring a Break in Service, the Covered Employee shall become a Participant as of the date he/she is reemployed as a Covered Employee, but all prior periods of service with the Division ("Division Prior Service") shall be disregarded in determining the Covered Employee's Years of Service under the Plan.

(ii) Notwithstanding the foregoing, if, but only if, the Participant had received a refund of the Participant's Accumulated Contributions without

interest or multiple, the Participant may at any time during the period of his reemployment and prior to his attainment of Normal Retirement Age deposit into the Fund in one lump sum the Accumulated Participant Contributions distributed to the Participant upon his/her prior termination of employment, together with interest thereon at an annual rate of nine percent (9%) compounded annually (or such higher rate established by the Pension Board). Upon receipt of such deposit by the Fund such Division Prior Service of the Participant represented by such deposit shall be counted as Years of Service for purposes of (1) determining whether the Participant has completed the number of Years of Service required to have attained Normal Retirement Age, and (2) determining the Accrued Benefit of the Participant under Article IV hereof.

The Participant's right to make such deposit shall be subject to each and all of the requirements and limitations of Section 2.2(c) hereinbelow.

(b) Employee's Reemployment Before Break in Service. (i) If a Covered Employee terminates employment with the Division and then is reemployed as a Covered Employee before incurring a Break in Service, the Covered Employee shall become a Participant as of the date he/she is reemployed as a Covered Employee, but all of the Participant's Division Prior Service shall be disregarded in determining the Covered Employee's Years of Service under the Plan.

(ii) Notwithstanding the foregoing, the Participant may elect within 30 days of the date of his reemployment to repay to the Fund in one lump sum the Accumulated Participant Contributions and any multiple or interest thereon distributed to the Participant upon his/her prior termination of employment, together with interest thereon at an annual rate of 8% compounded annually (or such higher rate established by the Pension Board). Upon receipt of such deposit by the Fund the Participant's Division Prior Service represented by such deposit shall constitute Years of Service for all purposes under this Plan. The Participant shall not have the right to deposit less than the principal sum, multiple, and interest provided above or to reinstate less than all his prior periods of service with the Division. If said Participant does not repay such distribution in accordance with this subsection 2.2(b), then for purposes of determining the Participant's Years of Service under the Plan, all Division Prior Service of the Participant shall be disregarded.

(iii) Notwithstanding the foregoing, if the Participant did not repay such distribution within the 30 day period provided above, if, but only if, the Participant had received a refund of the Participant's Accumulated Contributions without interest or multiple, the Participant may at any time during the period of the Participant's reemployment and prior to the Participant's attainment of Normal Retirement Age deposit into the Fund

in one lump sum the Accumulated Participant Contributions distributed to the Participant upon his/her prior termination of employment, together with interest thereon at an annual rate of nine percent (9%) compounded annually (or such higher rate established by the Pension Board). Upon receipt of such deposit by the Fund such Division Prior Service of the Participant represented by such deposit shall be counted as Years of Service for purposes of (1) determining whether the Participant has completed the number of Years of Service required to have attained Normal Retirement Age, and (2) determining the Accrued Benefit of the Participant under Article IV hereof.

The Participant's right to make such deposit shall be subject to each and all of the requirements and limitations of Section 2.2(c) hereinbelow.

(c) Conditions and Limitations on the Purchase of Division Prior Service. The Participant may elect to make the deposit required in Section 2.2(a)(ii) or 2.2(b)(iii) above, as applicable, only while the Participant remains a Covered Employee of the Division. The Participant shall not have the right to purchase such Division Prior Service at any time that the Participant is not employed as a Covered Employee by the Division. Such election must be made between the date of the Participant's reemployment and the date immediately prior to the Participant's attainment of Normal Retirement Age. If after the Participant's reemployment by the Division the employment of such Participant with the Division terminates for any reason prior to the Participant's attainment of Normal Retirement Age, but after the Participant has made the deposit required above, such Participant's Division Prior Service shall not count as Years of Service for purposes of determining the refund of a multiple of the Participant's Accumulated Participant Contributions under Section 6.9 hereof. In such event, with respect to such Division Prior Service such Participant shall receive a refund of the amount deposited into the Fund by the Participant under this Section 2.2, without interest, earnings, or multiple thereon (the "Deposit Refund"). The Deposit Refund provided under this Section 2.2 shall be made at the same time as provided for refunds under Section 6.9 hereof. If the Participant is also entitled under Section 6.9 hereof to a multiple of the Participant's Accumulated Participant Contributions with respect to the Participant's Years of Service with the Division other than the Division Prior Service, the Deposit Refund provided under this Section 2.2 shall be made at the same time as the refund of the multiple of the Participant's Accumulated Participant Contributions under Section 6.9 hereof.

If the Participant elects to make the deposit provided in Section 2.2(a)(ii) or 2.2(b)(iii) above, as applicable, the Participant shall not have the right to deposit less than the principal sum and interest provided above or to reinstate less than all the Participant's prior periods of service with the

Division; provided, however, that the Participant shall not be required to purchase any such Division Prior Service that results at the time of such deposit in a benefit in excess of the Maximum Benefit provided under Article IV hereof. If said Participant does not repay such distribution in accordance with this subsection 2.2(b), then for purposes of determining the Participant's Years of Service under the Plan, all Division Prior Service of the Participant shall be disregarded in determining his/her Years of Service under the Plan.

(d) Exclusive Rights With Respect to Prior Service. This Section 2.2 provides the exclusive provisions with respect to the right of a Participant to purchase prior service. No Participant shall have the right to purchase any prior service other than Division Prior Service. No Participant shall have the right to purchase any prior service except as expressly provided in this Section 2.2.

(e) Termination of Active Participation. If a Participant terminates employment as a Covered Employee with the Division, the Participant's active participation in the Plan shall cease immediately. However, regardless of whether the Participant again becomes an active Participant, the Participant shall continue to be a Participant until he/she no longer has an Accrued Benefit or Accumulated Participant Contributions under the Plan.

IN WITNESS WHEREOF, the Memphis Light, Gas and Water Division caused this Amendment to the Plan to be executed by its duly authorized officer, all as of the date first written above.

E X C E R P T
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 18, 2007

The Secretary-Treasurer stated that the Pension Board had approved amendments to the Memphis Light, Gas and Water Division Retirement and Pension System, as amended and restated effective January 1, 2001.

The amendments to Article II - Section 2.2 - Treatment of Interruptions of Service are more specifically described as: (a) Employee's Reemployment After Break in Service; (b) Employee's Reemployment Before Break in Service; (c) Conditions and Limitations on the Purchase of Division Prior Service; (d) Exclusive Rights With Respect to Prior Service; and (e) Termination of Active Participation.

It was moved by Commissioner Clark, seconded by Commissioner Taylor and unanimously carried:

THAT, Subject to the consent and approval of the Council of the City of Memphis, the Memphis Light, Gas and Water Division Retirement and Pension System is hereby amended as follows:

Article II, ELIGIBILITY, Section 2.2 shall be deleted in its entirety and the following Section 2.2 shall be substituted therefore:

2.2 Treatment of Interruptions of Service.

(a) Employee's Reemployment After Break in Service. (i) If a Covered Employee terminates employment with the Division and then is reemployed or reinstated as a Covered Employee after incurring a Break in Service, the Covered Employee shall become a Participant as of the

date he/she is reemployed as a Covered Employee, but all prior periods of service with the Division ("Division Prior Service") shall be disregarded in determining the Covered Employee's Years of Service under the Plan.

(ii) Notwithstanding the foregoing, if, but only if, the Participant had received a refund of the Participant's Accumulated Contributions without interest or multiple, the Participant may at any time during the period of his reemployment and prior to his attainment of Normal Retirement Age deposit into the Fund in one lump sum the Accumulated Participant Contributions distributed to the Participant upon his/her prior termination of employment, together with interest thereon at an annual rate of nine percent (9%) compounded annually (or such higher rate established by the Pension Board). Upon receipt of such deposit by the Fund such Division Prior Service of the Participant represented by such deposit shall be counted as Years of Service for purposes of (1) determining whether the Participant has completed the number of Years of Service required to have attained Normal Retirement Age, and (2) determining the Accrued Benefit of the Participant under Article IV hereof.

The Participant's right to make such deposit shall be subject to each and all of the requirements and limitations of Section 2.2(c) hereinbelow.

(b) Employee's Reemployment Before Break in Service. (i) If a Covered Employee terminates employment with the Division and then is reemployed as a Covered Employee before incurring a Break in Service, the Covered Employee shall become a Participant as of the date he/she is reemployed as a Covered Employee, but all of the Participant's Division Prior Service shall be disregarded in determining the Covered Employee's Years of Service under the Plan.

(ii) Notwithstanding the foregoing, the Participant may elect within 30 days of the date of his reemployment to repay to the Fund in one lump sum the Accumulated Participant Contributions and any multiple or interest thereon distributed to the Participant upon his/her prior termination of employment, together with interest thereon at an annual rate of 8% compounded annually (or such higher rate established by the Pension Board). Upon receipt of such deposit by the Fund the Participant's Division Prior Service represented by such deposit shall constitute Years of Service for all purposes under this Plan. The Participant shall not have the right to deposit less than the principal sum, multiple, and interest provided above or to reinstate less than all his prior periods of service with the Division. If said Participant does not repay such distribution in accordance with this subsection 2.2(b), then for purposes of determining the Participant's Years of Service under the Plan, all Division Prior Service of the Participant shall be disregarded.

(iii) Notwithstanding the foregoing, if the Participant did not repay such distribution within the 30 day period provided above, if, but only if, the Participant had received a refund of the Participant's Accumulated Contributions without interest or multiple, the Participant may at any time during the period of the Participant's reemployment and prior to the Participant's attainment of Normal Retirement Age deposit into the Fund in one lump sum the Accumulated Participant Contributions distributed to the Participant upon his/her prior termination of employment, together with interest thereon at an annual rate of nine percent (9%) compounded annually (or such higher rate established by the Pension Board). Upon receipt of such deposit by the Fund such Division Prior Service of the Participant represented by such deposit shall be counted as Years of Service for purposes of (1) determining whether the Participant has completed the number of Years of Service required to have attained Normal Retirement Age, and (2) determining the Accrued Benefit of the Participant under Article IV hereof.

The Participant's right to make such deposit shall be subject to each and all of the requirements and limitations of Section 2.2(c) hereinbelow.

(c) Conditions and Limitations on the Purchase of Division Prior Service. The Participant may elect to make the deposit required in Section 2.2(a)(ii) or 2.2(b)(iii) above, as applicable, only while the Participant remains a Covered Employee of the Division. The Participant shall not have the right to purchase such Division Prior Service at any time that the Participant is not employed as a Covered Employee by the Division. Such election must be made between the date of the Participant's reemployment and the date immediately prior to the Participant's attainment of Normal Retirement Age. If after the Participant's reemployment by the Division the employment of such Participant with the Division terminates for any reason prior to the Participant's attainment of Normal Retirement Age, but after the Participant has made the deposit required above, such Participant's Division Prior Service shall not count as Years of Service for purposes of determining the refund of a multiple of the Participant's Accumulated Participant Contributions under Section 6.9 hereof. In such event, with respect to such Division Prior Service such Participant shall receive a refund of the amount deposited into the Fund by the Participant under this Section 2.2, without interest, earnings, or multiple thereon (the "Deposit Refund"). The Deposit Refund provided under this Section 2.2 shall be made at the same time as provided for refunds under Section 6.9 hereof. If the Participant is also entitled under Section 6.9 hereof to a multiple of the Participant's Accumulated Participant Contributions with respect to the Participant's Years of Service with the Division other than the Division Prior Service, the Deposit Refund provided under this Section 2.2 shall be made at the same time as the refund of the multiple of the

Participant's Accumulated Participant Contributions under Section 6.9 hereof.

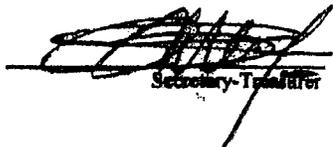
If the Participant elects to make the deposit provided in Section 2.2(a)(ii) or 2.2(b)(iii) above, as applicable, the Participant shall not have the right to deposit less than the principal sum and interest provided above or to reinstate less than all the Participant's prior periods of service with the Division; provided, however, that the Participant shall not be required to purchase any such Division Prior Service that results at the time of such deposit in a benefit in excess of the Maximum Benefit provided under Article IV hereof. If said Participant does not repay such distribution in accordance with this subsection 2.2(b), then for purposes of determining the Participant's Years of Service under the Plan, all Division Prior Service of the Participant shall be disregarded in determining his/her Years of Service under the Plan.

(d) Exclusive Rights With Respect to Prior Service. This Section 2.2 provides the exclusive provisions with respect to the right of a Participant to purchase prior service. No Participant shall have the right to purchase any prior service other than Division Prior Service. No Participant shall have the right to purchase any prior service except as expressly provided in this Section 2.2.

(e) Termination of Active Participation. If a Participant terminates employment as a Covered Employee with the Division, the Participant's active participation in the Plan shall cease immediately. However, regardless of whether the Participant again becomes an active Participant, the Participant shall continue to be a Participant until he/she no longer has an Accrued Benefit or Accumulated Participant Contributions under the Plan.

IN WITNESS WHEREOF, the Memphis Light, Gas and Water Division caused this Amendment to the Plan to be executed by its duly authorized officer, all as of the date first written above.

I hereby certify that the foregoing is a true copy of a resolution adopted by the Board of Light, Gas and Water Commissioners at a regular - special- meeting held on 18th day of October, 2007, at which a quorum was present.


Secretary-Treasurer