PRELIMINARY REPORT

RAEL & LETSON
CONSULTANTS AND ACTUARIES

ACTUARIAL VALUATION

WESTERN STATES OFFICE & PROFESSIONAL EMPLOYEES PENSION PLAN

RESULTS AS OF JANUARY 1, 2011

June 2011

June 9, 2011

Board of Trustees
Western States Office & Professional Employees Pension Plan

Dear Trustees:

We are pleased to present the results of our actuarial valuation of the Pension Plan as of January 1, 2011. Included in this report is an analysis of the actuarial experience for the 2010 Plan Year.

In the report we present the following:

- An actuarial balance sheet which states the financial position of the Trust as of January 1, 2011. The Plan's Unfunded Accrued Actuarial Liability is $119.7 million.

- Net investment income was $23.2 million for an annual rate of return of 5.71% (based on the actuarial value of assets). The market value rate of return was 13.23%.

- An analysis of the Plan's actuarial experience during 2010. The Plan's 2010 net actuarial loss due to recognized investment return falling shy of the assumed return of 7.25% was $6.3 million. On the liability side, a gain of $0.7 million was realized during the 2010 Plan Year.

- A projection of the funding status of the Plan. Projected annual Employer contributions exceed the estimated annual cost of benefits to be earned by $6.8 million. However, this excess is not sufficient to offset the annual interest accrual of $8.7 million on the Unfunded Accrued Actuarial Liability.

- As of January 1, 2011, the Plan was certified under the PPA as being in critical status. As required, the Trustees adopted a Rehabilitation Plan (effective October 16, 2009) which ensures that, by the end of the Rehabilitation Period, the Plan will have a favorable credit balance for the current and succeeding 9 Plan Years. We will continue to monitor the Plan's status and update the Plan's scheduled progress near the end of the Plan Year based on investment results from 2011.

- Based on the PPA and the Plan interest assumption of 7.25%, the funded ratio for the 2011 Plan Year to be provided in notices to be distributed during 2012 is 77.6%.

- As of December 31, 2010 the credit balance in the Funding Standard Account was $46.1 million, an increase of $7.2 million from the prior year. This change includes the 5-year automatic extension for the charge bases in the Funding Standard Account that was granted for 2009.

- As of December 31, 2010, there is an unfunded vested liability for withdrawal liability purposes of $187.4 million. Pursuant to the IRC, the determination of the unfunded vested liability disregards certain benefit reductions implemented as part of the Rehabilitation Plan.

- Contributions for 2011 are projected to be fully deductible as they will fall within the limits allowed under the Internal Revenue Code (IRC).

We look forward to discussing this report at the next Board meeting.

Sincerely,

Paul Graf | Lisa M. Vu

cc: Rich Crook
Joe Reinhart, Esq.
Alex Miller
Bruce Cable

INTRODUCTION

The Western States Office and Professional Employees Pension Plan became effective in 1959 as a result of collective bargaining between Locals 29 and 11 of OPEIU and Pacific Intermountain Express.

The purpose of the actuarial valuation is to assist the Trustees in determining whether the assets of the Trust and the Employer contributions are sufficient to meet the accruing liability for benefits under the Plan. The actuarial balance sheet on page 3, the analysis of Employer contributions on page 6, and the comparison of actual experience with expected experience beginning on page 7 provide the tests by which we measure the actuarial position of the Trust. A brief summary comparison of some of the important figures included in our two most recent valuations is set forth to the right:

VALUATION HIGHLIGHTS

	January 1, 2011	January 1, 2010
Number of Participants:[1]		
Active	1,936	2,050
Vested Inactive	2,598	2,589
Retired	3,450	3,451
Total Participants	7,984	8,090
Assets at Market Value	$ 366,575,098	$ 350,729,611
Assets at Actuarial Value	$ 415,436,594	$ 420,875,533
Accrued Actuarial Liability	535,120,828	533,426,348
Unfunded Accrued Liability	119,684,234	112,550,815
Employer Contributions During Year	$ 8,489,009	$ 8,004,785

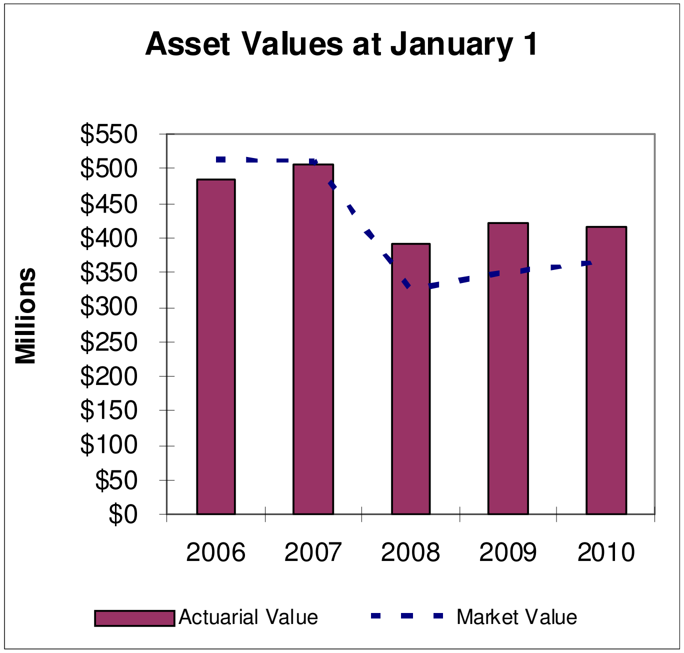
[1] Does not include 493 and 550 non-vested inactive participants in 2010 and 2009, respectively, who have not had a permanent break-in-service.

INTRODUCTION (CONTINUED)

Our report is divided into six sections:

SECTION I	**-**	**BALANCE SHEET AND DISCUSSION**
SECTION II	**-**	**PROJECTION OF EMPLOYER CONTRIBUTIONS AND COSTS**
SECTION III	**-**	**ACTUARIAL GAIN/ (LOSS) ANALYSIS**
SECTION IV	**-**	**CHANGES SINCE LAST VALUATION**
SECTION V	**-**	**COMMENTS AND CERTIFICATION**
SECTION VI	**-**	**APPENDICES**

SECTION I BALANCE SHEET



As of December 31, 2010 the unfunded vested liability for withdrawal liability purposes is $187,435,342.

The PPA Funded Ratio as of January 1, 2011 is 77.6%.

ASSETS	
Cash	$ 3,312,479
Marketable Securities	359,652,031
Net of Receivables and Payables	3,610,588
Assets At Market Value	$ 366,575,098
Market Value Adjustment (Appendix F)	48,861,496
Assets At Actuarial Value	$ 415,436,594
LIABILITIES	
Reserves Required For:	
Pensioners	$ 358,159,010
Vested Non-Retired Benefits	173,259,659
Total Vested Benefits	$ 531,418,669
Non-Vested Benefits	3,702,159
Total Reserves for Accrued Benefits	$ 535,120,828
Less Unfunded Accrued Liabilities	119,684,234
Actuarial Value of Assets	$ 415,436,594

SECTION I DISCUSSION OF BALANCE SHEET

The actuarial balance sheet presents the financial status of the Plan as of January 1, 2011 and provides us with the means of measuring the actuarial position of the Trust.

ASSETS

The total net assets of the Trust as of January 1, 2011 are $415,436,594. The draft audit as of December 31, 2010 shows net assets at market value equal to $366,575,098. The difference of $48,861,496 is due to the application of the actuarial smoothing method for determining the actuarial value of assets.

We have utilized an asset valuation method that spreads net investment income on Trust assets that is more or less than 7¼% per year. The value of Trust assets based on this method is $415,436,594, which represents 113.3% of the Market Value of Assets. This method is intended to dampen the volatility associated with year to year changes in the market value of Trust assets, while at the same time systematically recognizing longer term overall investment performance. The detail of the actuarial adjustment is shown in Appendices E and F.

LIABILITIES

Plan liabilities on the balance sheet have been valued assuming an interest discount rate of 7¼%.

In the Liabilities Section of the Balance Sheet we have shown the reserve requirements for benefits of pensioners and non-retired participants. The total reserve requirement for benefits earned by employees through January 1 2011, is $535,120,828. This total is comprised of the reserves required for retired employees amounting to $358,159,010, the reserve requirement for other vested benefits of $173,259,659, and the reserve requirement for non-vested benefits earned by employees of $3,702,159. The amount by which the Plan assets are less than the accrued actuarial liability, the Unfunded Accrued Liability, is $119,684,234.

SECTION I DISCUSSION OF BALANCE SHEET (CONTINUED)

WITHDRAWAL LIABILITY

Withdrawal liability assessments, if any, are based on the amount of "Unfunded Vested Benefits" and an employer's contribution history. Benefits in which a participant is not immediately vested are excluded from the determination of vested benefits; this includes disability and death benefits. Assets are valued at Market Value for this purpose. Note that the Pension Protection Act requires plans that implemented a Rehabilitation Plan to disregard any reduction in Adjustable Benefits when determining the Unfunded Vested Benefits (UVB) for withdrawal liability. The resulting UVB is as follows:

1. Market Value of Assets: $366,575,098
2. Vested Benefit Liability: $554,010,440
3. Unfunded Vested Benefits: $187,435,342

This means that any Employer who withdraws in the 2011 Plan Year may be subject to a withdrawal liability assessment.

SECTION II PROJECTION OF EMPLOYER CONTRIBUTIONS AND COSTS

Employer Contributions

Following is a summary of the expected application of Employer contributions during 2011. This projection is based on 2010 contribution levels, considers the surcharges, supplementals for collective bargaining agreements negotiated on or before January 1, 2011. The estimated employer contributions for 2011 anticipate a 6% increase in the average hourly contribution rate in 2011 (versus 2010) to account for scheduled increases in the Supplemental Contribution percentages for employers that have negotiated a Rehabilitation Plan schedule. Average hours worked in the past year for each active participant as of January 1, 2011 were also assumed:

Estimated Employer Contributions	$ 8,843,000
Less Annual Cost of Benefits	2,067,000
Available to Reduce the Unfunded Accrued Actuarial Liability	$ 6,776,000

The estimated Employer contribution exceeds the minimum required by ERISA and is also fully deductible under the IRC.

The interest on the current Unfunded Accrued Actuarial Liability at 7.25% amounts to $8.7 million, so the amount available is insufficient to amortize the Unfunded Accrued Actuarial Liability. However, based on the terms of Rehabilitation Plan, the Plan's funded percentage is expected to improve and a favorable credit balance is expected to be achieved by the end of the Rehabilitation Period. We will continue to monitor the Plan's status and provide updates on scheduled progress.

SECTION III ACTUARIAL GAIN/(LOSS) ANALYSIS

ACTUARIAL VALUATION

An actuarial valuation is a snapshot of asset and liability measures of the Pension Plan. It is used to estimate of the amount of funds needed as of the valuation date to be expected to pay the future payments of benefits to retiring employees based on the actual service rendered by these employees prior to the valuation date and projected service to date of retirement. The actuarial assumptions and the calculation method on which these estimates are based have been adopted by the Trustees and are set forth below.

Actuarial Experience

In the paragraphs below, we have outlined the experience over the 2010 Plan Year and have shown experience for the past five years.

Net Investment Yield - 7.25% per annum

The net investment yield of the invested funds during the year ending December 31, 2010 was 5.71%.

The net investment yield assumption relates to the long-term yield on the Trust assets. Based on the actuarial value of assets we had anticipated that 2010 investment income would be $29,475,000. Actual investment income, net of investment and operational expenses, was $23,208,682, resulting in an actuarial **loss** of **$6,266,318**.

INCOME	DOLLAR AMOUNT	YIELD
Investment Income	$ 25,831,997	6.35 %
Investment Expenses	(1,610,323)	(0.40)
Operational Expenses	(1,012,992)	(0.24)
Net Investment Income (Appendix E)	$ 23,208,682	5.71 %
Expected Investment Income (at Actuarial Value)	29,475,000	7.25
Investment Loss for Year	$ (6,266,318)	(1.54)%

INVESTMENT YIELDS

YEAR	ACTUARIAL GAIN/(LOSS)	NET YIELD ACTUARIAL	NET YIELD MARKET
2006	$ 2,581,843	7.81%	11.36%
2007	13,188,900	10.04	4.62
2008	(126,852,502)	(18.37)	(32.15)
2009	27,395,188	14.48	15.95
2010	(6,266,318)	5.71	13.23

SECTION III ACTUARIAL GAIN/(LOSS) ANALYSIS (CONTINUED)

Mortality - 1983 GAMF Mortality Table (17 year set forward for disability retirees until age 62).

Based on the assumptions used in the valuation we compared the reserves which were expected to be released on account of death to the actual amount released. The reserves that were released were more than expected. The difference, **$443,653**, is an actuarial **gain**.

YEAR	GAIN/(LOSS)
2006	$ (514,432)
2007	609,792
2008	2,337,772
2009	3,427,808
2010	443,653

Turnover and Vesting - Table T-7 of the Actuary's Pension Handbook (Crocker-Sarason-Straight).

Reserves for non-vested participants are discounted for turnover according to Table T-7 of the Actuary's Pension Handbook. During 2010, reserves released on account of non-vested terminations were greater than those anticipated, resulting in a **gain** to the Trust of **$182,094**.

YEAR	GAIN/(LOSS)
2006	$ 1,491,827
2007	3,496,820
2008	208,536
2009	138,998
2010	182,094

Prior to January 1, 2008, Table T-4 of the Actuary's Pension Handbook was used to estimate turnover experience.

SECTION III ACTUARIAL GAIN/(LOSS) ANALYSIS (CONTINUED)

Retirement Age [1]

Participants are assumed to retire in accordance with an explicit set of retirement rates. During 2010 the actuarial **gain** attributable to the assumptions relating to the rates of retirement was **$510,575**.

YEAR	GAIN/(LOSS)
2006	$ (965,456)
2007	129,454
2008	1,007,178
2009	(3,026,254)
2010	510,575

[1] Prior to 2010, Disability Cost experience analysis was included with the Retirement Age experience analysis.

Disability Costs

Participants are assumed to become disabled in accordance with an explicit set of disablement rates. During 2010 the actuarial **loss** attributable to the assumption relating to the rates of disability was **$131,473**.

YEAR	GAIN/(LOSS)
2010	(131,473)

SECTION III ACTUARIAL GAIN/(LOSS) ANALYSIS (CONTINUED)

Data and Miscellaneous [1]

Data corrections, the cost of benefits and miscellaneous items resulted in a net **loss** of **$338,597** to the Trust during 2010.

YEAR	GAIN/(LOSS)
2006	$ (11,318)
2007	128,169
2008	193,667
2009	(589,859)
2010	(338,597)

[1] Prior to this report, Cost of Benefit experience analysis was listed out separately.

SUMMARY OF GAINS OR LOSSES

Following is a summary of the gains or losses from the various sources:

SUMMARY OF GAINS AND LOSSES

SOURCE	GAIN/(LOSS)
Investment Income	$ (6,266,318)
Mortality	443,653
Turnover	182,094
Retirement	510,575
Disability Costs	(131,473)
Data and Miscellaneous	(338,597)
Total Loss	$ (5,600,066)

SECTION IV CHANGES SINCE LAST VALUATION

Changes in plan provisions, valuation methodology and assumptions:

There have been no changes in plan provisions, valuation methodology and assumptions since the prior valuation.

SECTION V COMMENTS AND CERTIFICATION

This is to certify that we have completed an actuarial valuation of the Plan as of January 1, 2011 in accordance with generally accepted actuarial principles and practices, including Actuarial Standards of Practice (ASOP) Nos. 4, 23, 27, 35, 41 and 44. This report has been prepared for the Board of Trustees of the Western States Office & Professional Employees Pension Plan to provide information on the Plan's funded status, to review the recent experience under the Plan and to supply figures needed by the auditor.

This report on the results of the valuation was based on the assumption that the Plan is qualified under the Internal Revenue Code and on information supplied by the Plan Administrator with respect to contributions and assets and with respect to participant data. We have not verified, and customarily would not verify such information, but we have no reason to doubt its substantial accuracy.

To the best of our knowledge, the information supplied in this actuarial valuation is complete and accurate and, in our opinion, the individual assumptions used: (a) are reasonably related to the experience of the Plan and to reasonable expectations; and (b) represent our best estimate of anticipated experience under the Plan.

We are not aware of any events, subsequent to January 1, 2011, that would have a material effect on the actuarial findings presented in this report.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (for instance, the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the assignment, we did not perform analysis of the potential range of such future measurements.

In preparation of this report and the actuarial findings contained herein there has been no conflict of interest between any relevant parties; no findings for which we, the actuaries, do not assume responsibility; and no deviation from ASOP Nos. 4, 23, 27, 35, 41 and 44.

All information pertaining to the findings presented in this report is contained within this report, and should not be relied upon for any other purpose than as stated above.

SECTION III COMMENTS AND CERTIFICATION (CONTINUED)

The effective date of the Pension Protection Act of 2006 (PPA) for this Plan was January 1, 2008. In accordance with Internal Revenue Code Section 432(b), the Plan, as of the beginning of its 2011 Plan Year was certified as remaining in critical status. In response, the Board of Trustees adopted a Rehabilitation Plan which complies with Internal Revenue Code Section 432(e). We will again update the Plan's status and the adopted Rehabilitation Plan near the beginning of the following plan year based on investment results for 2011.

We have determined that the projected contributions will meet the minimum funding requirements of ERISA and will be fully deductible under the Internal Revenue Code.

We, Michael Clark and Paul Graf, are actuaries for Rael & Letson. We are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Certified By: ______________________ A.S.A., M.A.A.A.
Michael R. Clark
Enrolled Actuary No. 11-00044

Reviewed By: ______________________ A.S.A., M.A.A.A.
Paul Graf
Enrolled Actuary No. 11-05627

Prepared by: ______________________.
Lisa Vu

SECTION VI APPENDICES

A. DISTRIBUTION OF ACTIVE AND VESTED INACTIVE PARICIPANTS BY AGE

DISTRIBUTION OF ACTIVE PLAN PARTICIPANTS BY AGE AND SERVICE

STATISTICS FOR ACTIVE PARTICIPANTS

STATISTICS FOR INACTIVE PARTICIPANTS

B. DISTRIBUTION OF PENSIONERS BY AGE

C. PARTICIPANT RECONCILIATION

D. CHANGES IN NET ASSETS AT ACTUARIAL AND MARKET VALUES

E. DETERMINATION OF NET INVESTMENT EARNINGS

F. DETERMINATION OF MARKET VALUE ADJUSTMENT AND ACTUARIAL VALUE OF ASSETS

G. SUMMARY OF PRINCIPAL PLAN PROVISION

H. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

I. FUNDING STANDARD ACCOUNT FOR THE YEAR

FUNDING STANDARD ACCOUNT AMORTIZATION BASES

J. CURRENT LIABILITY

K. RECONCILIATION OF ACTUARIAL VALUE OF ACCUMULATED BENEFITS

APPENDIX A DISTRIBUTION OF ACTIVE AND VESTED INACTIVE PARTICIPANTS

DISTRIBUTION OF ACTIVE AND VESTED INACTIVE PARTICIPANTS BY AGE

ACTIVE PARTICIPANTS

AGE GROUP	VESTED	NON-VESTED	TOTAL	INACTIVE VESTED PARTICIPANTS
Under 20	0	0	0	0
20 - 24	2	42	44	0
25 - 29	35	83	118	12
30 - 34	85	71	156	89
35 - 39	125	42	167	194
40 - 44	180	52	232	404
45 - 49	247	48	295	451
50 - 54	328	59	387	589
55 - 59	287	34	321	462
60 - 62	101	8	109	193
63 - 69	70	16	86	166
70 and Over	5	0	5	33
No Birthdates	1	15	16	5
Total	1,466	470	1,936	2,598
Average Age This Year	49	40	47	50
Average Age Last Year	49	39	46	50

Grand Total: 4,534

APPENDIX A DISTRIBUTION OF ACTIVE PLAN PARTICIPANTS BY AGE AND SERVICE

DISTRIBUTION OF ACTIVE PLAN PARTICIPANTS BY AGE AND SERVICE

YEARS OF CREDITED SERVICE

AGE GROUP	< 1	1 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40+	TOTAL
Under 25	0	42	2	0	0	0	0	0	0	0	44
25 - 29	0	83	32	1	0	2	0	0	0	0	118
30 - 34	0	71	51	25	0	9	0	0	0	0	156
35 - 39	0	42	45	31	8	41	0	0	0	0	167
40 - 44	0	52	41	48	18	70	3	0	0	0	232
45 - 49	0	48	45	52	27	114	8	1	0	0	295
50 - 54	0	59	43	57	32	170	18	6	2	0	387
55 - 59	0	34	47	37	38	134	12	15	2	2	321
60 - 64	0	15	27	27	19	44	11	10	4	1	158
65 - 69	0	9	6	6	1	11	1	2	1	0	37
70 and Over	0	0	1	0	0	4	0	0	0	0	5
Unknown	0	15	0	1	0	0	0	0	0	0	16
TOTAL	0	470	340	285	143	599	53	34	9	3	1,936
Average Hours	0	1,634	1,865	1,877	1,882	2,086	1,930	1,922	1,974	2,217	1,884

APPENDIX A STATISTICS FOR ACTIVE PARTICIPANTS

STATISTICS FOR ACTIVE PARTICIPANTS

	NUMBER	AVERAGE AGE [1]	AVERAGE SERVICE	AVERAGE HOURS
As of January 1, 2011				
Continuing	1,817	47.5	13.6	1,936
New	119	37.9	1.8	1,090
Total	1,936	46.9	12.8	1,884
As of January 1, 2010				
Continuing	1,889	46.9	13.0	1,941
New	161	40.0	2.4	1,158
Total	2,050	46.4	12.2	1,880

[1] For active participants with know birth dates.

APPENDIX A STATISTICS FOR INACTIVE PARTICIPANTS

STATISTICS FOR INACTIVE PARTICIPANTS

	NUMBER	AVERAGE AGE [1]	AVERAGE MONTHLY BENEFIT
Participants Receiving Benefits			
Healthy Retirees	3,244	70.5	$ 912
Disabled Retirees	48	55.0	805
Beneficiaries	158	72.9	382
Total	3,450	70.4	$ 886
Participants with Deferred Benefits			
Vested Terminated	2,598	49.7	$ 604
Total	2,598	49.7	$ 604

[1] For participants with known birth dates.

APPENDIX B DISTRIBUTION OF PENSIONERS BY AGE

DISTRIBUTION OF PENSIONERS BY AGE

AGE GROUP	PRIOR	NEW	TOTAL
Under 50	16	1	17
50 - 54	17	1	18
55 - 59	293	21	314
60 - 64	697	44	741
65 - 69	664	14	678
70 - 74	556	4	560
75 - 79	354	2	356
80 - 84	295	0	295
85 and Over	328	0	328
TOTAL	3,220	87	3,307
Average Age	70	62	70
Average Monthly Benefit	$ 914.96	$ 647.61	$ 907.93
Beneficiaries (not included above)	133	10	143
GRAND TOTAL	3,353	97	3,450

APPENDIX C PARTICIPANT RECONCILIATION

PARTICIPANT RECONCILIATION

	ACTIVES	NON-VESTED INACTIVES	VESTED INACTIVES	RETIREES AND BENEFICIARIES	TOTAL
Total as of January 1, 2010	2,050	550	2,589	3,451	8,640
New Entrants	90	0	0	0	90
Rehired	29	(21)	(6)	(2)	0
Terminated Vested	(75)	0	75	0	0
Terminated Non-Vested	(112)	112	0	0	0
Permanent Break in Service	0	(148)	0	0	(148)
Retired	(41)	0	(44)	85	0
Deaths	(4)	0	(13)	(94)	(111)
Expired Period Certains	0	0	0	(2)	(2)
New Beneficiaries and QDROs	0	0	0	11	11
Correction	(1)	0	(3)	1	(3)
Total as of January 1, 2011	1,936	493	2,598	3,450	8,477

APPENDIX D CHANGES IN NET ASSETS AT ACTUARIAL AND MARKET VALUES

CHANGES IN NET ASSETS AT ACTUARIAL AND MARKET VALUES	ACTUARIAL VALUE	MARKET VALUE
Value of Assets at January 1, 2010	$ 420,875,533	$ 350,729,611
ADDITIONS		
Employer Contributions	$ 8,489,009	$ 8,489,009
Rollover	0	0
Net Investment Income (Appendix E)	23,208,682	44,493,108
Total Additions	31,697,691	52,982,117
DEDUCTIONS		
Benefits Paid	$ 37,136,630	$ 37,136,630
Total Deductions	$ 37,136,630	$ 37,136,630
Value of Assets at January 1, 2011	$ 415,436,594	$ 366,575,098

APPENDIX E DETERMINATION OF NET INVESTMENT EARNINGS

DETERMINATION OF NET INVESTMENT EARNINGS

1.	Expected Net Investment Earnings		$ 24,389,421
2.	Market Income		
	a. Gross Income	$ 47,116,423	
	b. Investment Expenses	(1,610,323)	
	c. Operational Expenses	(1,012,992)	
3.	Excess of Market Value Earnings over Expected (2) -(1)		$ 20,103,687
4.	20% of Current Year and Prior Year Excess		(28,627,099)
5.	Recognition of Assets in Excess of Corridor		
	a. Prior Year		27,446,360
	b. Current Year		0
6.	Net Investment Earnings Recognized this Year (1) + (4) + (5a) + (5b)		$ 23,208,682

APPENDIX F DETERMINATION OF MARKET VALUE ADJUSTMENT AND ACTUARIAL VALUE OF ASSETS

DETERMINATION OF MARKET VALUE ADJUSTMENT AND ACTUARIAL VALUE OF ASSETS

		AMOUNT OF EXCESS INCOME RECOGNIZED OR TO BE RECOGNIZED		
PLAN YEAR ENDED DECEMBER 31	EXCESS MARKET EARNINGS	PRIOR YEARS	CURRENT YEAR	FUTURE YEARS
2006	$ 19,350,840	$ 15,480,672	$ 3,870,168	$ 0
2007	(13,158,593)	(7,895,157)	(2,631,718)	(2,631,718)
2008	(196,730,650)	(78,692,260)	(39,346,130)	(78,692,260)
2009	27,299,220	5,459,844	5,459,844	16,379,532
2010	20,103,687	0	4,020,737	16,082,950
Total	$ (143,135,496)	$ (65,646,901)	$ (28,627,099)	$ (48,861,496)

a.	Market Value of Assets	$ 366,575,098
b.	Excess / (Deficit) Earnings to be Recognized in Future Years	(48,861,496)
c.	Preliminary Actuarial Value of Assets (a - b)	$ 415,436,594
d.	Recognition of Assets in Excess of Corridor	0
e.	Actuarial Value of Assets within 20% Corridor	$ 415,436,594

APPENDIX G SUMMARY OF PRINCIPAL PLAN PROVISION

Effective since 1959	As amended through January 1, 2011.
REQUIREMENTS	
Eligibility:	200 hours in one year.
Vesting:	5 years (including at least 2 years future service).
Normal Retirement:	Age 65 and vested.
Early Retirement	Age 55 and vested.
Disability Retirement:	Vested with at least 200 hours in year prior to onset of Total and Permanent Disability.
BENEFITS	
Normal Retirement (Life Annuity):	Service after 2009: 0.75% of Employer Contributions. 2003 - 2009: 1.8% of Employer Contributions. 2003 Service: 2.2% of Employer Contributions; up to $6,240; 1.8% of excess. 2001 - 2002 Service: 3.2% of Employer Contributions; up to $6,240 each year; 1.8% of excess. 1997 - 2000 Service: 3.65% of Employer Contributions; up to $6,240 each year, 1.8% of excess. Prior to 1997: 3.65% of Employer Contributions. Past Service: $8.20 per year of past service (maximum 15 years).
Early Retirement:	Normal Retirement benefit actuarially reduced from age 62 for benefits earned before January 1, 2010 and from age 65 for benefits earned on or after January 1, 2010.
Delayed Retirement:	Normal Retirement benefit increased 6% per year (½% per month) past age 62 for benefits earned before January 1, 2010 and past age 65 for benefits earned on or after January 1, 2010.
Disability Retirement:	50% of Normal Retirement Benefit and payable until age 55.
Pre-Retirement Death:	
Married, Vested	50% Joint Marital Annuity (reduced for Early Retirement and for joint lives), or
All Others, Vested	Lump sum payment of $500 per year of service (maximum of $5,000 total).

APPENDIX H SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Interest Discount Rate:	7.25% compounded annually for funding and FASB ASC 960. (Prior to January 1, 1988: 7% per annum). 4.47% for current liability.
Investment Yield:	7.25% per annum net of investment expenses and operational expenses. (Prior to January 1, 2008: 0.20% for operational expenses).
Mortality:	1983 GAMF Mortality Table (the table is set forward 17 years for disability retirees until age 62). (Prior to January 1, 1990: UP 1984 setback 6 years). Current Liability: RP-2000 tables static; separate for annuitants and non-annuitants projected forward to the valuation year plus 7 years for annuitants and 15 years for non-annuitants as prescribed by IRS regulations.
Turnover:	Table T-7, The Actuary's Pension Handbook. Non-Vested Participants have been assumed to earn one year of vesting credit annually until vested. (Prior to January 1, 2008: Table T-4).

Retirement Rates:

Age	Rate	Age	Rate
55	20%	61	20%
56	15%	62	40%
57-59	12%	63-70	35%
60	15%	71+	100%

Inactive Vested participants are assumed to retire at age 62.

(Prior to January 1, 2000: Lower rate structure).

Disablement:	1952 Society of Actuaries Table, Period 2, Benefit 5. (Prior to January 1, 1990: Part of non-retiree load).
Projected Employment Hours:	Based on hours worked during the 2010 Plan Year. (Prior to January 1, 2008: 1,750 hours).
Marital Status:	It is assumed, for purposes of the Qualified Pre-Retirement Survivor Annuity, that 80% of those vested participants who die prior to retirement will be married. Spouses are assumed to be the same age as participants. (Prior to January 1, 1991: None assumed – value of QPSA was part of non-retiree load).

APPENDIX H SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS (CONTINUED)

Assets: Assets are valued according to a method which recognizes 20% of each year's excess (or deficiency) of actual investment return over the expected return on Market Value of Assets in the year the excess (or deficiency) occurs. An additional 20% of the excess (or deficiency) is recognized in each of the succeeding four years until it is totally recognized. In no event will the Actuarial Value be less than 80% or more than 120% of the Market Value.

(Prior to January 1, 1999: Adjusted Book Value Method)

ACTUARIAL COST METHOD Unit Credit. - Under this method, we determine the present value of all benefits earned through the valuation date. An individual's normal cost is the present value of the benefit expected to be earned in the valuation year. The total accrued liability is the sum of the individual present values for all participants. The Unfunded Accrued Liability is the difference between the accrued liability and the assets of the Trust. If the assets exceed the accrued liability, the Plan is in a surplus position. This method requires that each year's contributions be applied first to the normal cost, and the balance of the contributions applied to amortize the Unfunded Accrued Liability. (Prior to January 1, 2008: Entry Age Normal with replacement).

WITHDRAWAL LIABILITY BASIS The present value of accrued vested benefits for withdrawal liability determination uses valuation assumptions. Assets for this purpose use the market value.

CHANGES SINCE PRIOR VALUATION: No changes in methodology and assumptions since prior valuation.

APPENDIX I FUNDING STANDARD ACCOUNT FOR THE YEAR

FUNDING STANDARD ACCOUNT FOR THE YEAR	2010	Estimated 2011
Credit Balance on January 1	$ 38,946,624	$ 46,069,894
Charges		
a. Normal Cost	$ 2,023,454	$ 1,997,100
b. Amortization Charges [1]	28,661,084	29,243,463
c. Interest on a and b	2,224,629	2,264,941
Subtotal Charges	$ 32,909,167	$ 33,505,504
Credits		
a. Employer Contributions for Year	$ 8,489,009	$ 8,843,000
b. Amortization Credits	26,491,441	26,491,441
c. Interest on a, b, and Beginning of Year Credit Balance	5,051,987	5,581,256
Subtotal Credits	$ 40,032,437	$ 40,915,697
Credit Balance on December 31	$ 46,069,894	$ 53,480,087

[1] Incorporates 5-year extension of the charge bases.

APPENDIX I FUNDING STANDARD ACCOUNT AMORTIZATION BASES

FUNDING STANDARD ACCOUNT AMORTIZATION BASES

			Beginning Of Year		
	Description	**Date Established**	**Balance**	**Remaining Period**	**Payment**
Charges	Initial Liability	12/31/1975	$ 5,165,694	11	$ 650,335
	Actuarial Assumption	12/31/1977	764,540	11	96,252
	Actuarial Assumption	12/31/1979	26,910	5	6,160
	Plan Amendment	12/31/1979	217,505	15	22,619
	Plan Amendment	12/31/1980	2,108,387	16	211,562
	Plan Amendment	12/31/1982	1,836,409	8	289,534
	Plan Amendment	12/31/1983	1,165,698	9	168,603
	Plan Amendment	12/31/1984	1,161,674	10	156,003
	Plan Amendment	12/31/1985	1,596,041	11	200,934
	Plan Amendment	12/31/1986	2,073,687	12	246,686
	Plan Amendment	12/31/1987	3,829,647	13	433,319
	Plan Amendment	12/31/1988	3,438,790	14	372,144
	Plan Amendment	12/31/1989	1,175,712	15	122,268
	Plan Amendment+Act Assump	12/31/1990	2,425,141	16	243,346
	Plan Amendment	12/31/1991	1,531,366	17	148,790
	Plan Amendment	12/31/1992	5,552,935	18	524,040
	Plan Amendment+Act Assump	12/31/1993	4,206,530	19	386,626
	Plan Amendment	12/31/1994	2,970,520	20	266,543
	Actuarial Assumption	12/31/1995	1,813,900	21	159,236
	Plan Amendment	12/31/1995	15,327,191	21	1,345,524
	Plan Amendment	12/31/1996	9,658,898	22	831,144
	Plan Amendment	12/31/1997	10,578,062	23	893,748
	Actuarial Assumption	12/31/1997	4,658,168	23	393,572
	Actuarial Assumption	12/31/1998	422,717	24	35,122
	Plan Amendment	12/31/1998	18,274,489	24	1,518,376

APPENDIX I FUNDING STANDARD ACCOUNT AMORTIZATION BASES (CONTINUED)

FUNDING STANDARD ACCOUNT AMORTIZATION BASES (Continued)

			Beginning Of Year				
	Description	Date Established		Balance	Remaining Period		Payment
Charges (Continued)	Plan Amendment	12/31/1999		6,868,027	25		561,942
	Actuarial Assumption	12/31/1999		3,798,081	25		310,759
	Actuarial Cost Method	12/31/1999		3,759,652	5		860,690
	Plan Amendment	12/31/2000		11,264,132	26		908,708
	Plan Amendment	12/31/2001		2,043,337	27		162,714
	Plan Amendment	12/31/2002		2,718,856	28		213,933
	Experience Loss	12/31/2002		8,356,480	13		945,525
	Experience Loss	12/31/2003		17,197,388	14		1,861,090
	Experience Loss	12/31/2004		9,888,415	15		1,028,346
	Plan Amendment	12/31/2004		946,823	30		72,938
	Actuarial Assumption	12/31/2004		1,006,062	30		77,502
	Experience Loss	12/31/2005		5,489,822	16		550,865
	Plan Amendment	12/31/2005		1,399,589	31		106,809
	Plan Amendment	12/31/2006		1,433,201	32		108,429
	Plan Amendment	12/31/2007		1,294,589	18		122,172
	Experience Loss	12/31/2008		120,183,463	19		11,046,176
	Total		$	299,628,528		$	28,661,084
Credits	Combine Credits	12/31/2007	$	(88,739,808)	5	$	(20,315,044)
	Experience Gain	12/31/2009		(27,345,881)	15		(2,843,835)
	Plan Amendment	12/31/2009		(32,045,400)	15		(3,332,562)
	Total		$	(148,131,089)		$	(26,491,441)

APPENDIX J CURRENT LIABILITY

CURRENT LIABILITY		
Retirees and Beneficiaries		$ 441,905,170
Inactive Vested Participants		156,788,850
Active Participants		
Non-vested	3,558,822	
Vested	119,508,571	
Subtotal		123,067,393
Total		**$ 721,761,413**
Funded Ratio Using Market Value		50.79%
Current Value of Assets		$ 366,575,098
Expected Increase in Current Liability		3,234,120
Expected Release from Current Liability [1]		38,434,192
Expected Plan Disbursements [1]		38,434,192

[1] Actual disbursements during the Plan Year will be used in the 2011 Schedule MB.

APPENDIX K RECONCILIATION OF ACTUARIAL VALUE OF ACCUMULATED BENEFITS

RECONCILIATION OF ACTUARIAL VALUE OF ACCUMULATED BENEFITS		
Actuarial present value of accumulated Plan benefits at beginning of year (January 1, 2010)		$ 533,426,348
Benefits accumulated and actuarial experience during the year	$ 1,503,903	
Plan Amendments	0	
Increase due to Assumption Change	0	
Increase for interest	37,327,207	
Benefits paid	(37,136,630)	
Net increase/(decrease)		1,694,480
Actuarial present value of accumulated Plan benefits at end of year (December 31, 2010)		$ 535,120,828

ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS	
Actuarial present value of accrued benefits:	
Vested benefits	
Participants currently receiving benefits	$ 358,159,010
Other participants	173,259,659
Subtotal: Present value of accrued vested benefits	$ 531,418,669
Nonvested benefits	3,702,159
Actuarial present value of accumulated Plan benefits at end of year (December 31, 2010)	$ 535,120,828