

**CITY OF NEWBERG PENSION SUBCOMMITTEE AGENDA
MONDAY, MARCH 26, 2012
7:00 P.M. MEETING
CITY HALL MAIN CONFERENCE ROOM (414 EAST FIRST STREET)**

Mission Statement

The City of Newberg serves its citizens, promotes safety, and maintains a healthy community.

Vision Statement

Newberg will cultivate a healthy, safe environment where citizens can work, play and grow in a friendly, dynamic and diverse community valuing partnerships and opportunity.

I. CALL MEETING TO ORDER

II. ROLL CALL

III. COMMITTEE BUSINESS

1. Committee and Staff Introductions

IV. PUBLIC COMMENTS

(30 minutes maximum, which may be extended at the Chair's discretion, with an opportunity to speak for no more than 5 minutes per speaker allowed)

V. CONSENT CALENDAR

No items

VI. CONTINUED BUSINESS

No Items

VII. NEW BUSINESS

1. Overview of the City of Newberg's Employee Retirement Plan

VIII. ADJOURNMENT

ACCOMMODATION OF PHYSICAL IMPAIRMENTS: In order to accommodate persons with physical impairments, please notify the City Recorder's office of any special physical or language accommodations you may need as far in advance of the meeting as possible and no later than 48 hours prior to the meeting. To request these arrangements, please contact the City Recorder at (503) 537-1283. For TTY services please call 711.

The Committee accepts comments on agenda items during the meeting. Fill out a form identifying the item you wish to speak on prior to the agenda item beginning and turn it into the Secretary. The Chair reserves the right to change the order of the items on this agenda.

CITY OF NEWBERG EMPLOYEES RETIREMENT PLAN

January 31, 2011, Proposed Restatement

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CITY OF NEWBERG EMPLOYEES RETIREMENT PLAN

2011 Restatement

TABLE OF CONTENTS

INTRODUCTION	1
ARTICLE 1. DEFINITIONS	2
SECTION 1.01--THE PLAN AND PARTIES CONCERNED	2
SECTION 1.02--IMPORTANT DATES AND PERIODS	3
SECTION 1.03--DEFINITIONS RELATING TO DETERMINATION OF BENEFITS .	5
SECTION 1.04--ADDITIONAL DEFINITIONS	9
SECTION 1.05--ACCRUED BENEFIT	9
ARTICLE 2. PARTICIPATION	10
SECTION 2.01--ACTIVE PARTICIPANT	10
SECTION 2.02--INACTIVE PARTICIPANT	10
SECTION 2.03--CESSATION OF PARTICIPATION	10
SECTION 2.04--TRANSFERRED EMPLOYEES	11
ARTICLE 3. CONTRIBUTIONS	12
SECTION 3.01--EMPLOYER CONTRIBUTIONS	12
SECTION 3.02--REQUIRED PARTICIPANT CONTRIBUTIONS	12
SECTION 3.03--MANDATORY EMPLOYEE CONTRIBUTIONS	13
SECTION 3.04--INVESTMENT OF CONTRIBUTIONS	13
ARTICLE 4. RETIREMENT BENEFITS	14
SECTION 4.01--AMOUNT OF MONTHLY RETIREMENT BENEFIT	14
SECTION 4.02--OPTIONAL FORMS OF MONTHLY RETIREMENT BENEFIT ...	15
SECTION 4.03--ADDITIONAL MONTHLY INCOME	16
SECTION 4.04--MINIMUM DISTRIBUTION	16
ARTICLE 5. DISABILITY PAYMENTS	17
SECTION 5.01--ELIGIBILITY	17
SECTION 5.02--AMOUNT OF PAYMENTS	17
SECTION 5.03--DURATION OF PAYMENTS	18
ARTICLE 6. COST OF LIVING ADJUSTMENT	19
SECTION 6.01--IMPORTANT TERMS	19
SECTION 6.02--CHANGE IN MONTHLY RETIREMENT BENEFIT	19
SECTION 6.03--MINIMUM ADJUSTMENT FOR RETIREMENTS AFTER JULY 1, 1990	20

ARTICLE 7. DEATH BENEFITS	21
SECTION 7.01--DEATH BENEFIT BEFORE RETIREMENT	21
SECTION 7.02--DEATH BENEFIT AFTER RETIREMENT	22
ARTICLE 8. TERMINATION OF BENEFITS	23
SECTION 8.01--TERMINATION BENEFITS	23
SECTION 8.02--REPAYMENT OF SINGLE SUM PAYMENT	24
ARTICLE 9. ADDITIONAL BENEFITS FOR PERS BENEFIT INCREASES	26
SECTION 9.01--PURPOSE	26
SECTION 9.02--INCREASE IN DISTRIBUTION	26
SECTION 9.03--ALTERNATE PAYEES	26
SECTION 9.04--DEFINITIONS; CHANGE IN TAX RATE	27
SECTION 9.05--PRIOR DISTRIBUTIONS	28
SECTION 9.06--LIMITATIONS	28
SECTION 9.07--NO CONTRACT RIGHTS	29
ARTICLE 10. VOLUNTARY CONTRIBUTIONS	30
SECTION 10.01--VOLUNTARY CONTRIBUTIONS	30
SECTION 10.02--INVESTMENT OF VOLUNTARY CONTRIBUTIONS	31
SECTION 10.03--RETIREMENT BENEFITS	31
SECTION 10.04--DEATH BENEFITS	31
SECTION 10.05--VESTED BENEFITS	31
ARTICLE 11. TERMINATION OF PLAN	32
SECTION 11.01--TERMINATION OF PLAN	32
SECTION 11.02--VESTING ON TERMINATION	32
SECTION 11.03--PROCEDURES UPON TERMINATION OF PLAN	32
ARTICLE 12. ADMINISTRATION OF PLAN	34
SECTION 12.01--ADMINISTRATION	34
SECTION 12.02--RECORDS	34
SECTION 12.03--DELEGATION OF AUTHORITY	34
SECTION 12.04--INFORMATION AVAILABLE	35
SECTION 12.05--CLAIMS	35
ARTICLE 13. REQUIRED PROVISIONS	37
SECTION 13.01--REQUIRED STARTING DATE.	37
SECTION 13.02--ANNUAL COMPENSATION LIMIT.	39
SECTION 13.03--DIRECT ROLLOVERS.	39
SECTION 13.04--AUTOMATIC ROLLOVERS.	42
SECTION 13.05--BENEFITS FOR MILITARY SERVICE.	43
SECTION 13.06--LIMIT ON BENEFITS	44
SECTION 13.07--LIMIT ON ANNUAL ADDITIONS.	47
SECTION 13.08--LIMITATION YEAR.	48

SECTION 13.09--COMPENSATION FOR PURPOSES OF LIMIT ON ANNUAL ADDITIONS	48
SECTION 13.10--ANNUITY CONTRACTS	50
SECTION 13.11--OREGON FAMILY FAIRNESS ACT	50
ARTICLE 14. GENERAL PROVISIONS	51
SECTION 14.01--AMENDMENT OF PLAN	51
SECTION 14.02--EXCLUSIVE BENEFIT	51
SECTION 14.03--PROVISIONS RELATING TO THE INSURER	51
SECTION 14.04--EMPLOYMENT STATUS	51
SECTION 14.05--BENEFICIARY	51
SECTION 14.06--SPENDTHRIFT CLAUSE	52
SECTION 14.07--FACILITY OF PAYMENT	52
SECTION 14.08--CONSTRUCTION	53
SECTION 14.09--LEGAL ACTIONS	53
SECTION 14.10--MODIFICATION IN MODE OF PAYMENT	53
SECTION 14.11--INTEREST	53
SECTION 14.12--PRONOUNS	54
SECTION 14.13--CAPTIONS	54
SECTION 14.14--DISTRIBUTION OF BENEFITS TO ALTERNATE PAYEE	54
SECTION 14.15--MERGER	55

INTRODUCTION

The City of Newberg adopted a defined benefit pension plan in 1964 for its employees. Effective July 1, 1979, the plan was restated as two separate plans, the CITY OF NEWBERG GENERAL EMPLOYEES RETIREMENT PLAN for general employees of the City and the CITY OF NEWBERG POLICEMEN AND FIREMEN RETIREMENT PLAN for police officers and firefighters. Effective July 1, 1982, both plans were restated. Both plans were later amended. Effective July 1, 2002, both plans were combined into one document as the 2002 Restatement. The 2002 Restatement has since been amended. The City of Newberg restated the 2002 Restatement, as amended, effective July 1, 2002, by adopting the 2003 Restatement. The City of Newberg amends and restates the 2003 Restatement, as amended, in this 2011 Restatement, except that this 2011 Restatement does not affect Resolution No. 2010-2906. This 2011 Restatement is effective July 1, 2011, except as otherwise provided in this 2011 Restatement.

ARTICLE 1. DEFINITIONS

SECTION 1.01--THE PLAN AND PARTIES CONCERNED.

- (a) "Plan" means the restated defined benefit retirement plan of the Employer as set forth herein and as amended from time to time.
- (b) "Prior Plan" means the CITY OF NEWBERG GENERAL EMPLOYEES RETIREMENT PLAN and the CITY OF NEWBERG POLICEMEN AND FIREMEN RETIREMENT PLAN prior to the Effective Date.
- (c) "Group Contract" means the group annuity contract or contracts which the Employer enters into with the Insurer for the purpose of payment of retirement income and other benefits in accordance with this Plan and for the purpose of investment of Contributions made under the Plan. All benefits payable under the Plan will be paid or provided for solely from the Group Contract, and the Employer assumes no liability or responsibility therefor.
- (d) "Employer" means CITY OF NEWBERG, OREGON, and any successor by change of name or merger.
- (e) "Insurer" means Principal Financial Group, Inc., or such other insurance company or companies as may, from time to time, be designated by the Employer.
- (f) "Employee" means any natural person who is employed by the Employer. "Employee" excludes:
 - (1) Any person who would be treated as a leased employee of the Employer under IRC Section 414(n).
 - (2) An individual whose wages are paid by an agency or other business that provides individuals who perform services for the Employer and pays the individuals' wages.
 - (3) Persons not treated as an employee on the Employer's payroll records.
- (g) Effective July 1, 2002, "Eligible Employee" means, except for purpose of Article 9., any full-time regular Employee employed in a position not eligible for membership in the Oregon Public Employees Retirement System under the Employer's agreements with the System and whose employment with the Employer is as follows:
 - (1) General Employee.
 - (2) Police Officer.

- (3) Firefighter.
- (4) City Attorney, effective July 1, 1992.

The City Attorney shall be eligible as a General Employee with five years employment with the Employer and shall be given credit for contributions as of July 1, 1988, through June 30, 1992. Pursuant to Resolution No. 92-1726, the City Attorney shall be classified with the Police Officer and Firefighter personnel instead of the General Employee classification, effective July 1, 1992.

- (h) "Participant" means a person who is either an Active Participant or an Inactive Participant.
- (i) "Active Participant" means an Eligible Employee who has become an Active Participant as provided in Section 2.01.
- (j) "Inactive Participant" means a person who has become an Inactive Participant as provided in Section 2.02.
- (k) "Beneficiary" means any person or persons designated by a Participant pursuant to Section 14.05 to receive any death benefit upon the death of the Participant.
- (l) "Contingent Annuitant" means a natural person designated by the Participant to receive a lifetime benefit after the death of such Participant in accordance with the survivorship life annuity optional form of retirement benefit provided in Section 4.02.
- (m) "Domestic Partner" means the individual whom Section 13.11 requires be treated the same as the Participant's or alternate payee's Spouse.
- (n) "Married" means participating in a legal union between one man and one woman as husband and wife.
- (o) "Spouse" means a person of the opposite sex to whom the Participant or alternate payee is Married.

SECTION 1.02--IMPORTANT DATES AND PERIODS.

- (a) "Effective Date" means July 1, 1982.
- (b) "Anniversary Date" means the Effective Date and the same day of each year thereafter.
- (c) "Quarterly Date" means the effective date and every third Monthly Date thereafter.

- (d) "Monthly Date" means the Effective Date and the same day of each month thereafter.
- (e) "Eligibility Date" means, as to a Participant, the Eligibility Date as provided in Section 2.01.
- (f) "Re-entry Date" means, for a Participant, the Re-entry Date as provided in Section 2.01.
- (g) "Retirement Date" means, for a Participant, the date for commencement of monthly retirement benefit which will be his Early, Normal, or Late Retirement Date, whichever is applicable.
- (h) "Normal Retirement Date" means, for a Participant, the first day of the month coinciding with (immediately following, if none coincides with) the date on which he attains age 60 (58 for Police Officers and Firefighters and, effective July 1, 1992, the City Attorney).
- (i) "Early Retirement Date" means the first day of the month selected by the Participant for beginning an early retirement benefit before his Normal Retirement Date which is on or after the later of the following:
 - (1) The date he ceases to be an Employee.
 - (2) The date he attains age 55 (50 for Police Officers, Firefighters, and the City Attorney).
- (j) "Late Retirement Date" means, for a Participant who continues active work for the Employer after his Normal Retirement Date, the first day of the month selected by him for commencement of monthly retirement benefit which follows his Normal Retirement Date and is no later than the first day of the month coinciding with (immediately following, if none coincides with) the date of his Termination of Employment.
- (k) "Service" means, as to an Employee, any service for which he is either (i) directly or indirectly compensated by the Employer or (ii) performing duties for the Employer. No interruption in Service (based on the regular work week for his job without overtime) will be deemed to have occurred during any approved periods of absence from the Employer by reason of
 - (1) temporary lay-off,
 - (2) leave of absence (not to exceed one year),
 - (3) a temporary absence on account of disability, illness, or injury, or

- (4) pregnancy.

Any discretion of the Employer under the provisions of this definition will be exercised without discrimination in accordance with definitely established rules uniformly applicable to Participants whose approved periods of absence were occasioned by similar circumstances.

- (l) "Years of Service" means, as to an Employee on any date of determination, unless indicated otherwise, the number of years (counting completed months as fractional parts of a year) of Service since his latest date of employment, but excluding any Service after the establishment of the Prior Plan during which he made no contributions, if contributions were required by him under said Prior Plan during any such period and he failed or refused to so contribute.
- (m) "Plan Participation" means, as to a Participant, all periods of his employment with the Employer during which he has been an Active Participant.
- (n) "Termination of Employment" means cessation of active work (resulting in an interruption in Service) with the Employer, other than by reason of retirement, death, or disability, due to
- (1) voluntary or involuntary termination or separation of employment, or
 - (2) failure to return to work upon the expiration of any approved period of absence from the Employer, in which event cessation of active work shall be deemed to have occurred at the time such approved period of absence expired.
- (o) "Plan Year" means a period commencing on an Anniversary Date and ending on the day immediately preceding the next Anniversary Date.
- (p) "Compensation Year" means a one-year period ending on the June 30 immediately preceding a Participant's Eligibility Date and ending on the same month and day of each year thereafter on which he is an Active Participant.

SECTION 1.03--DEFINITIONS RELATING TO DETERMINATION OF BENEFITS.

- (a) (1) This Section 1.03(a)(1) applies to Plan Years beginning before July 1, 1993.
- "Average Compensation" means, for a Participant on any specified date, the monthly average of his total pay from the Employer for those three consecutive Compensation Years (all Compensation Years, if less than three) which give the highest average out of the 10 latest Compensation Years (all Compensation Years, if less than 10) occurring prior to such specified date.

Pay as used in this definition means the type of compensation subject to tax for Social Security benefits without regard to the dollar limitation on such compensation subject to FICA taxes.

However, for a Participant who was not employed by the Employer for at least one of the Compensation Years immediately preceding either his Eligibility Date or his Re-entry Date, his fixed rate of monthly pay from the Employer on either such applicable date will be deemed to be his monthly average for such Compensation Year.

- (2) This Section 1.03(a)(2) applies to Plan Years beginning on or after July 1, 1993.
- (i) Average Compensation means 1/12th of the following (as such 1/12th is increased below):
- (A) For an employee who has completed at least 10 Years of Service, the average of the person's Monthly Earnings for each month in a 36 consecutive month period during the last 120 months of employment preceding the date the benefit is being determined which produces the highest average of Monthly Earnings.
 - (B) For an employee who has completed at least three Years of Service, but less than 10 Years of Service, the average of the person's Monthly Earnings for each month in a 36 consecutive month period preceding the date the benefit is being determined which produced the highest average of Monthly Earnings.
 - (C) For an employee who has completed less than three Years of Service, the average of the person's Monthly Earnings for each month preceding the date of benefit is being determined.

"Monthly Earnings" means the base remuneration which the Employer pays to an Employee in a month before any payroll deduction for income taxes, social security, group insurance, deferred compensation, or any other purpose. The full amount of Required Participant Contributions picked up or paid by the Employer on behalf of Employees is considered Monthly Earnings under the provisions of this Plan; except that, effective for Retirement Dates and other annuity starting dates after June 30, 2006, Monthly Earnings shall exclude, for months after December 31, 1994, the amount of Required Participant Contributions paid by the Employer on behalf of Employees (i.e. the amount of Required Participant

Contributions paid by the Employer and not picked up by reducing Employees' compensation for the purpose of generating the funds needed to make the Required Participant Contributions).

- (ii) The Average Compensation determined above shall be increased as follows:
 - (A) The Average Compensation determined above is divided by 173.33 to arrive at the average hourly rate of earnings.
 - (B) The number of unused sick leave hours is multiplied by the result in Section 1.03(a)(2)(ii)(A) above to arrive at the value of unused sick leave.
 - (C) One-half of the value of unused sick leave, divided by 36, shall be added to the Average Compensation determined above.

- (b) "Vested Accrued Benefit" means the following percentage of a Participant's Accrued Benefit:
 - (1) prior to the date on which he has completed three years of Plan Participation, 0%, if employed prior to July 1, 1982, or prior to the date on which he has completed five years of Plan Participation, 0%, if employed after June 30, 1982.
 - (2) on or subsequent to the date in Section 1.03(b)(1) above, 100%.

In any event, the percentage shall be 100% on or subsequent to the earlier of (i) the date on which he attains age 50 (45 for Police Officers, Firefighters, and the City Attorney) while an Active Participant or (ii) the date on which he becomes Totally and Permanently Disabled while an Active Participant.

- (c) "Contributions" means Employer Contributions, Required Participant Contributions, and Voluntary Contributions as set out in Article 3., unless the term as used refers to one of these only, in which event it means the one thus referred to.

- (d) "Participant's Contribution Account" means, for a Participant as of any specified date, the aggregate value of the Required Participant Contributions (including any interest earnings thereon) made for or by him pursuant to the Prior Plan, under Section 3.02 of the CITY OF NEWBERG GENERAL EMPLOYEES RETIREMENT PLAN, under Section 3.02 of the CITY OF NEWBERG POLICEMEN AND FIREMEN RETIREMENT PLAN, or under Section 3.02 of this Plan, and which have not been

previously paid or applied as to him. Such Participant's Contribution Account will be zero upon the earliest to occur of (1), (2), or (3) below:

- (1) The date a death benefit is paid on account of his death pursuant to Section 7.01.
- (2) The date a cash termination benefit is paid to him pursuant to Article 8.
- (3) His Retirement Date.

A Participant's Contribution Account will be credited with interest at the rate of 7.5% (8% for periods beginning on or after July 1, 1990) compounded annually.

- (e) "Normal Form" means a straight life annuity with five year certain period pursuant to Section 4.02(b).
- (f) "Totally and Permanently Disabled" means, as to a Participant, that he is disabled, as a result of sickness or injury to the extent that he is prevented from engaging in any occupation for wage or profit and is entitled to a disability benefit under Title II of the Federal Social Security Act, as determined by the Employer and reported to the Insurer.
- (g) "Voluntary Account" means the value of a Participant's Voluntary Contributions which have been made as provided in Article 10.

A Participant's Voluntary Account will be credited with interest at a rate of not less than the rate credited to his Participant's Contribution Account.

A Participant's Voluntary Account will be reduced by any distribution therefrom made under the Plan.

- (h) "Voluntary Contributions" means Voluntary Contributions as set out in Section 10.01.
- (i) "Actuarial Equivalent" means:
 - (1) Police Officers and Firefighters: 7.5% and 1971 GAM for pre-retirement; and 7.5% and UP-84 Unisex for post-retirement.
 - (2) For General Employees and the City Attorney:
 - (i) For Retirement Dates and other annuity starting dates before September 1, 2002: 7.5% and 1971 GAM for pre-retirement; and 7.5% and UP-84 Unisex for post-retirement.

- (ii) For Retirement Dates and other annuity starting dates after August 31, 2002: 7.5% and the table prescribed in Revenue Ruling 2001-62. However, in no circumstance will the amount of a General Employee's or the City Attorney's benefit as of a Retirement Date or other annuity starting date be less than the amount determined using (A) the factors in Section 1.03(i)(2)(i) above, (B) the Participant's Accrued Benefit earned as of June 30, 2002, based on Average Compensation and Years of Service as of June 30, 2002, and (C) the amount of the Participant's Contribution Account as of June 30, 2002 (the June 30, 2002, Balance), plus, for Retirement Dates after November 30, 2006, interest credited under Section 1.03(d) after June 30, 2002, on the June 30, 2002, Balance.

The cost of living adjustment provided in Article 6. shall not be considered in determining Actuarial Equivalent benefits.

SECTION 1.04--ADDITIONAL DEFINITIONS.

- (a) "IRC" means the Internal Revenue Code of 1986, as amended.
- (b) "ORS" means Oregon Revised Statutes, as amended.

SECTION 1.05--ACCRUED BENEFIT.

An Active Participant's monthly Accrued Benefit as of any specified date will be an amount equal to the product of a Participant's Average Compensation, times 1.67% (2% for Police Officers and Firefighters and, effective July 1, 1992, the City Attorney), times his total Years of Service.

In no event will a Participant's Accrued Benefit be less than his Accrued Benefit on July 1, 1982.

ARTICLE 2. PARTICIPATION

SECTION 2.01--ACTIVE PARTICIPANT.

- (a) An Eligible Employee will first become an Active Participant under the Plan on his employment commencement date or, if later, the date he becomes an Eligible Employee.
- (b) A Participant who became an Inactive Participant pursuant to Section 2.02 will again become an Active Participant on the date on which he again becomes an Eligible Employee by reason of re-employment or otherwise. Such date is his Re- entry Date.
- (c) A former Participant who ceased to be a Participant pursuant to Section 2.03 will again become an Active Participant on the date on which he again becomes an Eligible Employee by reason of re-employment or otherwise. Such date is his Re- entry Date.

SECTION 2.02--INACTIVE PARTICIPANT.

An Active Participant will become an Inactive Participant on the earliest of the following:

- (a) The date following the date on which a monthly income is provided as to him under this Plan.
- (b) The date he ceases to be an Eligible Employee by reason of Termination of Employment or otherwise, occurring one month or more prior to his Retirement Date.
- (c) The date he ceases to be an Eligible Employee by reason of partial termination of the Plan pursuant to Article 11.
- (d) The effective date of complete termination of the Plan pursuant to Article 11.

SECTION 2.03--CESSATION OF PARTICIPATION.

A Participant will cease to be a Participant on the earlier of the following:

- (a) His death.
- (b) The date he receives a single sum distribution which is in lieu of all other benefits under the Plan as to him.

SECTION 2.04—TRANSFERRED EMPLOYEES.

Despite any contrary provision of the Plan, the Plan shall be applied to transferred employees who are subject to ORS 236.605 to 236.640 as the Employer determines appropriate in the Employer's discretion to implement ORS 236.605 to 236.640.

ARTICLE 3. CONTRIBUTIONS

SECTION 3.01--EMPLOYER CONTRIBUTIONS.

The Employer will make contributions at such times and in such amounts as will be determined based upon periodic actuarial valuations and recommendations as to the amount or amounts required to fund retirement benefits and other benefits payable in accordance with this Plan.

Any contribution made by the Employer because of a mistake of fact must be returned to the Employer within one year of the contribution, but only if the Employer makes timely written demand therefor. Such returned contributions will not include attributable earnings but will be reduced by attributable losses.

Dividends declared under the Group Contract or any forfeitures resulting from a Participant's Termination of Employment or death will be applied to reduce future Employer Contributions.

SECTION 3.02--REQUIRED PARTICIPANT CONTRIBUTIONS.

Monthly required contributions will be made under this Plan on behalf of each Active Participant. The amount of each such Required Participant Contribution will be equal to 6% of such Participant's monthly earnings.

For purposes of this Section 3.02, monthly earnings shall include all forms of compensation received by an Employee during such month, including bonuses and overtime but not including any amount of Required Participant Contributions paid by the Employer on behalf of the Employee. However, effective July 1, 2002, monthly earnings excludes, for General Employees and the City Attorney, overtime, longevity pay, and pager pay.

A Participant's Contribution Account is fully vested and nonforfeitable as to each Participant at all times.

Effective January 1, 1995, the Employer will not pay the Required Participant Contributions for Employees; except that:

- (a) Effective for monthly earnings paid on paydays after June 30, 2005, the Employer will pay the Required Participant Contributions of the City Attorney.
- (b) Effective for monthly earnings paid on paydays after December 31, 2005, the Employer will pay the Required Participant Contributions of any Employee who is employed with the Employer in the collective bargaining unit represented by Office & Professional Employees International Union, Local 11.
- (c) Effective for monthly earnings paid on paydays after June 30, 2006, the Employer will pay the Required Participant Contributions of any Employee who is employed

with the Employer in any of the following positions: Building Official, HR Manager, and Maintenance Supervisor. If the title of any of these positions changes, the title stated in this Section 3.02(c) shall be deemed to describe to any Employee who is employed with the Employer in a position with similar management responsibilities.

- (d) Effective for monthly earnings paid on paydays after June 30, 2007, the Employer will pay the Required Participant Contributions of any Employee who is employed with the Employer in the collective bargaining unit represented by International Association of Firefighters, Local 1660.

The compensation of these Employees will not be reduced for the purpose of generating the funds needed to make their Required Participant Contributions. For purposes of this Section 3.02, monthly earnings paid on paydays after a date stated in this Section 3.02 are deemed to exclude monthly earnings paid for work done, or that would have been done, in pay periods ending before that date.

SECTION 3.03--MANDATORY EMPLOYEE CONTRIBUTIONS.

Effective January 1, 1995, the Employer will pick-up the Required Participant Contributions of each Employee for whom the Employer is not required to pay the Required Participant Contribution pursuant to Section 3.02. Such Employees' Required Participant Contributions are deemed to be "picked up" for purposes of IRC Section 414(h)(2) ("pick-up contributions"). Such pick-up contributions shall not relieve such Employees of the obligation to make the Required Participant Contributions. Each such Employee's compensation will be reduced to generate the funds needed to make the Employee's Required Participant Contributions. Such Employees' reported compensation on Form W-2 will be reduced by the amount of such pick-up contributions.

SECTION 3.04--INVESTMENT OF CONTRIBUTIONS.

All Contributions made under the Plan will be deposited with the Insurer and invested in accordance with the provisions of the Group Contract. To the extent not prohibited by State law, the Employer may specify whether all or any portion of an Employer Contribution deposited under the Group Contract is to be invested in any of the separate accounts of the Insurer in which the Group Contract participates.

ARTICLE 4. RETIREMENT BENEFITS

SECTION 4.01--AMOUNT OF MONTHLY RETIREMENT BENEFIT.

The amount of monthly retirement benefit for an Active Participant on his Retirement Date in accordance with the provisions of Section 4.02 will be determined as follows.

- (a) At Normal Retirement Date, the amount of monthly retirement benefit for an Active Participant on his Normal Retirement Date will be equal to his Vested Accrued Benefit as of such date.
- (b) At Early Retirement Date, an Active Participant's retirement benefit on his Early Retirement Date will be equal to his Vested Accrued Benefit on such specified date, multiplied by the factor shown below corresponding to the number of years his Early Retirement Date is before his Normal Retirement Date.

Number of Years Early Retirement Date is Before Normal Retirement Date	<u>Factor</u>
1	.92
2	.84
3	.76
4	.68
5	.60

However, in lieu of the above table the following table applies to Police Officers and Firefighters and, effective July 1, 1992, the City Attorney:

Number of Years Early Retirement Date is Before Normal Retirement Date	<u>Factor</u>
1	1.0
2	1.0
3	1.0
4	.92
5	.84
6	.76
7	.68
8	.60

Provided, however, no reduction will apply to the Vested Accrued Benefit of an Active Participant who retires on his Early Retirement Date with 30 (25 for Police Officers and Firefighters and, effective July 1, 1992, the City Attorney) Years of Service.

The above factors will be adjusted proportionately (based on linear interpolation) for fractional parts of a year (counting a partial month as a complete month).

- (c) At Late Retirement Date, the amount of monthly retirement benefit for an Active Participant on his Late Retirement Date will be equal to his Vested Accrued Benefit as of his Late Retirement Date.

SECTION 4.02--OPTIONAL FORMS OF MONTHLY RETIREMENT BENEFIT.

The monthly retirement benefit for a Participant on his Retirement Date may be paid in accordance with any one of the optional methods of payment under the Group Contract, which will be limited to the following Actuarial Equivalent optional forms.

- (a) Straight life annuity; for the lifetime of the Participant, without death benefits.
- (b) Life annuity with certain period of five years or ten years; for the lifetime of the Participant and, if the death of the Participant occurs prior to the end of the certain period, the balance of the remaining certain period payments to his Beneficiary.
- (c) Survivorship life annuity; for the lifetime of the Participant and, upon his death, 50% or 100% of such annuity for the lifetime of his named Contingent Annuitant.
- (d) Life annuity with modified cash refund; for the lifetime of the Participant and upon his death, a single sum payment will be made to his Beneficiary of the excess, if any, of his initial death benefit over the monthly annuity payments made to the Participant. The Participant may change his Beneficiary at any time.

A Participant's initial death benefit is an amount equal to the sum of (1) his Participant's Contribution Account plus (2) his Voluntary Account, if any, both determined on his Retirement Date.

The amount of each payment to a Participant under any of the optional forms of benefit in Section 4.02(a), 4.02(b), 4.02(c), or 4.02(d) above (other than the Normal Form) will be the amount required for the optional form to be the Actuarial Equivalent of the Normal Form.

The Participant may elect in writing the method of payment of any one of the optional forms above within 90 days prior to his Retirement Date.

In no event will an "interest-only" optional form be available. The Participant will name any certain period or any survivorship percentage and Contingent Annuitant prior to his Retirement Date.

If no optional form has been elected by the Participant, payment will be made to him under the Normal Form.

SECTION 4.03--ADDITIONAL MONTHLY INCOME.

The monthly retirement benefit determined for a Participant under Section 4.01 may be increased, as determined in accordance with the following provisions:

- (a) For a Participant hired prior to July 1, 1993, and also for Police Officers, Firefighters, and the City Attorney, that portion of a Participant's Contribution Account derived from Required Participant Contributions made on or after July 1, 1979, shall be applied as of the Participant's Retirement Date to provide him an amount of monthly retirement income in addition to that provided under Section 4.01(a), 4.01(b), or 4.01(c), whichever is applicable.
- (b) A Participant described in Section 4.03(a) above may elect to receive all of his Participant's Contribution Account in a single sum cash payment on his Retirement Date. Payment of his Participant's Contribution Account derived from Required Participant Contributions made on or after July 1, 1979, is in lieu of any additional monthly income that otherwise would be provided under this Section 4.03. Payment of his Participant's Contribution Account derived from Required Participant Contributions made prior to July 1, 1979, is in lieu of the Actuarially Equivalent Monthly Benefit of that portion of his Accrued Benefit (Section 1.05) attributable to such Required Participant Contributions.
- (c) Effective on and after July 1, 1993, a Participant who is not described in Section 4.03(a) above may elect to receive all of his Participant's Contribution Account in a single sum cash payment on his Retirement Date. Lump Sum payment of his Participant's Contribution Account will reduce his Accrued Benefit (Section 1.05) by the monthly benefit that is the Actuarial equivalent of the lump sum.

SECTION 4.04--MINIMUM DISTRIBUTION.

In no event will a Participant whose Accrued Benefit is 100% vested on the date of his Termination of Employment receive a distribution less than the Actuarial Equivalent of his Participant's Contribution Account on such date. A Participant's Accrued Benefit is 100% vested on the date of his Termination of Employment only if the Participant is an Active Participant on or subsequent to either the date in Section 1.03(b)(1) or the earlier of (a) the date on which he attains age 50 (45 for Police Officers, Firefighters, and the City Attorney) or (b) the date on which he becomes Totally and Permanently Disabled.

ARTICLE 5. DISABILITY PAYMENTS

SECTION 5.01--ELIGIBILITY.

An Active Participant will become eligible for monthly disability payments under this Article 5. in the event (i) he becomes Totally and Permanently Disabled while in the actual performance of his duties for the Employer or (ii) he becomes Totally and Permanently Disabled on or after the date he completes 10 or more Years of Service and while he is an Employee but before his Retirement Date (Normal Retirement Date, if earlier).

Such Participant will become an Inactive Participant as of the date he becomes Totally and Permanently Disabled.

For purposes of this Article 5. Termination of Employment is deemed not to have occurred as to such Participant because of his disability, until and unless his employment is otherwise terminated; provided, however, that any periods of absence due to his disability under this Article 5. will not be counted wherever in this Plan Service is a determining factor.

SECTION 5.02--AMOUNT OF PAYMENTS.

- (a) This Section 5.02(a) is effective before July 1, 1990, for all Participants and is effective on and after July 1, 1990, for Participants other than Police Officers, Firefighters, and the City Attorney.

The amount of monthly disability payment for a Participant is equal to his Vested Accrued Benefit determined as of the first day of the month coinciding with (immediately following, if none coincides with) the date on which he is disabled.

In no event, however, will the amount of each disability payment for any Participant be less than \$100.

- (b) This Section 5.02(b) is effective on and after July 1, 1990, for Police Officers, Firefighters, and the City Attorney.

The amount of monthly disability payment for a Participant is equal to his Vested Accrued Benefit determined as of the first day of the month coinciding with or immediately following the date on which he is disabled, based on Average Compensation as of the date of disability and Years of Service as of the disability date or projected to age 55, if later. Benefits determined under Section 4.03 will be paid in addition to these amounts.

In no event, however, will the amount of each disability payment for any Participant be less than \$100 nor greater than 75% of the Participant's Average Compensation.

SECTION 5.03--DURATION OF PAYMENTS.

Monthly disability payments will commence on the first day of the month coinciding with (immediately following, if none coincides with) the date such Participant becomes Totally and Permanently Disabled and will continue thereafter through the first day of the month preceding the earliest of the following dates:

- (a) His Normal Retirement Date.
- (b) The date of his death.
- (c) The effective date of termination of Plan.
- (d) The date he is no longer Totally and Permanently Disabled.

If such payments continue through the first day of the month preceding such Participant's Normal Retirement Date, monthly retirement benefits will be provided for him on his Normal Retirement Date in accordance with the provisions of Article 4. in like manner as for an Active Participant, with Accrued Benefit equal to the amount of monthly disability payment paid to him pursuant to Section 5.02. If, prior to such Participant's Normal Retirement Date, he recovers and returns to active work for the Employer within one month of the date he is no longer Totally and Permanently Disabled, such payments will stop and he will again become an Active Participant pursuant to Section 2.01. If, prior to such Participant's Normal Retirement Date, he recovers and does not return to active work for the Employer within one month of his recovery, such payments will stop and his Termination of Employment will be deemed to have occurred as of the date he became Totally and Permanently Disabled and his benefits will be redetermined pursuant to Article 8.

If the Participant dies while receiving monthly disability payments and he meets the requirements pursuant to Section 7.01(a), death benefits will be paid in accordance with the provisions of said Section 7.01(a).

ARTICLE 6. COST OF LIVING ADJUSTMENT

SECTION 6.01--IMPORTANT TERMS.

For the purpose of determining the cost of living adjustment of benefits, the following terms are defined here:

ADJUSTMENT DATE means each Anniversary Date on and after the Effective Date on which the Price Index has changed from the Price Index on the last preceding Anniversary Date as of which the monthly retirement benefit payments under this Plan were changed in accordance with this Article 6. (on the Effective Date if no prior changes have been made).

ADJUSTMENT FACTOR means, as of any Adjustment Date, the quotient of (a) divided by (b):

- (a) The Price Index as of such Adjustment Date.
- (b) The Price Index as of the last previous Adjustment Date.

In no event, however, will the Adjustment Factor exceed 1.02. Prior to July 1, 1982, the Adjustment Factor will not exceed 1.04.

ANNUITANT means either an Inactive Participant whose Retirement Date has occurred and who is entitled to monthly retirement benefit payments under this Plan or the Beneficiary or Contingent Annuitant of such Participant, if any, who is entitled to monthly retirement benefit payments under this Plan as the result of such Participant's death.

PRICE INDEX means, as of any Anniversary Date, the Consumer Price Index (Portland area-all items) as published by the Bureau of Labor Statistics of the United States Department of Labor in the City of Portland, Oregon, or a comparable index as determined by the Employer if such index ceases to be published.

SECTION 6.02--CHANGE IN MONTHLY RETIREMENT BENEFIT.

As of each Adjustment Date, the monthly retirement benefit payments payable to an Annuitant will be changed to the amount determined by multiplying such payments by the Adjustment Factor as of such Adjustment Date, subject to the following provisions:

- (a) If such change results in an increase in the amount of monthly retirement benefit payments to an Annuitant, an amount of monthly retirement benefit will be provided for him under the Group Contract in the amount of such increase with payments consistent with the payments being made as to the monthly retirement annuity provided under the Group Contract on the Participant's Retirement Date.

- (b) If such change results in a decrease in the amount of the monthly retirement benefit payments to an Annuitant, an amount or amounts of monthly retirement benefit previously provided for him under the Group Contract will be cancelled as of such Adjustment Date so that the total amount of monthly retirement benefit remaining will be only the reduced amount to which he is then entitled.

In no event will any decrease become effective which would reduce the monthly retirement benefit payments for an Annuitant to an amount which would be less than the amount he would have received had the provisions of this Article 6. not been in effect.

- (c) On and after the effective date of termination of Plan pursuant to Article 11., no further changes in monthly retirement benefit payments will be made in accordance with this Article 6.

SECTION 6.03--MINIMUM ADJUSTMENT FOR RETIREMENTS AFTER JULY 1, 1990.

Effective on and after July 1, 1990, for Police Officers, Firefighters, and the City Attorney, monthly payments for such Participants retiring on or after July 1, 1990, will be increased annually to a level that is no less than that which would have been in effect had the initial monthly benefits been payable from the Oregon Public Employees Retirement System, determined without including any payments under ORS 238.375 to 238.387 or any other tax remedy payments.

ARTICLE 7. DEATH BENEFITS

SECTION 7.01--DEATH BENEFIT BEFORE RETIREMENT.

- (a) Death Benefit before Retirement Date (Normal Retirement Date, if earlier): If the death of a Participant occurs prior to his Retirement Date (Normal Retirement Date, if earlier), a single sum death benefit equal to the sum of (i) two (effective July 1, 1990, two and two-tenths (2.2)) times his Participant's Contribution Account as of the date of his death, and (ii) his Voluntary Account as of the date of his death will be paid to his Beneficiary. All or any portion of such single sum death benefit may be applied under one of the optional forms in Section 4.02 for the benefit of such Beneficiary.

In no event, however, will such death benefit be less than the death benefit that would have been payable upon the death of such Participant under the Prior Plan on the day before the Effective Date.

- (b) Deferred Retirement Death Benefit: If the death of an Active Participant occurs on or after his Normal Retirement Date and prior to his Retirement Date, and
- (1) If the straight life annuity optional form under Section 4.02 is in effect for him on the date of his death, there are no death benefits payable under this Article 7.
 - (2) If the life annuity with certain period optional form under Section 4.02 is in effect for him on the date of his death, there will be provided for his Beneficiary, beginning on the Monthly Date following his death, a certain period benefit payable monthly for the certain period applicable under said option. The amount of the monthly payments to such Beneficiary will be equal to the amount that would have been payable monthly to such Participant had his Retirement Date occurred on the Monthly Date coinciding with (immediately preceding, if none coincides with) the date of his death.
 - (3) If the survivorship life annuity optional form under Section 4.02 is in effect for him on the date of his death, there will be provided for his designated Contingent Annuitant, beginning on the Monthly Date coinciding with (immediately following, if none coincides with) the date of his death, a retirement benefit payable monthly in like manner as if such Contingent Annuitant were a Participant with Retirement Date beginning on such Monthly Date if and so long as such Contingent Annuitant lives. The amount of such monthly retirement benefit will be equal to the amount that would have been payable to such Participant had his Retirement Date occurred on the Monthly Date coinciding with (immediately preceding, if none coincides

with) the date of his death, multiplied by the percentage in effect under such optional form.

- (4) If the life annuity with modified cash refund optional form under Section 4.02 is in effect for him on the date of his death, there will be provided for his Beneficiary, a single sum payment equal to his Participant's Contribution Account.
- (5) If none of the above optional forms is in effect for him on the date of his death, a single sum death benefit equal to the amount provided in Section 7.01(a) (determined as if Section 7.01(a) applied) will be paid to his Beneficiary. All or any portion of such single sum death benefit may be applied under one of the optional forms in Section 4.02 for the benefit of such Beneficiary.

There are no death benefits under this Plan before retirement, except as may be provided under Article 10.

SECTION 7.02--DEATH BENEFIT AFTER RETIREMENT.

Any death benefit after retirement will be in accordance with the form of retirement benefit in effect on a Participant's Retirement Date and will be payable in accordance with the provisions under Article 4.

ARTICLE 8. TERMINATION OF BENEFITS

SECTION 8.01--TERMINATION BENEFITS.

An Employee who becomes an Inactive Participant one month or more prior to his Retirement Date shall be entitled to one of the following benefits:

- (a) Deferred Payment. If an Inactive Participant so elects, he will receive a deferred monthly retirement benefit to commence on his Normal Retirement Date. The amount of such deferred monthly retirement benefit, in accordance with the Normal Form, shall be equal to the following:

- (1) Effective on and after July 1, 1993, for an Inactive Participant hired on or after July 1, 1993, other than an Inactive Participant who was a Police Officer, Firefighter, or the City Attorney:

An amount equal to his Vested Accrued Benefit on the day before he became an Inactive Participant. The amount may not exceed 100% of his Average Compensation, but in no event shall be less than the monthly benefit provided by the Actuarial Equivalent of his Participant's Contribution Account.

- (2) For an Inactive Participant hired prior to July 1, 1993, and for an Inactive Participant who was a Police Officer, Firefighter, or the City Attorney, an amount equal to the sum of (i) and (ii) below:

- (i) An amount equal to the amount of monthly retirement benefit which could be provided on his Normal Retirement Date by that portion of his Participant's Contribution Account made on or after July 1, 1979; and

- (ii) An amount equal to his Vested Accrued Benefit on the day before he became an Inactive Participant,

provided that the sum of (i) and (ii) do not exceed 100% of his Average Compensation, but in no event shall be less than the monthly benefit provided by the Actuarial Equivalent of his Participant's Contribution Account.

- (b) An Inactive Participant may elect to have his deferred monthly retirement benefit commence on his Early Retirement Date. The amount of such deferred monthly retirement benefit shall be equal to the amount of deferred benefit determined in Section 8.01(a) above multiplied by the factor shown in Section 4.01(b) corresponding to the number of years his Early Retirement Date precedes his Normal Retirement Date.

Payment of the deferred monthly retirement benefit will be in the form of retirement benefit in effect on a Participant's Retirement Date as provided under Section 4.02.

- (c) Immediate Payment. In lieu of any benefits otherwise available under this Article 8., a Participant may elect to receive his Participant's Contribution Account in a single sum payment.

If the Inactive Participant elects to receive his Participant's Contribution Account in a single sum payment, he shall receive his payment 90 days after the date he ceases to be an Employee and before his Retirement Date. Any such payment will be a voluntary cash-out, in lieu of a part of the deferred retirement benefit otherwise available to him on his Retirement Date. Payment of his Participant's Contribution Account cancels the part of his benefit determined under Section 8.01(a) above.

If, upon the date a Participant ceases to be an Employee, the present value of his deferred retirement benefit is less than \$1,750, it will, unless otherwise directed by the Employer, be paid as an involuntary cash-out in a single sum in full settlement of all benefits otherwise payable to him. This value will be determined under the provisions of the Group Contract.

SECTION 8.02--REPAYMENT OF SINGLE SUM PAYMENT.

- (a) A Participant
- (1) who received a single sum payment under this Plan of less than the present value of his Accrued Benefit on the date of payment, and
 - (2) who again performs Service as an Eligible Employee
- may make repayment to the Plan no longer than the earlier of
- (3) the last day of the two-year period which begins on the date he again performs Service as an Eligible Employee, or
 - (4) the last day of the five-year period which begins on the date the single sum payment is made.

The amount which must be repaid is the full amount of the single sum payment he received with interest at the rate of 8% per annum compounded annually, on such payment compounded annually from the date the payment was made to the date he repaid the full amount. If repayment is made, the Participant's Accrued Benefit will not be reduced for the single sum payment.

- (b) Beginning July 1, 2002, the Plan will accept a Participant's repayment in the form of the following rollovers, contributions, and transfers made after December 31, 2001, from the types of plans described below:
- (1) A direct rollover of an eligible rollover distribution from, or a participant contribution of an eligible rollover distribution from:
 - (i) A qualified plan described in IRC Section 401(a) or 403(a);
 - (ii) An annuity contract described in IRC Section 403(b); or
 - (iii) An eligible deferred compensation plan described in IRC Section 457(b) maintained by an eligible employer described in IRC Section 457(e)(1)(A),

but only if the Plan is an eligible retirement plan with respect to the direct rollover or participant contribution.
 - (2) A participant rollover contribution of the portion of a distribution from an individual retirement account or annuity described in IRC Section 408(a) or 408(b) that is eligible to be rolled over and would otherwise be includible in gross income.
 - (3) A direct trustee-to-trustee transfer authorized by IRC Section 457(e)(17) from an eligible deferred compensation plan described in IRC Section 457(b) maintained by an eligible employer described in IRC Section 457(e)(1)(A).

The definitions in Section 13.03 apply for purposes of this Section 8.02(b).

ARTICLE 9. ADDITIONAL BENEFITS FOR PERS BENEFIT INCREASES

SECTION 9.01--PURPOSE.

This Article 9. implements the requirement that the Employer provide increases in benefits for certain Public Safety Employees that are equal to or the actuarial equivalent of certain increases in benefits under the Oregon Public Employees Retirement System granted in 1991 and 1995 to certain police officers and firefighters. That requirement and those increases are provided in ORS 237.635 and 237.637, 1991 Oregon Laws chapter 796, and 1995 Oregon Laws chapter 569.

SECTION 9.02--INCREASE IN DISTRIBUTION.

Upon distribution of an Eligible Employee's Vested Accrued Benefit in a calendar year in which distributions under this Plan are not exempt from Oregon personal income taxation, the amount of the distribution shall be increased by the greater of the following amounts:

- (a) The amount determined by multiplying the Eligible Payments of the Eligible Portion of the Employee's Vested Accrued Benefit by the following percentage:

<i>If the Employee's Years of PSE Service at the Employee's last Severance of Employment are:</i>	<i>The percentage is:</i>
Less than 10	0%
At least 10 but not 20	1%
At least 20 but not 25	2½%
25 or more	4%

- (b) The amount determined by multiplying the Eligible Payments of the Eligible Portion of the Employee's Vested Accrued Benefit by the percentage determined under the following formula:

$$\left(\frac{1}{.91} - 1 \right) \times \left(\frac{\text{the Employee's Years of PSE Service before October 1, 1991}}{\text{the Employee's Years of PSE Service}} \right)$$

The amount of such increase shall be allocated among the components of the Employee's Vested Accrued Benefit in proportion to the Actuarial Equivalent value of each. The increase allocated to each component shall be paid in the same form as the component is paid.

SECTION 9.03--ALTERNATE PAYEES.

Despite Section 9.02 above, (1) the amount by which the distribution to an alternate payee is to be increased shall not be determined or paid before the participant's Severance of Employment, (2) no increase shall be paid (even after the participant's Severance of Employment) with respect to a lump sum distribution (including a direct rollover) made to an alternate payee before the participant's

Severance of Employment, and (3) the amount of the increase in the distribution to the alternate payee with respect to distributions previously made shall be distributed in the following forms, without interest for delayed payment:

- (a) In a lump sum distribution if the benefit is attributable to monthly payments previously made under an annuity.
- (b) As a supplement to the annuity if the increase is attributable to monthly payments to be made in the future under a previously started annuity.

SECTION 9.04--DEFINITIONS; CHANGE IN TAX RATE.

For purposes of this Article 9.:

- (a) An "Eligible Employee" is any Employee who before July 14, 1995, was a Public Safety Member and whose last Severance of Employment occurred or occurs while the Employee is a Public Safety Employee and either occurred before January 1, 1991, for a reason other than the Employee's death or occurred or occurs after December 31, 1990, for any reason.
- (b) "Public Safety Member" means an Active Participant employed by the Employer as a firefighter or police officer as those terms are defined in ORS 237.610.
- (c) "Public Safety Employee" means an Employee employed by the Employer as a firefighter or police officer as those terms are defined in ORS 237.610.
- (d) "Accrued Benefit" means the participant's Accrued Benefit as defined in Section 1.05, but specifically excluding the cost of living adjustment provided in Article 6., the benefit provided in this Article 9., and the benefit attributable to the participant's Voluntary Account.
- (e) "Vested Accrued Benefit" means the participant's Accrued Benefit as defined in Section 9.04(d) above multiplied by the percentage determined under Section 1.03(b) with respect to the participant's Accrued Benefit.
- (f) "Eligible Payments" are all payments made after December 31, 1990, other than:
 - (1) Payments that would have been made before January 1, 1991, if the Employee had elected to start benefit payments on the Employee's first possible Retirement Date on or next after the Employee's Severance of Employment.
 - (2) Payments with respect to an Eligible Employee whose last Severance of Employment occurred before January 1, 1991, other than periodic payments made under an annuity.

- (g) The "Eligible Portion" is the part of the Vested Accrued Benefit attributable to Plan Participation as a Public Safety Member.
- (h) "Years of PSE Service" are Years of Service during which the Eligible Employee was a Public Safety Employee, which Years of Service shall be determined by counting only completed months of Service during which the Employee was at all times a Public Safety Employee.
- (i) "Severance of Employment" means permanent termination of employment with the Employer for any cause.

SECTION 9.05--PRIOR DISTRIBUTIONS.

The Employer shall as soon as administratively feasible cause to be distributed to Eligible Employees (and where applicable their Beneficiaries, Contingent Annuitants, and alternate payees) without interest any benefits provided in this Article 9. or Article 6. attributable to distributions previously made and shall appropriately adjust the cost of living adjustment provided in Article 6. for payments to be made in the future. Such benefits shall be distributed in the following forms:

- (a) In a lump sum distribution if the benefit is attributable to:
 - (1) A lump sum distribution (including a direct rollover); or
 - (2) Monthly payments previously made under an annuity.
- (b) As a supplement to the annuity if the benefit is attributable to monthly payments to be made in the future under a previously started annuity.

SECTION 9.06--LIMITATIONS.

The benefits provided in this Article 9.:

- (a) Shall not be paid with respect to any portion of an Eligible Employee's Accrued Benefit that is transferred to the Oregon Public Employees Retirement System or the payment of which is assumed or made by the Oregon Public Employees Retirement System.
- (b) May by amendment of this Plan be reduced, eliminated, or changed for all or some Employees with respect to service performed before or after the amendment:
 - (1) To the extent a court of competent jurisdiction or the Employer determines that the Employer is not required to implement one or more of the provisions of ORS 237.635 and 237.637, 1991 Oregon Laws chapter 796, and 1995 Oregon Laws chapter 569 that by their terms apply to the Employer.

- (2) To the extent a court of competent jurisdiction or the Employer determines that any of the benefits, or the aggregate benefits, provided in this Article 9. are more than is required to implement the provisions of ORS 237.635 and 237.637, 1991 Oregon Laws chapter 796, and 1995 Oregon Laws chapter 569.
- (3) As the Employer determines appropriate to respond to any law modifying any requirement of ORS 237.635 and 237.637, 1991 Oregon Laws chapter 796, and 1995 Oregon Laws chapter 569.
- (4) As the Employer in the Employer's absolute discretion deems appropriate, even though none of the events described above in this Section 9.06(b), and no like event, has occurred.

Any such benefits that are reduced, eliminated, or changed after they have been distributed may not be recovered from any person or offset against any undistributed benefit of any person to account for any such reduction, elimination, or change.

SECTION 9.07--NO CONTRACT RIGHTS.

No Eligible Employee, Beneficiary, Contingent Annuitant, or alternate payee shall acquire a right, contractual or otherwise, to the increased benefits provided by this Article 9.

ARTICLE 10. VOLUNTARY CONTRIBUTIONS

SECTION 10.01--VOLUNTARY CONTRIBUTIONS.

An Active Participant may make Voluntary Contributions. These Contributions may be made during any period in which he is an Active Participant. Voluntary Contributions will be made in accordance with procedures set up by the Employer.

A Participant's Voluntary Contributions, including any voluntary contributions he has made under any other qualified plan of the Employer or predecessor of the Employer, may not, in the aggregate, exceed 10% of his aggregate earnings from the Employer and predecessor for the period of time that he has actively participated under this and such other plan or plans.

An Active Participant may begin to make Voluntary Contributions on any Quarterly Date.

An Active Participant may change the amount of future Voluntary Contributions on any Quarterly Date.

An Active Participant may stop making his Voluntary Contributions on any Quarterly Date. He may then resume making Voluntary Contributions on any Quarterly Date.

Before the date he ceases to be an Employee, a Participant may withdraw any part of his Voluntary Account resulting from his Voluntary Contributions in a single sum, but not more than the original amount of those Contributions. A withdrawal may occur only once in a Plan Year.

Stopping, changing, or withdrawing Voluntary Contributions will not affect a Participant's participation in the Plan. No portion of his Voluntary Account resulting from any other Contributions will be forfeited solely because of such withdrawal. An Active Participant's request to begin, change, stop, or withdraw his Voluntary Contributions will be in writing on a form furnished for that purpose. This form will include any necessary authorization for payroll deduction and will be delivered to the Employer before the date Contributions are to begin, change, stop, or be withdrawn.

No Voluntary Contributions will be made by a Participant after the second calendar month preceding his Retirement Date.

Voluntary Contributions will be credited to the Participant's Voluntary Account as they are made and will be forwarded to the Insurer at least quarterly.

Participants' Voluntary Accounts are fully vested and nonforfeitable.

SECTION 10.02--INVESTMENT OF VOLUNTARY CONTRIBUTIONS.

All Voluntary Contributions made by or on behalf of an Active Participant will be forwarded by the Employer to the Insurer to be deposited under the Group Contract and invested according to its provisions.

However, no Voluntary Contributions may be invested in any of the separate accounts of the Insurer in which the Group Contract participates.

SECTION 10.03--RETIREMENT BENEFITS.

On a Participant's Retirement Date, his Voluntary Account will be used to purchase additional benefits for him as provided in Section 4.03.

SECTION 10.04--DEATH BENEFITS.

If the death of the Participant occurs before his Retirement Date, a distribution of his Voluntary Account will be made to his Beneficiary as provided in this Article 10. A Participant's Voluntary Account will not be distributed to his Beneficiary under this Article 10. if a death benefit is paid under Section 7.01(a) or 7.01(b)(5) on account of the Participant's death.

SECTION 10.05--VESTED BENEFITS.

The Participant's Voluntary Account will be held for him until the earlier of his Retirement Date or death and will then be applied as provided in Section 10.03 or Section 10.04, unless he receives earlier distribution under this Section 10.05.

An Inactive Participant may elect to have his Voluntary Account distributed under one or more of the methods described in Section 4.02 before his Retirement Date or death. The distribution may be in the form of an immediate annuity only if the amount which would be applied to purchase the annuity under the Group Contract is \$1,750 or more. Benefit payments may begin at the time after the Participant ceases to be an Employee but not later than his Normal Retirement Date.

Any election by a Participant to receive a distribution of all or part of his Voluntary Account must be made before he again becomes an Employee.

If, on the date he ceases to be an Employee, a Participant's Voluntary Account is less than \$1,750, it will, unless otherwise directed by the Employer be paid to him in a single sum as an involuntary cash-out.

ARTICLE 11. TERMINATION OF PLAN

SECTION 11.01--TERMINATION OF PLAN.

The Employer expects to continue the Plan indefinitely but reserves the right to terminate the Plan in whole or in part at any time by giving written notice to all parties concerned.

SECTION 11.02--VESTING ON TERMINATION.

Upon termination or partial termination of the Plan or complete discontinuance of contributions under the Plan, the rights of all affected employees to benefits accrued to the date of such termination, to the extent then funded, shall become nonforfeitable.

SECTION 11.03--PROCEDURES UPON TERMINATION OF PLAN.

Upon termination of Plan, the following provisions shall apply:

- (a) No further Employees shall become Participants and no further contributions shall be made.
- (b) Each Participant's account shall be held under the Group Contract and applied as heretofore provided in this Plan upon such Participant's death, Termination of Employment, or Retirement Date.

In lieu of a portion of his deferred monthly retirement income under this Section 11.03(b), such Participant may elect to receive his Participant's Contribution Account in a single sum payment at any time on or subsequent to his Termination of Employment and prior to his Retirement Date.

- (c) All disability payments will cease and the Plan assets, other than those arising from Section 11.03(b) held by the Insurer under the Group Contract as to those Participants whose Retirement Dates have not yet occurred shall be allocated and applied to the extent they are sufficient to purchase benefits for all Participants who had not reached their Retirement Dates prior to the effective date of termination of Plan, in accordance with the following classifications and order of precedence.
 - (1) First, to purchase immediate monthly retirement benefits for those Participants whose Normal Retirement Dates occurred on or prior to the effective date of termination of Plan, but who had not retired, and for those Participants who were receiving disability benefits pursuant to Article 5. on the effective date of termination of Plan.

- (2) Second, to purchase deferred monthly retirement benefits for such Participants who have attained age 60 or older on the effective date of termination of Plan and who are not included in Section 11.03(c)(1) above.
- (3) Third, to purchase deferred monthly retirement benefits for such Participants who have attained age 55 or older on the effective date of termination of Plan and who are not included in Section 11.03(c)(1) or 11.03(c)(2) above.
- (4) Fourth, to purchase deferred monthly retirement benefits for all other Participants.

The monthly retirement benefit to be purchased for each such Participant shall be payable in accordance with the Normal Form beginning on his Normal Retirement Date (on the effective date of termination of Plan, if later) and the amount shall be equal to (i) his Accrued Benefit (or disability benefit, if applicable) on the effective date of termination of Plan; provided, however, that if the Plan assets are insufficient to purchase such monthly retirement benefits in full for any class, the monthly retirement benefits for all in such class shall be reduced, as determined by the Insurer, to such fraction as the amount available will provide.

In any event, that portion of the Plan assets attributable to each Participant's Voluntary Account, if any, will be applied on the effective date of termination of Plan to provide for him an amount of deferred monthly retirement income benefit before the allocation and application of assets determined according to the classification and order of precedence in Section 11.03(c).

No part of the assets of the Plan shall be paid or distributed to such Employer at any time except as provided in Section 3.01 (about returned contributions) and except that, after satisfaction of all liabilities under such Plan, any overpayments made by such Employer as a result of erroneous actuarial computations shall be repaid to such Employer.

ARTICLE 12. ADMINISTRATION OF PLAN

SECTION 12.01--ADMINISTRATION.

The Employer will have complete control of the administration of the Plan, subject to the provisions hereof, with all powers necessary to enable it properly to carry out its duties in that respect. Not in limitation, but in amplification of the foregoing, it will have the discretionary power to construe the Plan and to determine all questions that may arise hereunder, including all questions relating to the eligibility of Employees to participate in the Plan and the amount of benefit to which any Participant, Beneficiary, Contingent Annuitant, or alternate payee may become entitled hereunder. Its decision upon all matters within the scope of its authority will be final.

The Employer will establish rules and procedures to be followed by Participants, Beneficiaries, Contingent Annuitants, and alternate payees in filing applications for benefits, in furnishing and verifying proofs necessary to determine age, and in any other matters required to administer the Plan. It may delegate to any person or firm such recordkeeping and other duties necessary to assist the Employer with the administration of the Plan not otherwise set out in the Plan or the Group Contract, as specifically agreed to by such person or firm.

The Employer will receive all applications for benefits and will determine all facts necessary to establish the right of the applicant to benefits under the provisions of the Plan and the amount thereof as herein provided.

The Employer will be entitled to rely upon all tables, valuations, certificates, and reports furnished by the consultant or actuary appointed by the Employer and upon all opinions given by any counsel selected or approved by it.

SECTION 12.02--RECORDS.

All acts and determinations of the Employer will be duly recorded and all such records, together with such other documents as may be necessary for the administration of the Plan, will be preserved in its custody.

SECTION 12.03--DELEGATION OF AUTHORITY.

The administrative duties and responsibilities set forth in Section 12.01 may be delegated by the Employer to a retirement committee consisting of such persons as it selects. The Employer shall notify the Insurer in writing of the authority conferred upon the retirement committee and of the membership of the retirement committee and any changes therein as they occur from time to time. The Insurer shall be entitled to rely on the last such notification received, until written notification to the contrary has been received from the Employer. The members of the retirement committee shall be free from all liability, joint or several, for their acts, omissions, and conduct, and for the acts, omissions, and conduct of their duly constituted agents, in the administration of the Plan, and the Employer shall indemnify and save each of them harmless from effects and consequences of their

acts, omissions, and conduct in their official capacity, except to the extent that such effects and consequences shall result from their own willful misconduct or gross negligence.

Members of the retirement committee shall serve without compensation for services as such, but all expenses incurred by it shall be paid by the Employer or by the Plan, upon written authorization of the Employer provided to the Insurer. Such expenses shall include any expenses incident to the functioning of the retirement committee including, but not limited to, fees of accountants, counsel, and other specialists related directly to the administration and operation of the Plan. All other expenses of the Plan or the Group Contract, unless paid by the Employer, shall be paid by the Plan upon written authorization of the Employer provided to the Insurer.

The Employer will have the power to appoint or remove any person to manage (including the power to acquire and dispose of) any assets of the Plan. It may appoint or remove any person or persons to serve in more than one fiduciary capacity with respect to the Plan (including service both as trustee and administrator).

The Employer will have the power to appoint or remove the Insurer.

SECTION 12.04--INFORMATION AVAILABLE.

Any Participant or alternate payee or any Beneficiary or Contingent Annuitant receiving benefits under the Plan may examine copies of this Plan, the Group Contract, or any other instrument under which the Plan was established or is operated. The Employer will maintain all of the items listed in this Section 12.04 in its office, or in such place or places as it may designate from time to time, for examination during reasonable business hours. Upon written request of a Participant or alternate payee or Beneficiary or Contingent Annuitant receiving benefits under the Plan, the Employer will furnish him with a copy of any item listed in this Section 12.04. The Employer may make a reasonable charge to the requesting person for the copy so furnished.

SECTION 12.05--CLAIMS.

Upon the request of a participant or beneficiary (including an alternate payee), or by action of the Employer, the Employer shall provide claim forms to any participant or his beneficiary who becomes entitled to benefits under the Plan. Such claim form shall be completed and submitted to the Employer no later than 30 days after it is received by the participant or beneficiary. Upon receipt of the claim form, the Employer shall review the appropriateness of the claim and if the Employer determines that the claim should not be allowed, the Employer shall respond in writing within 30 days of the receipt of the claim to the participant or beneficiary. The response shall include the specific reason or reasons for the denial, specific references to pertinent Plan provisions on which the denial is based, a description of whatever additional material or information, if any, need be supplied by the participant or beneficiary to perfect the claim, and an explanation of the Plan's review procedure. If notice of the denial of a claim is not furnished within 30 days of receipt by the Employer, the claim shall be deemed denied.

Within 60 days after receipt of notice of denial of the claim or when the claim is deemed to have been denied, the participant or beneficiary (or representative) may respond to the denial by requesting, in writing, a review of the decision and a review of pertinent documents. If the participant or beneficiary (or representative) responds and seeks a review of the decision to deny benefits, issues and comments must be submitted in writing to the Employer. Such issues and comments shall specify the reasons that the decision of the Employer is claimed to be erroneous. The Employer shall review the contentions regarding the denial of the claim and shall, within 60 days from the Employer's receipt of the request for review, respond to said request. In modification of the foregoing, if the Employer, in the Employer's sole discretion, determines that special circumstances warrant the holding of a hearing, it shall promptly be held and a decision shall be rendered within 120 days from the date the Plan received the request for review. Any decision on review shall be in writing and shall state the specific reasons for the decision, and shall make specific references to the Plan provisions on which the decision is based.

ARTICLE 13. REQUIRED PROVISIONS

SECTION 13.01--REQUIRED STARTING DATE.

- (a) The entire interest of each participant in the Plan:
 - (1) Will be distributed to the participant no later than the Required Starting Date;
or
 - (2) Will be distributed, starting not later than the Required Starting Date, in accordance with Treasury regulations, over the life of the participant or over the lives of the participant and a Designated Beneficiary (or over a period not extending beyond the life expectancy of the participant or the life expectancy of the participant and a Designated Beneficiary).
- (b) If the distribution of the participant's interest has begun in accordance with Section 13.01(a)(2) above and the participant dies before the participant's entire interest has been distributed to the participant, the remaining portion of the participant's interest will be distributed at least as rapidly as under the method of distributions being made under Section 13.01(a)(2) above as of the date of the participant's death.
- (c) If a participant dies before the distribution of the participant's interest has begun in accordance with Section 13.01(a)(2) above, the entire interest of the participant will be distributed within five years after the death of the participant. However, the five-year rule does not apply to any portion of the participant's interest payable to (or for the benefit of) a Designated Beneficiary; and not later than one year after the date of the participant's death or such later date as may be prescribed by Treasury regulations distributions (in accordance with Treasury regulations) of such portion will start over the life of the Designated Beneficiary (or over a period not extending beyond the life expectancy of the Designated Beneficiary).
- (d) With respect to a Designated Beneficiary who is the participant's surviving Spouse:
 - (1) The date on which the distributions are required to start for purposes of the exception to the five-year rule in Section 13.01(c) above will not be earlier than the date on which the participant would have attained age 70½; and
 - (2) If the surviving Spouse dies before the distributions to the Spouse start, Section 13.01(b) and 13.01(c) above will be applied as if the Spouse were the participant.

- (e) For purposes of this Section 13.01.:
- (1) "Required Starting Date" means April 1 of the calendar year following the later of (a) the calendar year in which the participant attains age 70½ or (b) the calendar year in which the participant retires.
 - (2) "Designated Beneficiary" means any individual designated as a beneficiary by the participant.
 - (3) "Spouse" and "surviving Spouse" include an alternate payee who is the participant's former Spouse.
 - (4) In accordance with Treasury regulations, any amount paid to a child will be treated as if it had been paid to the surviving Spouse if such amount will become payable to the surviving Spouse upon such child reaching majority (or other designated event permitted under Treasury regulations).
 - (5) Any distribution required under the incidental death benefit requirements of IRC Section 401(a) will be treated as a distribution required under this Section 13.01.
- (f) Despite any contrary provision of the Plan, the Plan will apply the minimum distribution requirements of IRC Section 401(a)(9) in accordance with the following proposed, final, and temporary Treasury regulations:
- (1) With respect to distributions made for calendar years beginning before January 1, 2001, the regulations under IRC Section 401(a)(9) that were proposed in 1987, including Proposed Treasury Regulation Section 1.401(a)(9)-2.
 - (2) With respect to distributions made for the calendar year beginning on January 1, 2001, the regulations under IRC Section 401(a)(9) that were proposed on January 17, 2001.
 - (3) With respect to distributions made for calendar years beginning on or after January 1, 2002, Treasury Regulation Sections 1.401(a)(9)-1 through 1.401(a)(9)-9, and also Treasury Regulation Section 1.401(a)(9)-6T for the period it applies.
 - (4) With respect to distributions made for any calendar year, the provision in Treasury Regulation Section 1.401(a)(9)-1 Q&A -2(d), as published in 74 Fed. Reg. 45993 (September 8, 2009), treating a governmental plan (within the meaning of IRC Section 414(d)) as having complied with IRC Section 401(a)(9) for all years to which IRC Section 401(a)(9) applies to the plan if

the plan complies with a reasonable and good faith interpretation of IRC Section 401(a)(9).

- (g) This Section 13.01.:
 - (1) Applies only to the extent this Section 13.01 requires a distribution to be made earlier than otherwise required under the Plan.
 - (2) Overrides any distribution options in the Plan inconsistent with IRC Section 401(a)(9).
 - (3) Applies to Plan Years beginning after December 31, 1986, or such later date provided in Public Law No. 98-369, Section 521(d)(5) (about collective bargaining agreements).

SECTION 13.02--ANNUAL COMPENSATION LIMIT.

The annual compensation taken into account for each participant in determining plan allocations and benefit accruals under the Plan for any Plan Year is limited to the annual compensation limit under IRC Section 401(a)(17)(A) (\$200,000), as adjusted for increases in the cost of living in accordance with IRC Section 401(a)(17)(B). The requirements of IRC Section 401(a)(17) and the Treasury regulations thereunder are incorporated into the Plan by this reference. In determining each participant's benefit accruals under the Plan for any Plan Year ending after December 31, 2001, the annual compensation limit for any Plan Year ending before January 1, 2002, is \$200,000.

SECTION 13.03--DIRECT ROLLOVERS.

Despite any contrary provision of the Plan, a Distributee may elect, at the time and in the manner prescribed by the Employer, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover. The following definitions shall apply to this Section 13.03 and Section 8.02(b):

- (a) Direct Rollover: A Direct Rollover is a payment by the Plan to an Eligible Retirement Plan specified by the Distributee.
- (b) Distributee: A Distributee includes any of the following:
 - (1) An employee or former employee.
 - (2) An employee's or former employee's surviving Spouse.
 - (3) An employee's or former employee's Spouse or former Spouse who is an alternate payee under a qualified domestic relations order, as defined in IRC Section 414(p).

- (4) Effective for distributions after December 31, 2009, a Designated Beneficiary.
- (c) Designated Beneficiary: A Designated Beneficiary is an employee's or former employee's beneficiary meeting either of the following requirements:
- (1) The beneficiary:
 - (i) Is an individual and a designated beneficiary (as defined in IRC Section 401(a)(9)(E)) of the employee or former employee;
 - (ii) Is not the employee's or former employee's surviving Spouse; and
 - (iii) Is not an alternate payee under a qualified domestic relations order, as defined in IRC Section 414(p), who is the employee's or former employee's Spouse or former Spouse; or
 - (2) The beneficiary is a trust maintained for the benefit of one or more designated beneficiaries (as defined in IRC Section 401(a)(9)(E)) of the employee or former employee.
- (d) Eligible Retirement Plan:
- (1) Except as provided in Sections 13.03(d)(2) and 13.03(d)(3), an Eligible Retirement Plan is any of the following specified by the Distributee that accepts the Eligible Rollover Distribution:
 - (i) An individual retirement plan described in IRC Section 7701(a)(37) (other than an endowment contract), including, for distributions made after December 31, 2007, a Roth IRA described in IRC Section 408A, except that, for taxable years beginning before January 1, 2010, an individual retirement plan does not include a Roth IRA if, for the taxable year of the distribution to which the Direct Rollover relates, (A) the taxpayer's adjusted gross income (as determined under IRC Section 408A(c)(3)) exceeds \$100,000 or (B) the taxpayer is a Married individual filing a separate return.
 - (ii) A qualified trust described in IRC Section 401(a).
 - (iii) An annuity plan described in IRC Section 403(a).
 - (iv) An annuity contract described in IRC Section 403(b).
 - (v) An eligible deferred compensation plan under IRC Section 457(b) which is maintained by an eligible employer described in IRC Section

457(e)(1)(A) and that agrees to separately account for amounts transferred into such plan from the Plan.

- (2) In the case of a Direct Rollover on behalf of a Designated Beneficiary, an Eligible Retirement Plan is an individual retirement plan described in IRC Section 7701(a)(37) (other than an endowment contract), including a Roth IRA described in IRC Section 408A, that:
- (i) Is specified by the Designated Beneficiary;
 - (ii) Accepts the Direct Rollover;
 - (iii) Is established for the purpose of receiving the distribution on behalf of the Designated Beneficiary; and
 - (iv) Will be treated as an inherited individual retirement account or individual retirement annuity (within the meaning of IRC Section 408(d)(3)(C)) pursuant to IRC Section 402(c)(11),

except that, for taxable years beginning before January 1, 2010, an individual retirement plan does not include a Roth IRA if, for the taxable year of the distribution to which the Direct Rollover relates, (A) the taxpayer's adjusted gross income (as determined under IRC Section 408A(c)(3)) exceeds \$100,000 or (B) the taxpayer is a Married individual filing a separate return.

- (3) In the case of a Direct Rollover made in a tax year beginning after December 31, 2006, that is not on behalf of a Designated Beneficiary and includes an amount that is not includable in gross income, an Eligible Retirement Plan is any of the following that is specified by the Distributee and accepts the Direct Rollover:
- (i) A qualified trust described in IRC Section 401(a) or an annuity contract described in IRC Section 403(b) which trust or contract provides for separate accounting for amounts so transferred (and earnings thereon), including separately accounting for the portion of such distribution which is includable in gross income and the portion of such distribution which is not so includable; or
 - (ii) An individual retirement plan as described in Section 13.03(d)(1)(i).

- (e) 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 of the following:
- (1) 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 (within the meaning of IRC Section 402(c)(4)(A)(i)), or for a specified period of ten years or more.
 - (2) Any distribution to the extent such distribution is required under IRC Section 401(a)(9). The determination of any distribution required under IRC Section 401(a)(9) for a Designated Beneficiary will be made in accordance with Q&A -17 and -18 of Internal Revenue Service Notice 2007-7, 2007-5 I.R.B. 395, or later guidance by the Internal Revenue Service or in Treasury regulations.
 - (3) Unless the plan administrator affirmatively elects to the contrary, any minimum amount permitted by IRC Section 401(a)(31) and regulations issued thereunder that is permitted to be excluded from the definition of Eligible Rollover Distribution.
 - (4) Any distribution made upon the hardship (within the meaning of IRC Section 402(c)(4)(C)) of the Distributee.
 - (5) Any other distribution designated in Treasury regulations, or by the Commissioner of the Internal Revenue Service pursuant to Treasury regulations, as not an eligible rollover distribution within the meaning of IRC Section 402(c)(4).

SECTION 13.04--AUTOMATIC ROLLOVERS.

Despite any contrary provision of the Plan, the plan administrator will cause any Eligible Rollover Distribution described in this Section 13.04 to be paid in a Direct Rollover to an individual retirement plan designated by the plan administrator and will notify the Participant in writing (either separately or as part of the notice under IRC Section 402(f)) that the distribution may be transferred to another individual retirement plan. An Eligible Rollover Distribution is described in this Section 13.04 if:

- (a) The distribution:
 - (1) Is more than \$1,000;

- (2) Is made with respect to a Participant before the later of the Participant's 62d birthday or the Participant's normal retirement age; and
 - (3) May be made without the Participant's consent; and
- (b) The Participant does not elect to have the distribution paid directly to an Eligible Retirement Plan specified by the Participant in a Direct Rollover or to receive the distribution directly.

The definitions in Section 13.03 apply to this Section 13.04, except that the individual retirement plan is designated by the plan administrator, not specified by the Participant. An individual retirement plan is an individual retirement plan described in IRC Section 7701(a)(37) but does not include a Roth IRA.

SECTION 13.05--BENEFITS FOR MILITARY SERVICE.

Despite any contrary provision of the Plan:

- (a) Effective for reemployments initiated on or after December 12, 1994, contributions, benefits, and service credit with respect to qualified military service will be provided in accordance with IRC Section 414(u).
- (b) However, effective for deaths and disabilities occurring on or after January 1, 2007, the Plan will not apply IRC Section 414(u)(9) (about treatment in the case of death or disability resulting from active military service) as added by section 104(b) of Public Law No. 110-245, the Heroes Earnings Assistance and Relief Tax Act of 2008; and therefore, for benefit accrual purposes, the Plan will not treat an individual who dies or becomes disabled while performing qualified military service with respect to the employer maintaining the Plan as if the individual has resumed employment in accordance with the individual's reemployment rights under chapter 43 of title 38, United States Code, on the day preceding death or disability (as the case may be) and terminated employment on the actual date of death or disability.
- (c) In the case of a participant who dies after December 31, 2006, while performing qualified military service (as defined in IRC Section 414(u)), the survivors of the participant are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan had the participant resumed and then terminated employment on account of death.
- (d) Only to the extent required by IRC Section 414(u)(12)(A):
 - (1) An individual receiving a differential wage payment in a year beginning after December 31, 2008, will be treated as an employee of the employer making the payment; and

- (2) The differential wage payment will be treated as compensation.

A differential wage payment is any payment that:

- (1) Is made by an employer to an individual with respect to any period during which the individual is performing service in the uniformed services (as defined in chapter 43 of title 38, United States Code) while on active duty for a period of more than 30 days; and
- (2) Represents all or a portion of the wages the individual would have received from the employer if the individual were performing service for the employer.

This Section 13.05(d) does not entitle any individual to a differential wage payment.

SECTION 13.06--LIMIT ON BENEFITS.

Despite any contrary provision of the Plan, a participant's annual benefit payable under the Plan during any limitation year may not exceed the limitations of IRC Section 415 as provided in this Section 13.06.

- (a) A participant's annual benefit payable under the Plan during any limitation year may not exceed the dollar limitation under IRC Section 415(b)(1)(A) for the limitation year.
- (b) The dollar limitation in Section 13.06(a) above and in IRC Section 415(b)(1)(A) will be annually adjusted pursuant to IRC Section 415(d). Without limiting the foregoing:
 - (1) For participants who have incurred a severance from employment (as defined in Treasury Regulation Section 1.415(a)-1(f)(5)) with the employer maintaining the Plan or commenced receiving benefits, the annual adjustments to the dollar limitation in Section 13.06(a) above and in IRC Section 415(b)(1)(A) pursuant to IRC Section 415(d) that are effective after such severance or, if earlier, after the annuity starting date with respect to the commenced benefits, will apply to the participants.
 - (2) Adjustments of the dollar limitation in Section 13.06(a) above and in IRC Section 415(b)(1)(A) will apply to participants who have not commenced benefits before the effective date of the adjustment.
 - (3) With respect to distributions that commenced before the effective date of an adjustment of the dollar limitation in Section 13.06(a) above and in IRC Section 415(b)(1)(A), the adjustment will apply to the distributions, but only to the extent that benefits have not been paid.

- (c) If a participant's annual benefit payable under the Plan during a limitation year would exceed the amount provided in Section 13.06(a) above, the participant's annual benefit payable under the Plan during such limitation year will be reduced to the amount provided in Section 13.06(a).
- (d) In the case of any participant in more than one defined benefit plan of the employer (within the meaning of IRC Section 414(b), (c), (m), and (o), after applying IRC Section 415(h)), (1) all such plans will be treated as one plan and (2) the annual benefit that may be paid to the participant under the Plan during a limitation year as provided in Section 13.06(a) above will be reduced, to the extent required to comply with IRC Section 415, by the amount of the aggregate of the annual benefits payable to the participant under such other plans during such limitation year.
- (e) The limitations in this Section 13.06 will be applied according to the adjustments described in and the provisions of IRC Section 415 and Treasury regulations and guidance by the Internal Revenue Service under IRC Section 415 (including the effective dates of such adjustments and provisions), which are incorporated into the Plan by this reference, including without limitation the adjustments described in and the provisions of IRC Sections 415(b)(2)(B) (about benefits payable in any form other than a form described in IRC Section 415(b)(2)(A), or where employees contribute to the Plan or make rollover contributions), 415(b)(2)(C) and (D) (about benefits beginning before or after a stated age or stated ages), 415(b)(2)(F) (about plans maintained by governments), 415(b)(2)(G) and (H) (about police and firefighters), 415(b)(2)(I) (about disability and survivor benefits under governmental plans), 415(b)(4) (about total annual benefits not exceeding \$10,000), 415(b)(5) (about employees with less than 10 years of participation or service), 415(d) (about COLAs), 415(k)(3) (about repayments of cashouts under governmental plan), and 415(n) (about purchase of permissive service credit) and in Treasury Regulation Section 1.415(a)-1(g)(4) (April 5, 2007) (regarding grandfather rule for preexisting benefits). As provided in Treasury Regulation Section 1.415(a)-1(d)(3)(ii) (April 5, 2007), the Plan will be applied according to the default rules under IRC Section 415 except where the Plan specifies a permitted optional manner in which IRC Section 415 is to be applied in variance from the default rule.
- (f) The adjustments described in IRC Section 415(b)(2)(B), (C), and (D) will be made as follows:
- (1) The adjustment described in IRC Section 415(b)(2)(B) for any form of benefit not subject to IRC Section 417(e)(3) will be made using whichever of the following produces the straight life annuity with the greater annual amount:
- (i) The annual amount of the straight life annuity (if any) payable to the participant under the Plan commencing at the same annuity starting date as the form of benefit payable to the participant; or

- (ii) The annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the participant, computed using 5% interest and the mortality table described in IRC Section 415(b)(2)(E)(v).
- (2) The adjustment described in IRC Section 415(b)(2)(B) for any form of benefit subject to IRC Section 417(e)(3) will be made using whichever of the following produces the straight life annuity with the greatest annual amount:
 - (i) The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable, computed using the interest rate and applicable mortality table specified in Section 1.03(i);
 - (ii) The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable, computed using 5.5% interest and the mortality table described in IRC Section 415(b)(2)(E)(v); or
 - (iii) The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable (computed using the applicable interest rate for the distribution under Treasury Regulation Section 1.417(e)-1(d)(3) and the mortality table described in IRC Section 415(b)(2)(E)(v)), divided by 1.05.
- (3) The adjustments described in IRC Section 415(b)(2)(C) and in IRC Section 415(b)(2)(D) will be made as follows:
 - (i) No adjustment will be made to reflect the probability of a participant's death between the annuity starting date and age 62, or between age 65 and the annuity starting date, as applicable, if benefits are not forfeited upon the death of the participant before the annuity starting date. To the extent benefits are forfeited upon death before the annuity starting date, such an adjustment will be made.
 - (ii) If the Plan does not have an immediately commencing straight life annuity payable both at age 62 (age 65 if the adjustment is described in IRC Section 415(b)(2)(D)) and the age of benefit commencement, the adjustments will be made using 5% interest and the mortality table described in IRC Section 415(b)(2)(E)(v) (and expressing the participant's age based on completed calendar months as of the annuity starting date).

- (iii) If the Plan has an immediately commencing straight life annuity payable both at age 62 (age 65 if the adjustment is described in IRC Section 415(b)(2)(D)) and the age of benefit commencement, the adjustments will be made using whichever of the following produces the straight life annuity with the lesser annual amount:
 - (A) The interest rate and applicable mortality table specified in Section 1.03(i); or
 - (B) 5% interest and the mortality table described in IRC Section 415(b)(2)(E)(v) (and expressing the participant's age based on completed calendar months as of the annuity starting date).
- (g) For purposes of the adjustment in IRC Section 415(b)(5):
 - (1) A year of participation will be determined as provided in Treasury Regulation Section 1.415(b)-1(g)(1)(ii);
 - (2) A year of service is a Plan Year for which the participant accrues a benefit under the Plan or for which participant's employment with the employer maintaining the Plan would be sufficient to accrue a benefit under the Plan if the participant had met the other requirements for such accrual; and
 - (3) A participant who is permanently and totally disabled (as defined in IRC Section 22(e)(3)) for a Plan Year will be credited with a year of participation and a year of service for that year.

SECTION 13.07--LIMIT ON ANNUAL ADDITIONS.

- (a) Despite any contrary provision of the Plan, the annual additions credited to any participant's accounts under the Plan for any limitation year may not exceed the lesser of the dollar limitation in IRC Section 415(c)(1)(A) or 100% of the participant's compensation (as defined in Section 13.09, about compensation for purposes of limit on annual additions). The dollar limit in this Section 13.07(a) will be annually adjusted pursuant to IRC Section 415(d).
- (b) In the case of any participant in more than one defined contribution plan of the employer (within the meaning of IRC Section 414(b), (c), (m), and (o), after applying IRC Section 415(h)), all such plans will be treated as one plan, and the maximum annual addition to the participant's accounts under the Plan as provided above will be reduced, to the extent required to comply with IRC Section 415, by the aggregate of the amount of the annual additions to the participant's accounts under such other plans.

- (c) The limitations in this Section 13.07 will be applied according to adjustments described in and the provisions of IRC Sections 415 and 419A(d) and Treasury regulations and guidance by the Internal Revenue Service under IRC Sections 415 and 419A(d) (including the effective dates of such adjustments and provisions), which are incorporated into the Plan by this reference, including without limitation the adjustments described in and the provisions of IRC Sections 415(c) (about limitation for defined contribution plans), 415(d) (about COLAs), 415(l) (about individual medical benefit accounts), and 419A(d)(2) (about medical benefit accounts for key employees in a welfare benefit fund). As provided in Treasury Regulation Section 1.415(a)-1(d)(3)(ii) (April 5, 2007), the Plan will be applied according to the default rules under IRC Section 415 except where the Plan specifies a permitted optional manner in which IRC Section 415 is to be applied in variance from the default rule.

SECTION 13.08--LIMITATION YEAR.

The limitation year shall be the Plan Year.

SECTION 13.09--COMPENSATION FOR PURPOSES OF LIMIT ON ANNUAL ADDITIONS.

For purposes of Section 13.07 (about limit on annual additions), "compensation" means wages within the meaning of IRC Section 3401(a) (for the purposes of income tax withholding at the source) but 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 (such as the exception for agricultural labor in IRC Section 3401(a)(2)). For purposes of Section 13.07:

- (a) Compensation includes any elective deferral (as defined in IRC Section 402(g)(3)), or additional elective deferral under IRC Section 414(v), contributed by the employer and any amount contributed or deferred by the employer at the election of the participant and not includable in the gross income of the participant by reason of IRC Section 125, 132(f)(4), or 457.
- (b) IRC Section 415(c)(3)(C) (about special rules for permanent and total disability) and Treasury Regulation Section 1.415(c)-2(g)(4) (about permanent and total disability of defined contribution plan participant) will apply to with respect to all participants.
- (c) The amounts included in a participant's compensation under this Section 13.09 will be based on such amounts from the employer (within the meaning of IRC Section 414(b), (c), (m), and (o), after applying IRC Section 415(h)).
- (d) Compensation will be limited as provided in Section 13.02 (about annual compensation limit).
- (e) Compensation for any limitation year is the compensation (as defined in the above provisions of this Section 13.09) actually paid or made available to the participant

(or, if earlier, includible in the gross income of the participant) during such year. For purposes of this Section 13.09(e):

- (1) Compensation is treated as paid on a date if it is actually paid on that date or it would have been paid on that date but for an election described in Section 13.09(a) above.
- (2) Compensation includes only those amounts described in the above provisions of this Section 13.09 that are:
 - (i) Paid or treated as paid to the employee (in accordance with the above provisions of this Section 13.09(e)) before the employee's severance from employment (as defined in Treasury Regulation Section 1.415(a)-1(f)(5)) with the employer; or
 - (ii) Paid after such severance and by the later of 2½ months after such severance or the end of the limitation year that includes the date of such severance and which:
 - (A) Are regular compensation for services during the employee's regular working hours, or compensation for services outside the employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments; and
 - (B) Would have been paid to the employee prior to a severance from employment if the employee had continued in employment with the employer.

Thus compensation does not include severance pay if paid after such severance.

- (3) Payments awarded by an administrative agency or court or pursuant to a bona fide agreement by employer to compensate an employee for lost wages are compensation for the limitation year to which the back pay relates, but only to the extent such payments represent wages and compensation that would otherwise be included in compensation under this Section 13.09. This Section 13.09(e)(3) applies only to back pay that this Section 13.09(e)(3) would allocate to a limitation year beginning after June 30, 2007.

SECTION 13.10--ANNUITY CONTRACTS.

Benefits may be paid by distributing an annuity contract purchased by the Employer for the Participant, alternate payee, or Beneficiary (the payee).

- (a) Delivery of any such contract will be in full satisfaction of the rights under the Plan of the payee and the payee's Contingent Annuitant, Beneficiary, and estate, and upon the delivery thereof such persons will have no further interest under the Plan or in the Group Contract with respect to the benefits to be paid under the contract and must look solely to the insurer issuing the contract for the payment of such benefits.
- (b) Any refund or credit under any such contract (on account of dividends, earnings, or other experience rating credits, or surrender or cancellation credits) in excess of the benefits under the Plan to be paid under the contract, and any proceeds from demutualization of the issuer of the contract or the issuer's successor, will be paid to the Plan for addition to the Group Contract.
- (c) Any such contract must be nontransferable and may not pay benefits that exceed the limitations of Section 13.06 (about limit on benefits) or 13.07 (about limit on annual additions).
- (d) The terms of the Plan control in the event of any conflict between the terms of the Plan and the terms of any such contract.

SECTION 13.11--OREGON FAMILY FAIRNESS ACT.

The Plan will be administered to comply with the Oregon Family Fairness Act, ORS 106.300 to 106.340.

ARTICLE 14. GENERAL PROVISIONS

SECTION 14.01--AMENDMENT OF PLAN.

The Employer, acting through its City Council or City Manager, may amend this Plan at any time, including any remedial retroactive changes (within the specified period of time as may be determined by Treasury regulations or Internal Revenue Service guidance from time to time) to comply with the requirements of any law or regulation issued by any governmental agency to which the Employer is subject. However, the City Manager may amend this Plan only to clarify this Plan, facilitate the administration of this Plan, or make changes adapting this Plan to the requirements of law, changes in law, or the terms of a collective bargaining agreement, all as determined in the discretion of the City Manager.

SECTION 14.02--EXCLUSIVE BENEFIT.

Except as provided in Section 3.01 (about return of contributions) or Article 11. (about termination of the Plan), no asset of the Plan or Group Contract may be used for or diverted to any purpose other than for the exclusive benefit of participants or their beneficiaries and defraying reasonable expenses of administering the Plan and Group Contract; and no amendment or termination of the Plan, or merger or consolidation with, or transfer of assets or liabilities to, any other plan, shall operate to allow any asset of the Plan or Group Contract to be used for or diverted to any such prohibited purpose.

SECTION 14.03--PROVISIONS RELATING TO THE INSURER.

The Insurer is not a party to the Plan, nor will it be bound in any way by the provisions of the Plan, nor will it be required to look to the terms of this Plan, nor to determine whether the Employer has the authority to act in any particular manner or to make any contract or agreement.

SECTION 14.04--EMPLOYMENT STATUS.

Nothing contained in this Plan will be deemed to give any Employee the right to be retained in the employ of the Employer or to interfere with the rights of the Employer to discharge any Employee at any time.

Any final payment or distribution to any Participant or his legal representative or to any Beneficiaries, Contingent Annuitant, or alternate payee of such Participant in accordance with the provisions herein will be in full satisfaction of all claims against the Plan, the Insurer, and the Employer arising under or by virtue of the Plan.

SECTION 14.05--BENEFICIARY.

Each Participant may name a Beneficiary to receive any death benefit (other than any monthly income payable to a Contingent Annuitant) which may arise out of his participation in the Plan and

may change such Beneficiary from time to time without the consent of such Beneficiary. It will be the responsibility of the Participant to give written notice to the Insurer of the name of his Beneficiary on a form furnished for that purpose.

In modification of the above, the Employer may maintain records of Beneficiary designations as to Participants prior to their Retirement Dates, in which event the written designations made by Participants will be filed with the Employer and in the event of a Participant's death prior to his Retirement Date, the Employer will certify to the Insurer the Beneficiary designation on its records as to such Participant.

If, at the death of a Participant, there is no Beneficiary named or surviving, the death benefit, if any, under the Plan will be paid to the Participant's estate.

For purposes of determining a Participant's Beneficiary:

- (a) A Beneficiary does not include an individual, even if designated by the Participant, who does not survive the Participant or who is treated under Oregon law as not surviving the Participant. For this purpose (1) the Participant and the individual will be treated as residing in Oregon and (2) Oregon law includes without limitation the Uniform Simultaneous Death Act (ORS 112.570 to ORS 112.590) or its successor and the Uniform Disclaimer of Property Interests Act, ORS 105.623 to 105.649, or its successor but does not include Oregon law regarding conflicts of laws.
- (b) ORS 112.175 to 112.195, about adoption, or successor Oregon statutes, apply to determine relationships. ORS 112.105, about paternity, or successor Oregon statutes, and other comparable state laws apply without regard to any limitation therein regarding intestate succession. ORS 112.455 to 112.555, regarding certain deaths caused by an individual, or successor Oregon statutes, apply without regard to whether the death occurs or the individual or Participant resides in Oregon.

SECTION 14.06--SPENDTHRIFT CLAUSE.

Except as provided in Section 14.14 (about domestic relations orders), no benefit under the Plan or Group Contract may be voluntarily or involuntarily or revocably or irrevocably alienated, transferred, assigned (either at law or in equity), anticipated, mortgaged, or otherwise encumbered, or be subject to garnishment attachment, levy, seizure, execution, sequestration, or other legal or equitable process for the payment of debts, judgments, alimony, separate maintenance, or other amounts or claims, or be transferred by operation of law in the event of bankruptcy, insolvency, or otherwise.

SECTION 14.07--FACILITY OF PAYMENT.

If any person to whom a Plan benefit is payable is a minor or (as determined in the Employer's discretion) incompetent by reason of physical or mental disability, the Employer may direct the Insurer to make the payments becoming due to such person to another for such person's benefit without responsibility for the Employer or the Insurer to see to the application of such payments,

including without limitation to a custodian for the person, selected by the Employer or the Insurer without liability for the selection made, under the Oregon Uniform Transfers to Minors Act or under any other comparable state law. Any payment made pursuant to such power will as to such payment operate as a complete discharge of the Employer and the Insurer.

SECTION 14.08--CONSTRUCTION.

The Plan will be construed according to the laws of the State of Oregon and will be interpreted and administered consistent with the applicable requirements of the IRC for the Plan to be qualified under IRC Section 401(a). Any provision of the Plan that is based on a provision of the IRC, including one not necessary for the Plan to be qualified, will be interpreted and administered consistent with such provision of the IRC and the interpretive authorities thereunder.

The Plan includes provisions adopted in good faith to comply with the Tax Increase Prevention and Reconciliation Act of 2005, the Pension Protection Act of 2006, the Heroes Earnings Assistance and Relief Tax Act of 2008, and the Worker, Retiree, and Employer Recovery Act of 2008. Such provisions shall be interpreted and administered consistent with Treasury regulations and Internal Revenue Service guidance regarding such Acts, even where such regulations and guidance are inconsistent with the literal interpretation of such provisions.

In case any provision of this Plan will be held illegal or invalid for any reason, such determination will not affect the remaining provisions of this Plan, but the Plan will be construed and enforced as if said illegal or invalid provision had never been included.

SECTION 14.09--LEGAL ACTIONS.

To any action or proceeding involving the assets held with respect to the Plan or the administration thereof, the Plan and the Employer will be the necessary parties and no person employed by the Employer, Participant, former Participant or their Beneficiaries or any other person having or claiming to have an interest in the Plan will be entitled to any notice or process. Any final judgment which is appealed or appealable that may be entered in any such action or proceeding will be binding and conclusive on all persons having or claiming to have any interest in the Plan.

SECTION 14.10--MODIFICATION IN MODE OF PAYMENT.

If the present value of the initial monthly amount of retirement benefit payable to any Participant on his Retirement Date, to a Participant's Beneficiary or Contingent Annuitant due to such Participant's death, or to an alternate payee, is less than \$1,750, such value may, at the discretion of the Employer, be paid in a single sum in full settlement of all benefits otherwise payable. Such value will be determined on the basis of the annuity purchase rates in the Group Contract.

SECTION 14.11--INTEREST.

Interest will not be paid on any amount of benefit paid after the date as of which it is to be paid under the Plan if the amount is paid as soon as administratively feasible after such date, taking into account

any delay caused by the person entitled to the payment, any inability to locate such person, and any uncertainty regarding the identity of such person or the amount to be paid. Where interest is payable, it will be paid at the rate specified in Section 1.03(i).

SECTION 14.12--PRONOUNS.

Masculine pronouns as used in this Plan will include both masculine and feminine gender unless the context indicates otherwise.

SECTION 14.13--CAPTIONS.

The captions are for convenience only and have no substantive effect.

SECTION 14.14--DISTRIBUTION OF BENEFITS TO ALTERNATE PAYEE.

Despite any contrary provision of the Plan except Section 13.01 (about required starting date), to the extent required by and subject to the restrictions of ORS 237.600, a participant's benefit will be paid, in whole or in part, to an alternate payee (and not to the participant or other beneficiary) if and to the extent expressly provided for in the terms of any court decree of annulment or dissolution of marriage or of separation, or the terms of any court order or court-approved property settlement agreement incident to any court decree of annulment or dissolution of marriage or of separation. Payment to the alternate payee may be made before the participant's Termination of Employment with the Employer if provided or allowed by the decree, order, or agreement. However, the Plan may not distribute a benefit to a participant's Domestic Partner or former Domestic Partner (or other person with respect to whom the distribution does not satisfy the requirements of IRC Section 414(p)(11)) if the participant has not attained age 62 or separated from employment with the Employer and all employers aggregated with the Employer pursuant to any of IRC Section 414(b), (c), (m), and (o).

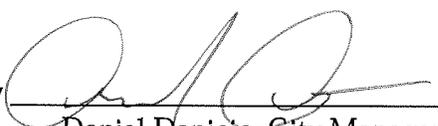
- (a) The Plan will apply ORS 237.600 to decrees, orders, or agreements whenever entered or modified, including those entered or last modified before January 1, 1994.
- (b) No benefit under the Plan will be paid to an alternate payee under the terms of a court decree or order or court-approved property settlement agreement ("Order") until after the date the Employer receives a copy of the Order and such additional information and documentation as satisfy the Employer:
 - (1) That the copy is a true copy of the Order.
 - (2) That the Order is, within the meaning of ORS 237.600, a court decree of annulment or dissolution of marriage or of separation, or a court order or court-approved property settlement agreement incident to such a decree.
 - (3) Of the extent to which the terms of the Order expressly provide for payment of a benefit under the Plan to an alternate payee.

- (4) Of any other fact or matter required for the Employer to:
 - (i) Determine the application of ORS 237.600 to the Order or the extent to which the Order applies to the Plan.
 - (ii) Comply with the Order or with ORS 237.600.
 - (iii) Administer the Plan under the terms of the Order.
- (c) Neither Employer nor the Plan will charge or collect out of the benefits payable to the participant or the alternate payee any administrative expenses or related costs incurred by Employer or the Plan in obtaining data or making calculations necessary by reason of ORS 237.600.
- (d) For periods beginning before a participant's Termination of Employment with the Employer, the amounts payable to the participant's alternate payee will be determined using the interest rate and mortality table specified in Section 1.03(i), not the factors specified in Section 4.01(b) or the provision in Section 4.01(b) for no reduction.

SECTION 14.15--MERGER.

This Plan is funded by Group Contracts issued by the Insurer to fund benefits for participants and their beneficiaries in the CITY OF NEWBERG GENERAL EMPLOYEES RETIREMENT PLAN for general employees of the City and in the CITY OF NEWBERG POLICEMEN AND FIREMEN RETIREMENT PLAN, which plans are restated in this Plan. Effective as of a date to be determined by the Employer's City Manager or Finance Director, the Employer, acting through the Employer's City Manager or Finance Director, shall cause the Insurer to modify or combine the Group Contracts so that all of the assets of the Group Contracts are available to pay benefits to all employees who are covered by this Plan and their beneficiaries. Until that date, the part of this Plan resulting from the CITY OF NEWBERG GENERAL EMPLOYEES RETIREMENT PLAN may continue to be known by such name, and the part of this Plan resulting from the CITY OF NEWBERG POLICEMEN AND FIREMEN RETIREMENT PLAN may continue to be known by such name.

CITY OF NEWBERG

By  _____
Daniel Danicic, City Manager
Signed this January 23, 2012

**City of Newberg Employees
Retirement Plan
4-47053**

Actuarial Valuation Report
For the plan year July 1, 2011 through
June 30, 2012

Section I	Introduction
Section II	Summary of Actuarial Results
Section III	Deposit Information
Section IV	Plan Assets
Section V	Development of Unfunded Actuarial Liability
Section VI	Participant Information
Section VII	Actuarial Assumptions and Methods
Section VIII	Summary of Plan Provisions
Section IX	Accounting Disclosure Information for SGAS 27

This actuarial valuation report is for your defined benefit retirement plan. It gives you the amounts needed to fund the benefits described in your plan document. This report is based on employee data and other information you provide us.

Amounts in this report are not what you need for your financial statements. Upon request, we will prepare another report for your accounting disclosure.

Funding Method

Defined benefit plans, as the name suggests, define the benefits given to employees. Your goal is to have enough funds to pay for these benefits. To do this, we use a funding method. It sets the yearly deposit needed to pay for your plan's benefits.

Assumptions

We use assumptions to estimate how much funding you'll need for benefits. For instance:

- How much interest will your funds earn?
- How many employees will leave the plan?
- What will be employees' future salaries?
- How many employees will become disabled?

Deposit levels change when actual events differ from what was assumed. To see the assumptions used for your plan, refer to Section VII of this report.

Using This Report

We give you a minimum deposit level. Your deposit may have to be more than this to fund upcoming benefits. We'll advise you if you need to fund at a higher level. For a summary of these results refer to Section II. More detailed information is found in the remaining sections of this report.

Section I-Introduction

Actuarial Certification

To the best of my knowledge, this report is complete and accurate. It complies with all relevant pension actuarial standards and legal requirements.

In preparing this report, I have relied on (1) information provided by the plan sponsor and (2) plan documents and plan asset information on file with Principal Life Insurance Company. Appropriate tests of reasonableness and accuracy have been made.

In my opinion, each assumption used in combination represents my best estimate of anticipated experience under the plan. Each assumption used is reasonable (taking into account the experience of the plan and reasonable expectations), or would, in the aggregate, result in a total contribution equivalent to that which would be determined if each such assumption were reasonable.

I am a member of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.



09/30/2011

Date

Jay D. Hirsch, FSA, EA, MAAA
Consulting Actuary
Retirement Actuarial Services
Principal Financial Group
Des Moines, IA 50306-9394
(515) 283-8940

This summary is for City of Newberg Employees Retirement Plan. It includes:

- Annual required contribution for the plan year beginning 07/01/2012
- Deposit options
- Changes recognized in this report
- Analysis of results

Deposit Information

A summary of the results of the actuarial valuation is as follows:

1)	Normal Cost at Midyear	\$469,644
2)	Amortization Payment of the Unfunded Actuarial Liability (20 years)	\$469,329
3)	Total Recommended Contribution (1 + 2)	\$938,973
4)	Consideration Pay	\$3,516,175
5)	Contribution Rate	26.7%
6)	Employee Contribution Rate	6.0%
7)	Annual Required Contribution (ARC) (Net of Employee Contributions) (5 – 6)	20.7%

Deposits Received

We have received \$207,055.73 in deposits through 09/28/2011 for the current plan year. Please take this into consideration when determining your additional current year contributions.

Assumption Changes

We recently did a comprehensive review of the economic and demographic assumptions used in the valuation. As a result, we changed the following assumptions for your plan:

- The valuation interest rate was changed to reflect current expectations of your plan's long term investment performance. We have decreased the rate to 7.00%.
- The mortality table has been updated to the IRS Prescribed Mortality-Optional Combined Table for Small Plans, male and female.
- The salary scale was decreased to reflect past experience and the expected level of future salary increases.

The assumptions used are shown in Section VII. We redetermined plan liabilities as of the start of the plan year for the assumption changes. See Section IX for the effects of this change.

Analysis

The Annual Required Contribution Rate increased from 15.9% to 20.7%. This increase is primarily due to the assumption changes.

Actuarial Balance Sheet

Resources

a) Adjusted Actuarial Value of Assets	\$15,416,052
b) Present Value of Future Employer Contributions	\$9,268,657
c) Present Value of Future Member Contributions	\$1,988,971
 Total	 \$26,673,680

Requirements

Present value of projected benefits

Active members	\$13,323,117
Inactive members	\$2,330,303
Retired members	\$11,020,260
 Total	 \$26,673,680

Considerations

As you make decisions about your contributions to the plan, take into account your plan's funded status. Since your plan does not have enough assets to cover the benefits already earned, you might want to consider:

- Making the annual required contribution, and continuing to monitor funded status in future years
- A review of your asset allocation strategy and how it can impact both funded status and contribution volatility. An analysis of investment allocations may help you decide whether your plan's assets are allocated in a way that matches your risk comfort level.
 - Riskier investments may reduce cash flow into the plan temporarily, but may cause contribution levels and funded status to fluctuate.
 - More conservative investments may require increased contributions, but provide a more solid base for planning and budgeting
- Forecasts of alternate contribution policies and resulting funded status can help with decision making.
- A cost/benefit study of various plan designs can help you evaluate your options.

As changes to your organization occur, be sure to keep us informed so that we can advise you on the impact these situations have on your retirement program. Early communication can help us help you plan for changes.

Wherever your evaluation leads, we have the experience and expertise to assist you every step of the way. In addition, The Principal can also help you with your total retirement program including defined contribution plans and more.

Section II-Summary of Actuarial Valuation Results

For Additional Information

If you have any questions about any of the services we can provide, contact a member of your team at The Principal. For questions about the material in this report, contact your Pension Actuarial Analyst, Susan Pinneke, by:

- Phone – 1-800-543-4015 extension 76363, or 515-247-6363
- Email – pinneke.susan@principal.com

You may also contact your local Principal Financial Group Retirement Services sales office.

Deposit Levels

		<u>07/01/2011</u>	<u>07/01/2010</u>
Annual Required Contribution	1. Present Value of Future Benefits	\$26,673,680	\$24,295,428
	2. Present Value of Future Normal Costs	\$4,074,316	\$4,317,345
	3. Accrued Liability (1 – 2)	\$22,599,364	\$19,978,083
	4. Adjusted Actuarial Value of Assets	\$15,416,052	\$15,176,384
	5. Unfunded Actuarial Liability (3 – 4)	\$7,183,312	\$4,801,699
	6. Amortization Payment of the Unfunded Actuarial Liability (20 years)	\$469,329	\$301,000
	7. Normal Cost at Midyear	\$469,644	\$523,491
	8. Total Recommended Contribution (6 + 7)	\$938,973	\$824,491
	9. Consideration Pay	\$3,516,175	\$3,762,126
	10. Contribution Rate	26.7%	21.9%
	11. Employee Contribution Rate	6.0%	6.0%
	12. Annual Required Contribution (ARC) (Net of Employee Contributions) (10 – 11)	20.7%	15.9%

	<u>Actuarial Value</u>	<u>Market Value</u>
Principal Life Insurance Company Accounts		
Flexible Pension Investment (FPI) grouped accounts	\$15,416,052	\$15,219,264
Adjusted Actuarial Value	\$15,416,052	

The assets used in this valuation are within the 80% to 120% of Market Value corridor.

The actuarial value of assets for the Flexible Pension Investment (FPI) grouped accounts is determined on a combined basis. See the following page for the development of this value.

This valuation includes the retired lives under the benefit index option of your contract. The market value of assets for this retired life liability is \$6,078,401.

Section IV-Plan Assets

Development of Actuarial Value of Principal FPI Grouped Accounts

To determine the actuarial value of the Principal FPI grouped accounts we have adjusted the market value by:

- Subtracting any remaining deferred appreciation in excess of expected investment earnings.
- Adding any remaining deferred appreciation short of expected investment earnings (shortfall).

Of the total excess appreciation or shortfall for any one plan year, 20% is allocated to the current plan year and each of the next four plan years.

a)	Market value of assets as of 07/01/2010	\$12,716,894
b)	Contributions/transfers	\$895,522
c)	Benefit payments	\$(1,000,672)
d)	Expenses	\$(42,111)
e)	Expected interest on (a, b, c, and d)	\$946,077
f)	Expected value of assets as of 07/01/2011 (a+b+c+d+e)	\$13,515,710
g)	Market value of assets as of 07/01/2011	\$15,219,264
h)	Current year excess appreciation/(shortfall) (g-f)	\$1,703,554
i)	Adjustment to market value (sum of deferred amounts)	\$(196,788)
j)	Actuarial value of assets (g-i)	\$15,416,052

Allocation of Deferred Appreciation

Allocation <u>Year</u>	Plan Year			
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
2008	\$ (403,001)			
2009	(403,001)	\$ (803,333)		
2010	(403,000)	(803,333)	\$ 150,012	
2011	(403,000)	(803,332)	150,011	\$ 340,711
2012	(403,000)	(803,332)	150,011	340,711
2013		(803,332)	150,011	340,711
2014			150,011	340,711
2015				340,710
Total	\$(2,015,002)	\$(4,016,662)	\$ 750,056	\$ 1,703,554
Deferred	(403,000)	(1,606,664)	450,033	1,362,843
Adjustment to market value (sum of deferred amounts)				\$ (196,788)

Unfunded Actuarial Accrued Liability

a) Unfunded actuarial accrued liability (as of 07/01/2010)	\$4,801,699
b) Changes made during the plan year	0
c) Employer normal cost (as of 07/01/2010)	523,426
d) Interest on the above items	379,756
e) Total (a+b+c+d)	\$5,704,881
f) Contributions for 2010 - 2011	\$895,522
g) Interest on contributions	32,781
h) Total (f+g)	\$928,303
i) Expected unfunded actuarial accrued liability (as of 07/01/2011) (e-h)	\$4,776,578
j) Actuarial accrued liability	\$20,897,630
k) Actuarial value of assets	15,416,052
l) Actual unfunded actuarial accrued liability (as of 07/01/2011) (actuarial accrued liability less actuarial value of assets) (j-k)	\$5,481,578
m) Actuarial (gain) or loss (actual less expected unfunded actuarial accrued liability) (l-i)	\$705,000
Asset (gain) or loss	\$743,610
Liability (gain) or loss	\$(83,425)
n) Change due to assumption change	\$1,701,734
o) Redetermined unfunded actuarial accrued liability (as of 07/01/2011) (l + n)	\$7,183,312

Census Data

The census data is based on data supplied by the plan sponsor.

Age Group	Active Participants		Inactive Participants	
	Number	Projected Monthly Pension ¹	Number	Monthly Pension ²
Under 25	1	\$12,845	0	\$0
20 - 25	7	103,086	1	113
30 - 34	10	111,539	0	0
35 - 39	5	37,420	1	509
40 - 44	9	76,978	4	2,029
45 - 49	8	54,209	0	0
50 - 54	9	32,287	2	879
55 - 59	8	28,752	6	6,424
60 - 64	5	13,618	2	3,031
65 & over	1	0	0	0
Totals	63	\$470,734	16	\$12,985

¹ Projected monthly pension was calculated on the assumption that employees would experience annual compensation increases. Benefit amounts have been calculated at age 65 (current age if later). Of the 63 Active Participants, 2 are Police or Fire Employees and 61 are General City Employees.

² Does not include employee contribution amounts.

Retired Participants		
Age Group	Number	Monthly Benefit
Under 40	0	\$0
40 - 44	1	239
45 - 49	1	1,171
50 - 54	0	0
55 - 59	6	10,226
60 - 64	12	20,550
65 - 69	10	14,427
70 -74	11	19,188
75 - 79	7	4,859
80 - 84	4	2,341
85 & Over	5	3,909
Totals	57	\$76,910

Section VI-Participant Information

Emerging Retirement Liability

This display is an estimate of the total monthly benefits payable from your plan. The projected monthly benefit was calculated using the salary scale shown on the assumption page of this report. The benefits in this display include future cost-of-living increases for current and future retirees.

Plan Year Beginning	Projected Monthly Benefit
07/01/2012	\$1,248,000
07/01/2013	\$1,308,000
07/01/2014	\$1,475,000
07/01/2015	\$1,563,000
07/01/2016	\$1,658,000
07/01/2017	\$1,720,000
07/01/2018	\$1,744,000
07/01/2019	\$1,792,000
07/01/2020	\$1,895,000
07/01/2021	\$1,934,000

Disability	None.	None.																																										
Marriage	100% married; male is 3 years older than the female.	100% married; male is 3 years older than the female.																																										
Withdrawal	Withdrawal rates vary with age, gender and service. Selected rates of withdrawal are shown below for the first year of service:	Withdrawal rates vary with age, gender and service. Selected rates of withdrawal are shown below for the first year of service:																																										
	<table border="0"> <thead> <tr> <th></th> <th style="text-align: center;">Rate of female <u>Age withdrawal</u></th> <th style="text-align: center;">Rate of male <u>withdrawal</u></th> </tr> </thead> <tbody> <tr><td></td><td style="text-align: center;">22</td><td style="text-align: center;">18%</td></tr> <tr><td></td><td style="text-align: center;">27</td><td style="text-align: center;">17%</td></tr> <tr><td></td><td style="text-align: center;">32</td><td style="text-align: center;">15%</td></tr> <tr><td></td><td style="text-align: center;">37</td><td style="text-align: center;">14%</td></tr> <tr><td></td><td style="text-align: center;">42</td><td style="text-align: center;">12%</td></tr> <tr><td></td><td style="text-align: center;">47</td><td style="text-align: center;">10%</td></tr> </tbody> </table>		Rate of female <u>Age withdrawal</u>	Rate of male <u>withdrawal</u>		22	18%		27	17%		32	15%		37	14%		42	12%		47	10%	<table border="0"> <thead> <tr> <th></th> <th style="text-align: center;">Rate of female <u>Age withdrawal</u></th> <th style="text-align: center;">Rate of male <u>withdrawal</u></th> </tr> </thead> <tbody> <tr><td></td><td style="text-align: center;">22</td><td style="text-align: center;">23%</td></tr> <tr><td></td><td style="text-align: center;">27</td><td style="text-align: center;">19%</td></tr> <tr><td></td><td style="text-align: center;">32</td><td style="text-align: center;">16%</td></tr> <tr><td></td><td style="text-align: center;">37</td><td style="text-align: center;">14%</td></tr> <tr><td></td><td style="text-align: center;">42</td><td style="text-align: center;">14%</td></tr> <tr><td></td><td style="text-align: center;">47</td><td style="text-align: center;">12%</td></tr> </tbody> </table>		Rate of female <u>Age withdrawal</u>	Rate of male <u>withdrawal</u>		22	23%		27	19%		32	16%		37	14%		42	14%		47	12%
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	47	12%																																										
	No terminations are assumed to occur for police and fire members.																																											
Inflation	3.00%	3.00%																																										
Cost of Living	2.00% annually.	2.00% annually.																																										

The actuarial valuation assumptions used in this report differ from those used in the previous report. This year we updated the mortality, interest and salary increase assumptions. These assumption(s) were changed to better reflect the anticipated experience of your plan.

Actuarial Methods

	<u>07/01/2011</u>	<u>07/01/2010</u>
Actuarial cost method	Entry Age Normal Cost Method	Entry Age Normal Cost Method
Actuarial value of assets		
Principal Life Insurance Company accounts		
FPI grouped accounts	Market value is adjusted by spreading the expected value minus the actual value over five years.	Market value is adjusted by spreading the expected value minus the actual value over five years.
Deposits after the plan year end	Deposits received in the current plan year, but applied to the prior plan year, are included in assets at their face value.	Deposits received in the current plan year, but applied to the prior plan year, are included in assets at their face value.
Retirees	Assets and liabilities for retirees who receive monthly (guaranteed and non-guaranteed) benefits from plan assets are included in your valuation.	Assets and liabilities for retirees who receive monthly (guaranteed and non-guaranteed) benefits from plan assets are included in your valuation.

Section VII-Actuarial Assumptions and Methods

Description of Actuarial Cost Method Entry Age Normal

Ultimate Cost

The ultimate cost of your pension plan is:

- Benefit payments
- Plus expenses
- Less investment income

This cost can't be determined until the last benefit has been paid. Regardless of which actuarial cost method is used, the ultimate cost remains the same.

Cost Methods

A cost method is a budgeting tool. It helps to ensure that your pension plan is adequately and systematically funded. Cost methods differ based on how they assign an annual cost to the current year and how they treat gains and losses.

Normal Cost

The portion of cost assigned to each year is called the normal cost. The normal cost may be shared by the employer and the employees based on plan provisions.

Entry Age Normal

The entry age normal cost method is used for this valuation. This method estimates the total cost of all projected plan benefits based on the assumptions shown in this report and the participant data you have supplied.

Costs are spread evenly from a member's date of hire to assumed retirement age. This annual cost is spread as a level percentage of compensation if benefits are salary related or as a level dollar amount if not salary related. The sum of each member's annual cost is the normal cost.

There are some accumulated costs for past years. The value of these past costs is the actuarial accrued liability (AAL). Each year the unfunded actuarial accrued liability (UAAL) is the AAL less the actuarial value of assets, but not less than zero. The UAAL is adjusted when there are plan or assumption changes (a liability base is created).

The following is a summary of plan provisions and does not alter the intent or meanings of the provisions contained in the contract or plan document.

Plan Eligibility

Class: Full time regular General Employee, Police, Firefighter, and City Attorney of the City of Newberg who is not eligible for the Oregon Public Employees' Retirement system.

Entry date: Date of hire

Normal Retirement Benefit

Age: General employees at age 60
Police, Firefighters, and City Attorney at age 58

Form: Monthly annuity payable for 5 years certain and life thereafter (optional forms may be elected in advance of retirement).

Amount (accrued benefit): General Employees: 1.67% of average compensation times years of service
Police, Firefighters, City Attorney: 2% of average compensation times Years of Service.

Senate Bill 656 and House Bill 3349: For benefits payable on and after July 1, 1991, police and fire employees will have their monthly benefits increased by the better of SB 656 or HB 3349:

SB 656:	<u>Years of Service</u>	<u>Percentage Increase</u>
	10 or more, but less than 20	1.0%
	20 or more, but less than 25	2.5%
	25 or more	4.0%

HB 3349: Benefit attributable to pre-October 1, 1991 service will be increased by 1.0989.

Minimum Benefit: No less than the participant's accrued benefit as of 07/01/1982.

Additional Participant Contribution Account Benefit

Eligibility: Participants hired before 07/01/1993 and police, firefighters, and the city attorney who have a participant contribution account derived from Required Participant Contributions after 07/01/1979.

Form: Monthly retirement income (in addition to the regular benefit). A lump sum may be elected in lieu of additional monthly income.

Amount : Monthly benefit that can be provided by the participant's contribution account.

Employee Contributions

Required Participant Contributions: Prior to 01/01/1995, 6% of a participant’s monthly earnings. For police and firefighters monthly earnings include bonuses and overtime. For general employees and the city attorney monthly earnings excludes overtime, longevity pay and pager pay.

Mandatory Employee Contributions: Subsequent to 01/01/1995, the employer pays 6% of monthly earnings (as described above) as pick-up contributions on behalf of all active participants

Interest on Contributions: A participant’s Contribution Account will be credited with 8% interest compounded annual on and after 07/01/1990, and 7.5% prior to that date.

Early Retirement Benefit

Age: Age 55, except police, firefighters and city attorney who may early retire at age 50.

Form: Same as normal retirement benefit.

Amount: Accrued benefit on early retirement date multiplied by the following factors, provided no reduction for general employees with 30 Years of Service or police, firefighters or city attorney with 25 Years of Service. The following factors will be adjusted for partial years.

Number of Years Preceding Normal Retirement Date (NRD)	General Employees (NRD = 60)	Police, Firefighters, and City Attorney (NRD = 58)
1	.92	1.0
2	.84	1.0
3	.76	1.0
4	.68	.92
5	.60	.84
6	NA	.76
7	NA	.68
8	NA	.60

Late Retirement Benefit

Age: No maximum age

Form: Same as normal retirement benefit.

Amount: Accrued benefit on late retirement date

Termination Benefit

Vesting percentage:	100% upon completion of five years of vesting service, provided active employees will be fully vested at age 50 (age 45 for police, firefighters, and city attorney) or upon becoming totally and permanently disabled.
Form:	Same as normal retirement benefit with income deferred until normal retirement date.
Amount:	<p>Accrued benefit on date of termination multiplied by the vesting percentage.</p> <p>Participants hired before 07/01/1993 and police, firefighters, and the city attorney who have a participant contribution account derived from Required Participant Contributions after 07/01/1979 will also receive the additional participant's contribution account benefit.</p> <p>The termination benefits are limited to not more than 100% of the participant's average compensation and to no less than the actuarial equivalent of the Participant's Contribution Account.</p> <p>An inactive participant may elect to receive his Participant's Contribution Account as an immediate lump sum payment in lieu of part of the deferred monthly benefit.</p>

Disability Benefit

Eligibility:	<p>An active participant who becomes totally and permanently disabled :</p> <ul style="list-style-type: none"> • while in the actual performance of his duties for the Employer, or • after having completed 10 or more years of service
Form:	Monthly disability benefit payable until normal retirement date, date of death or date of recovery.
Amount:	<p>General employees : Vested accrued benefit on date of disability, but not less than \$100.</p> <p>Police, firefighters, and city attorney: Vested accrued benefit as of date of disability calculated as of current age, or if younger than 55 calculated using service projected to age 55. However, not less than \$100 nor greater than 75% of the participant's average compensation. Additional benefit due to Participant Contribution Account will be paid in addition to these amounts.</p> <p>If payments continue to normal retirement date, the benefit payable at that date will not be less than the disability benefit received prior to retirement.</p>

Preretirement Death Benefit

Eligibility: Participant with a Participant's Contribution Account or Voluntary Account as of the date of death.

Form: Single sum payment (optional forms may be elected).

Amount: 2.2 times the Participant's Contribution Account plus the member's Voluntary Account, if any, on date of death .

Cost of Living Adjustment

Eligibility: Participant, beneficiary or contingent annuitant who is receiving a monthly retirement benefit.

Adjustment Date: Anniversary date.

Amount: General employees: The quotient of the Price Index as of the adjustment date divided by the Price Index of the preceding adjustment date, not to exceed 1.02.
Police, firefighters, and city attorney retiring after 07/01/1990 will be increased annually to a level no less than that which would have been in effect had the initial monthly benefits been payable from the Oregon Public Employees Retirement System.

Definitions

Average Compensation: One twelfth of the sum of (a) and (b):

- a. the monthly average of compensation for the 36 consecutive months out of the latest 120 months of employment that gives the highest average
- b. one half of 1/36 of average hourly earnings multiplied by hours of unused sick leave

Years of Service: Number of years of service, counting complete months as fractional parts of a year, excluding any prior plan service when contributions were required but the employee failed to contribute.

Section VIII-Summary of Plan Provisions

- Optional Forms of Benefit Payments The optional forms of benefit payments are:
- Monthly annuity payable for life, or 5, or 10 years certain and life, with modified cash refund.
 - Monthly annuity payable as a survivorship life annuity with survivorship percentages of 50, or 100, with modified cash refund.
 - A participant who is a general employee and was hired after 07/01/1993 may elect to received a lump sum payment of his Participant's Contribution Account in lieu of the portion of his monthly retirement benefit that is the actuarial equivalent of the lump sum.
 - Single sum payment equal to the present value of the retirement benefit, if less than \$10,000.

Carryforward of Net Pension Obligation:

a) Annual required contribution for 2010 plan year	\$658,396
b) Interest on net pension obligation	239
c) Adjustment to annual required contribution	312
d) Annual pension cost for 2010 plan year (a+b-c)	658,323
e) Actual contributions made	658,396
f) Increase/(decrease) in net pension obligation	(73)
g) 2010 beginning of year net pension obligation	3,180
h) 2010 end of year net pension obligation	\$3,107

Annual Pension Cost for 2011 Plan Year:

a) Normal cost with interest	\$469,644
b) Amortization with interest	469,329
c) Annual required contribution (a+b) but not less than zero	938,973
d) Interest on net pension obligation	217
e) Adjustment to annual required contribution	301
f) Annual pension cost (c+d-e)	\$938,889
g) Payroll	3,516,175
h) Contribution Rate	26.7%
i) Employee Contribution Rate	6.0%
j) Annual Required Contribution (ARC) (net of employee contributions) (h-i)	20.7%
k) Interest on NPO	0%
l) ARC Adjustment	0%
GASB No 25 and No 27	
ARC for Year Ending June 30, 2012	20.7%
APC for Year Ending June 30, 2012	20.7%

Section IX-Accounting Disclosure Information for SGAS27

Calculation of Net Pension Obligation

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
Year	Val'n Rate	Amort. Period	ARC	Interest On NPO (l py x b)	ARC Adjust. (l py / g)	Amort. Factor (c yrs @ b%)	APC (d+e-f)	Actual Deposit	Loss/ (Gain) (d-i)	Change In NPO (h-i)	NPO Balance (l py+k)
2002	7.50%	28	220,599	-	-	-	221,266	220,599	0	N/A	2,597
2003	7.50%	27	350,429	N/A	N/A	N/A	350,624	350,429	0	N/A	2,791
2004	7.50%	26	402,887	N/A	N/A	N/A	402,952	402,887	0	N/A	2,901
2005	7.50%	25	459,416	N/A	N/A	N/A	459,408	459,416	0	N/A	2,965
2006	7.50%	24	535,027	N/A	N/A	N/A	535,086	535,027	0	N/A	3,025
2007	7.50%	23	584,408	227	170	N/A	584,465	584,408	0	57	3,082
2008	7.50%	22	591,407	231	179	17.1728	591,459	591,407	0	52	3,134
2009	7.50%	21	682,205	235	189	16.5698	682,251	682,205	0	46	3,180
2010	7.50%	20	658,396	239	312	10.1945	658,323	658,396	0	(73)	3,107

**City of Newberg Employees Retirement Plan
4-47053****Plan Year Beginning 07/01/2011**

This overview is a summary of deposit information shown in your actuarial valuation report. It will help you determine your current year contribution to your retirement plan. You may deposit any amount in excess of your annual required contribution. Refer to your actuarial valuation report, Section III–Deposit Information, for this calculation.

**Annual
Required
Contribution**

Your recommended annual required contribution is \$938,973. This is the amount needed to keep your plan currently funded.

**Deposits
Received**

Total deposits received through 09/28/2011 for the 2011 plan year are \$207,055.73.

**Additional
Information**

For additional information, please see the 2011 actuarial valuation report.

This statement, which is provided by Principal Life Insurance Company, is complete and accurate according to the best of our knowledge. This statement should be reviewed by the employer for accuracy and agreement with their records.

Governmental Accounting Standards Board
Statements 25 (GASB 25), GASB 40, GASB 50 and GASB 53 Information

City of Newberg Employee Retirement Plan

GA 4-47053

Statement of Plan Net Assets
as of June 30

	2011	2010
Assets:		
Cash (Cash and cash equivalents) Checking/Savings account	\$0	\$0
Total Cash	\$0	\$0
Investments		
Insurance contracts at contract value		
Available for nonretired lives	\$0	\$0
Reserved for retired lives	0	0
Unallocated Separate Accounts at Fair Value	4,955,698	4,689,202
Allocated Separate Accounts at Fair Value	10,263,566	8,027,693
Total Investments	15,219,264	12,716,894
Total Assets	\$15,219,264	\$12,716,894
Liabilities:		
Accrued administrative expense	\$0	\$0
Total Liabilities	\$0	\$0
Net assets available for benefits	\$15,219,264	\$12,716,894

City of Newberg Employee Retirement Plan

GA 4-47053

Statement of Changes in Plan Net Assets For the Year Ended June 30

	2011	2010
Additions:		
Contributions		
State aid	\$0	\$0
Members' contributions	237,126	181,983
Employer contributions	658,396	682,205
Investment Income		
Contract Investment Income	\$0	\$0
Dividend Income	0	0
Net appreciation/(depreciation) in fair value of investments	2,649,631	1,584,976
Total additions	\$3,545,153	\$2,449,164
Deductions:		
Pension payments	\$1,000,672	\$923,839
Refund terminated members' contributions	0	0
Administrative expenses	42,111	41,514
Premiums	0	0
Other expenses	0	0
Total deductions	\$1,042,783	\$965,354
Net increase/(decrease)	\$2,502,370	\$1,483,810
Fund Balance on July 1	\$12,716,894	\$11,233,084
Fund Balance on June 30	\$15,219,264	\$12,716,894

City of Newberg Employee Retirement Plan

GA 4-47053

Notes To Financial Statements

1. Description of Plan:

A. General

The City of Newberg Employees Retirement Plan is a single-employer defined benefit pension plan controlled by the provisions of Resolution #2003-2463. The plan is governed by the City of Newberg which may amend plan provisions, and which is responsible for the management of plan assets. The City of Newberg has delegated the authority to manage certain plan assets to Principal Life Insurance Company.

B. Plan Membership

As of 07/01/2010 and 07/01/2011, the pension plan's membership consisted of:

	2011	2010
Active employees	63	73
Retirees and beneficiaries currently receiving benefits ¹	57	57
Terminated employees entitled to benefits but not yet receiving them	19	10
Total	139	140

¹Does not include retirees whose benefits have been purchased.

C. Benefit Provisions

As of 07/01/2011, the pension plan provides for retirement and other benefits as shown in Appendix I of this report.

2. Summary of Significant Accounting Policies:

A. Basis of Accounting

The plan's policy is to prepare its financial statements on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Notes To Financial Statements-Continued

2. Summary of Significant Accounting Policies: (continued)

B. Valuation of Investments

The pension plan's unallocated insurance contracts are valued at contract value. Contract value represents contributions made under the contract, plus interest at the contract rate, less funds used to purchase annuities or pay administrative expenses charged by Principal Life Insurance Company. Funds under the contract that have been allocated and applied to purchase annuities are excluded from the pension plan's assets.

The pension plan's unallocated insurance contracts are valued at contract value. Contract value represents contributions made under the contract, plus interest at the contract rate, less funds used to pay benefits or administrative expense charged by the Principal Life Insurance Company.

The pension plan's unallocated separate accounts are valued at fair value.

C. Contributions

Active members are required to contribute 6% of compensation to the plan. Any remaining obligation with respect to the pension plan shall be paid by the employer.

Investment expenses, including investment manager and custodial services, are funded through investment earnings.

Administrative expenses, including actuarial and consultant services, are funded through investment earnings and/or contributions.

D. Investments That Represent Five Percent or More of Net Assets Available For Benefits

At June 30, 2011, the following are investments (other than U.S. Government and U.S. Government guaranteed obligations), in any one organization, that represent five percent or more of net Assets available for benefits ($\$15,219,264 \times .05 = \$760,963$):

Principal Financial Group	\$15,219,264
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Notes To Financial Statements-Continued

2. Summary of Significant Accounting Policies: (continued)

E. Deposits And Investments

The Governmental Accounting Standards Board in Statement No. 3 (GASB 3), as amended by GASB No. 40, requires state and local governments to disclose certain risks associated with the plan's deposits and investments. GASB 53 requires investment derivative instruments be reported at fair value and disclosed according to GASB 40 requirements.

Deposits

At December 31, 2010, the plan held no deposits.

Investments

Interest Rate Risk. At June 30, 2011, the city had the following investments. Amounts are shown in dollars. Modified duration is shown in years.

<u>Fixed Income Investment Options</u>	<u>Fair Value</u>	<u>Effective Duration</u>
General Account at contract value	\$0	5.18
Core Plus Bond I Separate Account	2,484,770	5.17
Principal Bond and Mortgage Separate Account	2,488,135	5.18
Principal Government & High Quality Bond Separate Account	0	4.38
Principal Inflation Protection Separate Account	998,624	7.55
Principal High Yield I Separate Account	678,404	4.11
Principal Income Separate Account	0	5.23
Principal Short-Term Income Separate Account	0	1.78
Principal Preferred Securities Separate Account	0	6.63
Principal Ultra Long Bond Separate Account	0	12.54
Principal Money Market Separate Account	0	0.13 ¹
U.S. Property Separate Account	824,139	n/a ²
Principal Bond Market Index Separate Account	0	4.97
Total Fair Value of Fixed Income Investment Options	<u>\$7,474,072</u>	
Other Investments	<u>7,745,192</u>	
Total Investments	<u>\$15,219,246</u>	

For more performance information, including most recent month-end performance, visit the Principal Sponsor Service Center at www.Principal.com, or contact your representative of The Principal, or call our Client Contact Center at 1-800-547-7754.

Credit Risk. Separate accounts held at The Principal Financial Group are commingled pools, rather than individual securities. As a result, these accounts are not rated.

Derivatives. Separate accounts held at The Principal Financial Group may use derivatives as part of their investment strategy. These accounts are comingled pools, rather than individual securities.

Accounts held at The Principal Financial Group are not subject to concentration of credit risk, custodial credit risk or foreign currency risk.

¹ Principal Money Market Separate Account is shown in average weighted maturity.

² U.S. Property Separate Account is subject to investment and liquidity risk and other risks inherent in real estate such as those associated with general and local economic conditions. Therefore, an effective duration is not calculated.

Required Supplementary Information

Schedule of Funding

Historical trend information about the plan is presented herewith as required supplementary information. It is intended to help users assess the plan's funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparisons with other state and local government retirement systems.

The actuarial information is required by Act 205 biennially, except for distressed pension plans, which require annual reporting.

The historical information required to be disclosed, beginning as of 07/01/2006 is as follows:

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratio (1)/(2)	(5) Annual Covered Payroll	(6) UAAL As a % of Payroll [(2) - (1)]/(5)
7/1/2006	\$13,580,892	\$16,813,532	\$3,232,640	80.8%	\$2,937,901	110.0%
7/1/2007	14,583,640	18,188,041	3,604,401	80.2%	3,322,763	108.5%
7/1/2008	15,393,876	18,792,955	3,399,079	81.9%	3,377,344	100.6%
7/1/2009	13,479,701	18,757,264	5,277,563	71.9%	3,699,044	142.7%
7/1/2010	15,176,384	19,978,083	4,801,699	76.0%	3,762,126	127.6%
7/1/2011	15,416,052	22,599,364	7,183,312	68.2%	3,516,175	204.3%

Actuarial Value of Assets differs from Total Assets shown on page 1 due to the spreading of market value for separate accounts.

The comparability of trend information is affected by changes in actuarial assumptions, benefit provisions, actuarial funding methods, accounting policies and other changes. Those changes usually affect trends in contribution requirements and in ratios that use the accrued liability as a factor. (See page 8 for Significant Factors Affecting Schedules.)

Analysis of the dollar amount of the actuarial value of assets, accrued liability and unfunded (assets in excess of) accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the accrued liability (column 4) provides one indication of the plan's funding status on a going-concern basis. Analysis of this percentage, over time, indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan.

Trends in unfunded (assets in excess of) accrued liability and annual covered payroll are both affected by inflation. Expressing unfunded (assets in excess of) accrued liability as a percentage of annual covered payroll (column 6) approximately adjusts for the effects of inflation and aids analysis of the plan's progress made in accumulating sufficient assets to pay benefits when due. Generally, where there is an unfunded accrued liability, the smaller this percentage, the stronger the plan. However, when assets are in excess of the accrued liability, the higher the bracketed percentage, the stronger the plan.

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations, if applicable.

Required Supplementary Information-Continued**Schedule of Employer Contributions**

The following table provides an analysis of funding progress for the last six years:

Plan Year End	Annual Required Contribution	Actual Contribution	Percentage Contributed
2006	459,416	459,416	100%
2007	535,027	535,027	100%
2008	584,408	584,408	100%
2009	591,407	591,407	100%
2010	682,205	682,205	100%
2011	658,396	658,396	100%

Required Supplementary Information-Continued

Notes To Required Schedules

A. Actuarial Assumption And Methods

The actuarial accrued liability was determined as part of an actuarial valuation at 07/01/2011, the most recently filed actuarial valuation report.

This report was based upon the plan's actuarial assumptions, asset valuation method, and cost method described in Appendix II, III, and IV.

The amortization method used is Level Percentage of Payroll over a Closed Period. The weighted average remaining period is 19 years.

B. Significant Factors Affecting Schedules

The following changes affect the comparability of costs since the 2010 plan year.

<u>Actuarial Valuation Date</u>	<u>Reason(s)</u>	<u>Change in Actuarial Accrued Liability</u>
07/01/2011	Assumption Change	\$1,701,734

Fund Statement
 For the period 07-01-10 through 06-30-11
 CITY OF NEWBERG GENERAL EMPLOYEES
 Annuity Contract Number 4-47053

***** Summary of Accounts *****

Beginning Balance	\$12,716,893.81
Additions	895,548.03
Investment Return	2,649,631.54
Deductions	1,042,809.16
Ending Balance	\$15,219,264.22

***** Additional Contract Information *****

The investment value return based on total assets invested for this Contract from 07-01-10 to 06-30-11 was 21.00%.

Ending balances and itemized transactions for each account are listed on the following pages.

Amount of allocated assets is \$3,438,165.00.

The Benefit Index as of June 30, 2011 for retirees currently receiving payment under this option is 6,078,400.60.

We prepared these reports carefully. Please review them and report any discrepancies to us within 60 days. After 60 days, corrections will be made on a current basis.

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

***** Ending Balance by Account *****

Asset Class	Investment Advisor	Investment Option	
Large U.S. Equity			
	AllianceBernstein / Westwood	LargeCap Value III Sep Acct-R6	909,392.24
	Edge Asset Management, Inc.	Equity Income Sep Acct-R6	922,202.43
	Principal Global Investors	LargeCap Value Sep Acct-R6	0.00
	TS&W / Herndon	LargeCap Value I Sep Acct-R6	0.00
	Goldman Sachs Asset Mgt	LargeCap Blend I Sep Acct-R6	0.00
	Principal Global Investors	Disc LargeCap Blend SA-R6	0.00
	Principal Global Investors	LargeCap S&P 500 Index SA-R6	833,394.33
	Am Century/Montag & Caldwell	LargeCap Growth II Sep Acct-R6	0.00
	American Century Inv. Mgmt.	Large-Cap Growth SA-Stnd	0.00
	Columbus Circle Investors	LargeCap Growth Sep Acct-R6	934,086.08
	T. Rowe Price/Brown Advisory	LargeCap Growth I Sep Acct-R6	915,811.02
Small/Mid U.S. Equity			
	Principal Global/Barrow Hanley	MidCap Value III Sep Acct-R6	277,331.24
	Morgan Stanley Inv. Mgmt.	Mid-Cap Blend SA	0.00
	Turner/Mellon/Jacobs Levy	MidCap Growth III Sep Acct-R6	279,467.92
	DFA/Vaughan Nelson/LA Capital	SmallCap Value II Sep Acct-R6	277,114.49
	JP Morgan/Mellon Capital Mgmt	SmallCap Value I Sep Acct-R6	0.00
	LA Capital Management	SmallCap Value III Sep Acct-R6	0.00
	Principal Global Investors	SmallCap Value Sep Acct-R6	0.00
	Mellon Capital Mgmt	SmallCap Blend I Sep Acct-R6	0.00
	AllianceBernstein/CCI/Brown	SmallCap Growth I Sep Acct-R6	278,434.69
	Emerald / Essex	SmallCap Growth II Sep Acct-R6	0.00
	Principal Global Investors	SmallCap Growth Sep Acct-R6	0.00

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

***** Ending Balance by Account *****

Asset Class	Investment Advisor	Investment Option	
	Principal Real Estate Inv	Real Estate Securities SA-R6	229,225.28
International Equity			
	Principal Global Investors	Intl Emerging Markets SA-R6	185,084.33
	Causeway / Barrow Hanley	International Value I SA-R6	1,014,916.18
	Fidelity / Schroders	International I Sep Acct-R6	688,732.09
	Principal Global Investors	Diversified Intl Sep Acct-R6	0.00
	Principal Global Investors	International Growth SA-R6	0.00
Short-Term Fixed Income			
	Principal Global Investors	Money Market Separate Acct-R6	0.00
Fixed Income			
	JP Morgan/Neuberger Berman	High Yield I Separate Acct-R6	678,403.71
	PIMCO	Core Plus Bond I SA-R6	2,484,770.04
	Principal Global Investors	Bond and Mortgage Sep Acct-R6	2,488,135.09
	Spectrum	Preferred Securities SA-R6	0.00
	Edge Asset Management, Inc.	Government & HQ Bond SA-R6	0.00
	BlackRock Financial Mgmt, Inc.	Inflation Protection SA-R6	998,624.32
	Principal Real Estate Inv	U.S. Property Separate Acct-R6	824,138.74
	Ending Balance		<u>\$15,219,264.22</u>

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

***** Ending Balance by Account *****

Asset Class		Investment Option
Investment Advisor		

Returns shown for periods of less than one year are not annualized. All returns displayed here are after the Total Investment Expense of the investment option.

Investment results shown represent historical performance and do not guarantee future results. Investment returns and principal values fluctuate with changes in interest rates and other market conditions so the value, when redeemed, may be higher or lower than the original cost. Current performance may be higher or lower than the performance data shown. For more performance and investment option information, including most recent month-end performance, visit the Principal Sponsor Service CenterSM at www.principal.com, contact your representative of the Principal, or call our Client Contact Center at 1-800-547-7754.

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

T. Rowe Price/Brown Advisory

******* LargeCap Growth I Separate Account-R6 *******

Beginning Balance	\$861,198.68
Deposits	54,662.05
Investment Return	297,900.07
Transfer Out	297,949.78
Ending Balance	\$915,811.02

The total return from 07-01-10 to 06-30-11 was 38.72%.

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

Principal Global Investors

***** International Emerging Markets Separate Account-R6 *****

Beginning Balance	\$159,231.88
Deposits	10,746.21
Investment Return	47,910.54
Transfer Out	32,804.30
Ending Balance	\$185,084.33

The total return from 07-01-10 to 06-30-11 was 31.59%.

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

DFA/Vaughan Nelson/LA Capital

***** SmallCap Value II Separate Account-R6 *****

Beginning Balance	\$200,732.13
Deposits	15,023.56
Investment Return	73,086.08
Transfer Out	11,727.28
Ending Balance	\$277,114.49

The total return from 07-01-10 to 06-30-11 was 35.34%.

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

BlackRock Financial Mgmt, Inc.

******* Inflation Protection Separate Account-R6 *******

Beginning Balance	\$948,990.39
Deposits	59,634.68
Investment Return	66,963.87
Transfer Out	76,964.62
Ending Balance	\$998,624.32

The total return from 07-01-10 to 06-30-11 was 6.89%.

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

AllianceBernstein/CCI/Brown

***** SmallCap Growth I Separate Account-R6 *****

Beginning Balance	\$0.00
Deposits	9,544.69
Investment Return	26,311.67
Transfer In	249,132.26
Transfer Out	6,553.93
Ending Balance	\$278,434.69

The total return from 12-15-10 to 06-30-11 was 10.69%.

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

Edge Asset Management, Inc.

***** Equity Income Separate Account-R6 *****

Beginning Balance	\$0.00
Deposits	31,815.71
Investment Return	64,777.76
Transfer In	836,140.96
Transfer Out	10,532.00
Ending Balance	\$922,202.43

The total return from 12-15-10 to 06-30-11 was 7.84%.

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

Causeway / Barrow Hanley

***** International Value I Separate Account-R6 *****

Beginning Balance	\$381,287.49
Deposits	46,520.56
Investment Return	169,695.08
Transfer In	469,371.09
Transfer Out	51,958.04
Ending Balance	\$1,014,916.18

The total return from 07-01-10 to 06-30-11 was 26.83%.

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

AllianceBernstein / Westwood

***** **LargeCap Value III Separate Account-R6** *****

Beginning Balance	\$575,704.58
Deposits	47,722.11
Investment Return	175,826.83
Transfer In	154,786.32
Transfer Out	44,647.60
Ending Balance	\$909,392.24

The total return from 07-01-10 to 06-30-11 was 26.11%.

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

Principal Global/Barrow Hanley

***** MidCap Value III Separate Account-R6 *****

Beginning Balance	\$206,170.62
Deposits	15,023.56
Investment Return	74,258.88
Transfer In	5,896.62
Transfer Out	24,018.44
Ending Balance	\$277,331.24

The total return from 07-01-10 to 06-30-11 was 34.44%.

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

Fidelity / Schroders

***** International I Separate Account-R6 *****

Beginning Balance	\$398,873.52
Deposits	35,750.33
Investment Return	149,600.31
Transfer In	127,661.86
Transfer Out	23,153.93
Ending Balance	\$688,732.09

The total return from 07-01-10 to 06-30-11 was 31.35%.

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

JP Morgan/Neuberger Berman

******* High Yield I Separate Account-R6 *******

Beginning Balance	\$790,223.84
Deposits	43,220.52
Investment Return	113,807.89
Transfer Out	268,848.54
Ending Balance	\$678,403.71

The total return from 07-01-10 to 06-30-11 was 16.17%.

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

PIMCO

***** Core Plus Bond I Separate Account-R6 *****

Beginning Balance	\$2,328,935.83
Deposits	170,198.38
Investment Return	114,315.66
Transfer Out	114,812.86
Benefit Payments	13,866.97
Ending Balance	\$2,484,770.04

The total return from 07-01-10 to 06-30-11 was 4.74%.

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

Turner/Mellon/Jacobs Levy

***** MidCap Growth III Separate Account-R6 *****

Beginning Balance	\$203,780.06
Deposits	15,023.56
Investment Return	93,350.29
Transfer Out	32,685.99
Ending Balance	\$279,467.92

The total return from 07-01-10 to 06-30-11 was 45.70%.

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

TS&W / Herndon

***** LargeCap Value I Separate Account-R6 *****

Beginning Balance	\$1,057,779.69
Deposits	30,681.81
Investment Return	212,475.87
Transfer Out	1,300,937.37
Ending Balance	\$0.00

The total return from 07-01-10 to 12-20-10 was 19.79%.

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

Columbus Circle Investors

***** LargeCap Growth Separate Account-R6 *****

Beginning Balance	\$850,276.52
Deposits	55,557.59
Investment Return	267,940.45
Transfer Out	239,688.48
Ending Balance	\$934,086.08

The total return from 07-01-10 to 06-30-11 was 34.56%.

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

Principal Real Estate Inv

******* U.S. Property Separate Account-R6 *******

Beginning Balance	\$492,601.04
Deposits	4,070.75
Investment Return	102,027.99
Transfer In	225,438.96
Ending Balance	\$824,138.74

The total return from 07-01-10 to 06-30-11 was 20.66%.

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

Principal Global Investors

***** **Bond and Mortgage Separate Account-R6** *****

Beginning Balance	\$1,709,171.80
Deposits	170,637.70
Investment Return	150,851.43
Transfer In	1,486,390.66
Benefit Payments	986,830.97
Benefit Payments Credits	25.69
Expenses	42,111.22
Ending Balance	\$2,488,135.09

The total return from 07-01-10 to 06-30-11 was 8.24%.

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

Principal Global Investors

***** LargeCap S&P 500 Index Separate Account-R6 *****

Beginning Balance	\$721,659.74
Deposits	48,723.39
Investment Return	215,056.25
Transfer Out	152,045.05
Ending Balance	\$833,394.33

The total return from 07-01-10 to 06-30-11 was 31.03%.

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

Principal Global Investors

***** **International Growth Separate Account-R6** *****

Beginning Balance	\$406,726.24
Deposits	12,053.55
Investment Return	96,444.36
Transfer Out	515,224.15
Ending Balance	\$0.00

The total return from 07-01-10 to 12-20-10 was 23.35%.

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

Emerald / Essex

******* SmallCap Growth II Separate Account-R6 *******

Beginning Balance	\$202,403.43
Deposits	5,478.87
Investment Return	67,688.06
Transfer Out	275,570.36
Ending Balance	\$0.00

The total return from 07-01-10 to 12-20-10 was 32.98%.

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

Principal Real Estate Inv

***** Real Estate Securities Separate Account-R6 *****

Beginning Balance	\$221,146.33
Deposits	13,432.76
Investment Return	69,342.20
Transfer Out	74,696.01
Ending Balance	\$229,225.28

The total return from 07-01-10 to 06-30-11 was 33.29%.

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

***** List of Transactions *****

Cash Received

Principal Real Estate Inv

Real Estate Securities SA-R6	07-16-10	1,069.57
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Principal Global Investors

International Growth SA-R6	07-16-10	2,353.06
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LargeCap S&P 500 Index SA-R6	07-16-10	3,921.77
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BlackRock Financial Mgmt, Inc.

Inflation Protection SA-R6	07-16-10	4,706.13
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PIMCO

Core Plus Bond I SA-R6	07-16-10	13,547.96
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AllianceBernstein / Westwood

LargeCap Value III Sep Acct-R6	07-16-10	3,208.72
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Columbus Circle Investors

LargeCap Growth Sep Acct-R6	07-16-10	4,634.83
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Principal Global Investors

Bond and Mortgage Sep Acct-R6	07-16-10	13,619.38
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Fidelity / Schroders

International I Sep Acct-R6	07-16-10	2,424.37
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Emerald / Essex

SmallCap Growth II Sep Acct-R6	07-16-10	1,069.57
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T. Rowe Price/Brown Advisory

LargeCap Growth I Sep Acct-R6	07-16-10	4,563.52
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Causeway / Barrow Hanley

International Value I SA-R6	07-16-10	2,353.06
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JP Morgan/Neuberger Berman

High Yield I Separate Acct-R6	07-16-10	3,779.16
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Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

***** List of Transactions *****

Principal Global Investors

Intl Emerging Markets SA-R6 07-16-10 855.66

Principal Global/Barrow Hanley

MidCap Value III Sep Acct-R6 07-16-10 1,069.57

TS&W / Herndon

LargeCap Value I Sep Acct-R6 07-16-10 5,989.62

Turner/Mellon/Jacobs Levy

MidCap Growth III Sep Acct-R6 07-16-10 1,069.57

DFA/Vaughan Nelson/LA Capital

SmallCap Value II Sep Acct-R6 07-16-10 1,069.57

Principal Real Estate Inv

Real Estate Securities SA-R6 08-16-10 1,076.75

Principal Global Investors

International Growth SA-R6 08-16-10 2,368.86

LargeCap S&P 500 Index SA-R6 08-16-10 3,948.10

BlackRock Financial Mgmt, Inc.

Inflation Protection SA-R6 08-16-10 4,737.73

PIMCO

Core Plus Bond I SA-R6 08-16-10 13,638.92

AllianceBernstein / Westwood

LargeCap Value III Sep Acct-R6 08-16-10 3,230.27

Columbus Circle Investors

LargeCap Growth Sep Acct-R6 08-16-10 4,665.94

Principal Global Investors

Bond and Mortgage Sep Acct-R6 08-16-10 13,710.79

Fidelity / Schroders

International I Sep Acct-R6 08-16-10 2,440.64



Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

***** List of Transactions *****

Emerald / Essex

SmallCap Growth II Sep Acct-R6 08-16-10 1,076.75

T. Rowe Price/Brown Advisory

LargeCap Growth I Sep Acct-R6 08-16-10 4,594.16

Causeway / Barrow Hanley

International Value I SA-R6 08-16-10 2,368.86

JP Morgan/Neuberger Berman

High Yield I Separate Acct-R6 08-16-10 3,804.54

Principal Global Investors

Intl Emerging Markets SA-R6 08-16-10 861.40

Principal Global/Barrow Hanley

MidCap Value III Sep Acct-R6 08-16-10 1,076.75

TS&W / Herndon

LargeCap Value I Sep Acct-R6 08-16-10 6,029.83

Turner/Mellon/Jacobs Levy

MidCap Growth III Sep Acct-R6 08-16-10 1,076.75

DFA/Vaughan Nelson/LA Capital

SmallCap Value II Sep Acct-R6 08-16-10 1,076.75

Principal Real Estate Inv

Real Estate Securities SA-R6 09-15-10 1,069.62

Principal Global Investors

International Growth SA-R6 09-15-10 2,353.18

LargeCap S&P 500 Index SA-R6 09-15-10 3,921.96

BlackRock Financial Mgmt, Inc.

Inflation Protection SA-R6 09-15-10 4,706.36

PIMCO

Core Plus Bond I SA-R6 09-15-10 13,548.62



Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

***** List of Transactions *****

AllianceBernstein / Westwood

LargeCap Value III Sep Acct-R6 09-15-10 3,208.88

Columbus Circle Investors

LargeCap Growth Sep Acct-R6 09-15-10 4,635.05

Principal Global Investors

Bond and Mortgage Sep Acct-R6 09-15-10 13,620.01

Fidelity / Schroders

International I Sep Acct-R6 09-15-10 2,424.49

Emerald / Essex

SmallCap Growth II Sep Acct-R6 09-15-10 1,069.62

T. Rowe Price/Brown Advisory

LargeCap Growth I Sep Acct-R6 09-15-10 4,563.74

Causeway / Barrow Hanley

International Value I SA-R6 09-15-10 2,353.18

JP Morgan/Neuberger Berman

High Yield I Separate Acct-R6 09-15-10 3,779.35

Principal Global Investors

Intl Emerging Markets SA-R6 09-15-10 855.70

Principal Global/Barrow Hanley

MidCap Value III Sep Acct-R6 09-15-10 1,069.62

TS&W / Herndon

LargeCap Value I Sep Acct-R6 09-15-10 5,989.91

Turner/Mellon/Jacobs Levy

MidCap Growth III Sep Acct-R6 09-15-10 1,069.62

DFA/Vaughan Nelson/LA Capital

SmallCap Value II Sep Acct-R6 09-15-10 1,069.62

Principal Real Estate Inv

Real Estate Securities SA-R6 10-15-10 1,076.21



Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

***** List of Transactions *****

Principal Global Investors

International Growth SA-R6	10-15-10	2,367.67
LargeCap S&P 500 Index SA-R6	10-15-10	3,946.13

BlackRock Financial Mgmt, Inc.

Inflation Protection SA-R6	10-15-10	4,735.35
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PIMCO

Core Plus Bond I SA-R6	10-15-10	13,632.09
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AllianceBernstein / Westwood

LargeCap Value III Sep Acct-R6	10-15-10	3,228.65
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Columbus Circle Investors

LargeCap Growth Sep Acct-R6	10-15-10	4,663.61
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Principal Global Investors

Bond and Mortgage Sep Acct-R6	10-15-10	13,703.95
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Fidelity / Schroders

International I Sep Acct-R6	10-15-10	2,439.42
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Emerald / Essex

SmallCap Growth II Sep Acct-R6	10-15-10	1,076.21
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T. Rowe Price/Brown Advisory

LargeCap Growth I Sep Acct-R6	10-15-10	4,591.86
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Causeway / Barrow Hanley

International Value I SA-R6	10-15-10	2,367.67
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JP Morgan/Neuberger Berman

High Yield I Separate Acct-R6	10-15-10	3,802.63
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Principal Global Investors

Intl Emerging Markets SA-R6	10-15-10	860.97
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Principal Global/Barrow Hanley

MidCap Value III Sep Acct-R6	10-15-10	1,076.21
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Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

***** List of Transactions *****

TS&W / Herndon

LargeCap Value I Sep Acct-R6 10-15-10 6,026.82

Turner/Mellon/Jacobs Levy

MidCap Growth III Sep Acct-R6 10-15-10 1,076.21

DFA/Vaughan Nelson/LA Capital

SmallCap Value II Sep Acct-R6 10-15-10 1,076.21

Principal Real Estate Inv

Real Estate Securities SA-R6 11-17-10 1,186.72

Principal Global Investors

International Growth SA-R6 11-17-10 2,610.78

LargeCap S&P 500 Index SA-R6 11-17-10 4,351.31

BlackRock Financial Mgmt, Inc.

Inflation Protection SA-R6 11-17-10 5,221.57

PIMCO

Core Plus Bond I SA-R6 11-17-10 15,031.80

AllianceBernstein / Westwood

LargeCap Value III Sep Acct-R6 11-17-10 3,560.16

Columbus Circle Investors

LargeCap Growth Sep Acct-R6 11-17-10 5,142.45

Principal Global Investors

Bond and Mortgage Sep Acct-R6 11-17-10 15,110.99

Fidelity / Schroders

International I Sep Acct-R6 11-17-10 2,689.90

Emerald / Essex

SmallCap Growth II Sep Acct-R6 11-17-10 1,186.72

T. Rowe Price/Brown Advisory

LargeCap Growth I Sep Acct-R6 11-17-10 5,063.34



Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

***** List of Transactions *****

Causeway / Barrow Hanley		
International Value I SA-R6	11-17-10	2,610.78
JP Morgan/Neuberger Berman		
High Yield I Separate Acct-R6	11-17-10	4,193.08
Principal Global Investors		
Intl Emerging Markets SA-R6	11-17-10	949.37
Principal Global/Barrow Hanley		
MidCap Value III Sep Acct-R6	11-17-10	1,186.72
TS&W / Herndon		
LargeCap Value I Sep Acct-R6	11-17-10	6,645.63
Turner/Mellon/Jacobs Levy		
MidCap Growth III Sep Acct-R6	11-17-10	1,186.72
DFA/Vaughan Nelson/LA Capital		
SmallCap Value II Sep Acct-R6	11-17-10	1,186.72
Principal Real Estate Inv		
Real Estate Securities SA-R6	12-15-10	1,114.71
Principal Global Investors		
Intl Emerging Markets SA-R6	12-15-10	891.77
BlackRock Financial Mgmt, Inc.		
Inflation Protection SA-R6	12-15-10	4,979.07
Causeway / Barrow Hanley		
International Value I SA-R6	12-15-10	4,830.45
PIMCO		
Core Plus Bond I SA-R6	12-15-10	14,417.12
AllianceBernstein / Westwood		
LargeCap Value III Sep Acct-R6	12-15-10	4,384.56
Columbus Circle Investors		
LargeCap Growth Sep Acct-R6	12-15-10	4,458.87

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

***** List of Transactions *****

Principal Global Investors

Bond and Mortgage Sep Acct-R6 12-15-10 14,417.03

Fidelity / Schroders

International I Sep Acct-R6 12-15-10 3,269.84

AllianceBernstein/CCI/Brown

SmallCap Growth I Sep Acct-R6 12-15-10 1,337.66

JP Morgan/Neuberger Berman

High Yield I Separate Acct-R6 12-15-10 3,344.15

T. Rowe Price/Brown Advisory

LargeCap Growth I Sep Acct-R6 12-15-10 4,384.56

Edge Asset Management, Inc.

Equity Income Sep Acct-R6 12-15-10 4,458.87

Turner/Mellon/Jacobs Levy

MidCap Growth III Sep Acct-R6 12-15-10 1,337.66

Principal Global/Barrow Hanley

MidCap Value III Sep Acct-R6 12-15-10 1,337.66

Principal Global Investors

LargeCap S&P 500 Index SA-R6 12-15-10 4,012.98

DFA/Vaughan Nelson/LA Capital

SmallCap Value II Sep Acct-R6 12-15-10 1,337.66

Principal Real Estate Inv

Real Estate Securities SA-R6 01-18-11 1,168.60

Principal Global Investors

Intl Emerging Markets SA-R6 01-18-11 934.88

BlackRock Financial Mgmt, Inc.

Inflation Protection SA-R6 01-18-11 5,219.75

PIMCO

Core Plus Bond I SA-R6 01-18-11 15,113.98



Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

***** List of Transactions *****

AllianceBernstein / Westwood		
LargeCap Value III Sep Acct-R6	01-18-11	4,596.49
Columbus Circle Investors		
LargeCap Growth Sep Acct-R6	01-18-11	4,674.40
Principal Global Investors		
Bond and Mortgage Sep Acct-R6	01-18-11	15,113.91
Fidelity / Schroders		
International I Sep Acct-R6	01-18-11	3,427.89
AllianceBernstein/CCI/Brown		
SmallCap Growth I Sep Acct-R6	01-18-11	1,402.32
JP Morgan/Neuberger Berman		
High Yield I Separate Acct-R6	01-18-11	3,505.80
T. Rowe Price/Brown Advisory		
LargeCap Growth I Sep Acct-R6	01-18-11	4,596.49
Causeway / Barrow Hanley		
International Value I SA-R6	01-18-11	5,063.93
Edge Asset Management, Inc.		
Equity Income Sep Acct-R6	01-18-11	4,674.40
Turner/Mellon/Jacobs Levy		
MidCap Growth III Sep Acct-R6	01-18-11	1,402.32
Principal Global/Barrow Hanley		
MidCap Value III Sep Acct-R6	01-18-11	1,402.32
Principal Global Investors		
LargeCap S&P 500 Index SA-R6	01-18-11	4,206.96
DFA/Vaughan Nelson/LA Capital		
SmallCap Value II Sep Acct-R6	01-18-11	1,402.32
Principal Real Estate Inv		
Real Estate Securities SA-R6	02-15-11	1,149.84

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

***** List of Transactions *****

Principal Global Investors

Intl Emerging Markets SA-R6 02-15-11 919.87

BlackRock Financial Mgmt, Inc.

Inflation Protection SA-R6 02-15-11 5,135.99

PIMCO

Core Plus Bond I SA-R6 02-15-11 14,871.49

AllianceBernstein / Westwood

LargeCap Value III Sep Acct-R6 02-15-11 4,522.73

Columbus Circle Investors

LargeCap Growth Sep Acct-R6 02-15-11 4,599.39

Principal Global Investors

Bond and Mortgage Sep Acct-R6 02-15-11 14,871.37

Fidelity / Schroders

International I Sep Acct-R6 02-15-11 3,372.88

AllianceBernstein/CCI/Brown

SmallCap Growth I Sep Acct-R6 02-15-11 1,379.81

JP Morgan/Neuberger Berman

High Yield I Separate Acct-R6 02-15-11 3,449.54

T. Rowe Price/Brown Advisory

LargeCap Growth I Sep Acct-R6 02-15-11 4,522.73

Causeway / Barrow Hanley

International Value I SA-R6 02-15-11 4,982.67

Edge Asset Management, Inc.

Equity Income Sep Acct-R6 02-15-11 4,599.39

Turner/Mellon/Jacobs Levy

MidCap Growth III Sep Acct-R6 02-15-11 1,379.81

Principal Global/Barrow Hanley

MidCap Value III Sep Acct-R6 02-15-11 1,379.81



Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

***** List of Transactions *****

Principal Global Investors

LargeCap S&P 500 Index SA-R6	02-15-11	4,139.45
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DFA/Vaughan Nelson/LA Capital

SmallCap Value II Sep Acct-R6	02-15-11	1,379.81
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Principal Real Estate Inv

Real Estate Securities SA-R6	03-16-11	1,154.23
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Principal Global Investors

Intl Emerging Markets SA-R6	03-16-11	923.38
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BlackRock Financial Mgmt, Inc.

Inflation Protection SA-R6	03-16-11	5,155.58
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PIMCO

Core Plus Bond I SA-R6	03-16-11	14,928.18
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AllianceBernstein / Westwood

LargeCap Value III Sep Acct-R6	03-16-11	4,539.99
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Columbus Circle Investors

LargeCap Growth Sep Acct-R6	03-16-11	4,616.94
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Principal Global Investors

Bond and Mortgage Sep Acct-R6	03-16-11	14,928.11
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Fidelity / Schroders

International I Sep Acct-R6	03-16-11	3,385.75
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AllianceBernstein/CCI/Brown

SmallCap Growth I Sep Acct-R6	03-16-11	1,385.08
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JP Morgan/Neuberger Berman

High Yield I Separate Acct-R6	03-16-11	3,462.70
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T. Rowe Price/Brown Advisory

LargeCap Growth I Sep Acct-R6	03-16-11	4,539.99
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Causeway / Barrow Hanley

International Value I SA-R6	03-16-11	5,001.68
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Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

***** List of Transactions *****

Edge Asset Management, Inc.		
Equity Income Sep Acct-R6	03-16-11	4,616.94
Turner/Mellon/Jacobs Levy		
MidCap Growth III Sep Acct-R6	03-16-11	1,385.08
Principal Global/Barrow Hanley		
MidCap Value III Sep Acct-R6	03-16-11	1,385.08
Principal Global Investors		
LargeCap S&P 500 Index SA-R6	03-16-11	4,155.24
DFA/Vaughan Nelson/LA Capital		
SmallCap Value II Sep Acct-R6	03-16-11	1,385.08
Principal Real Estate Inv		
Real Estate Securities SA-R6	04-15-11	1,137.72
Principal Global Investors		
Intl Emerging Markets SA-R6	04-15-11	910.18
BlackRock Financial Mgmt, Inc.		
Inflation Protection SA-R6	04-15-11	5,081.85
PIMCO		
Core Plus Bond I SA-R6	04-15-11	14,714.74
AllianceBernstein / Westwood		
LargeCap Value III Sep Acct-R6	04-15-11	4,475.06
Columbus Circle Investors		
LargeCap Growth Sep Acct-R6	04-15-11	4,550.91
Principal Global Investors		
Bond and Mortgage Sep Acct-R6	04-15-11	14,714.63
Fidelity / Schroders		
International I Sep Acct-R6	04-15-11	3,337.34
AllianceBernstein/CCI/Brown		
SmallCap Growth I Sep Acct-R6	04-15-11	1,365.27

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

***** List of Transactions *****

JP Morgan/Neuberger Berman		
High Yield I Separate Acct-R6	04-15-11	3,413.18
T. Rowe Price/Brown Advisory		
LargeCap Growth I Sep Acct-R6	04-15-11	4,475.06
Causeway / Barrow Hanley		
International Value I SA-R6	04-15-11	4,930.16
Edge Asset Management, Inc.		
Equity Income Sep Acct-R6	04-15-11	4,550.91
Turner/Mellon/Jacobs Levy		
MidCap Growth III Sep Acct-R6	04-15-11	1,365.27
Principal Global/Barrow Hanley		
MidCap Value III Sep Acct-R6	04-15-11	1,365.27
Principal Global Investors		
LargeCap S&P 500 Index SA-R6	04-15-11	4,095.82
DFA/Vaughan Nelson/LA Capital		
SmallCap Value II Sep Acct-R6	04-15-11	1,365.27
Principal Real Estate Inv		
Real Estate Securities SA-R6	05-16-11	1,118.59
Principal Global Investors		
Intl Emerging Markets SA-R6	05-16-11	894.87
BlackRock Financial Mgmt, Inc.		
Inflation Protection SA-R6	05-16-11	4,996.39
PIMCO		
Core Plus Bond I SA-R6	05-16-11	14,467.22
AllianceBernstein / Westwood		
LargeCap Value III Sep Acct-R6	05-16-11	4,399.80
Columbus Circle Investors		
LargeCap Growth Sep Acct-R6	05-16-11	4,474.38

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

***** List of Transactions *****

Principal Global Investors

Bond and Mortgage Sep Acct-R6 05-16-11 14,467.16

Fidelity / Schroders

International I Sep Acct-R6 05-16-11 3,281.21

AllianceBernstein/CCI/Brown

SmallCap Growth I Sep Acct-R6 05-16-11 1,342.31

JP Morgan/Neuberger Berman

High Yield I Separate Acct-R6 05-16-11 3,355.78

T. Rowe Price/Brown Advisory

LargeCap Growth I Sep Acct-R6 05-16-11 4,399.80

Causeway / Barrow Hanley

International Value I SA-R6 05-16-11 4,847.24

Edge Asset Management, Inc.

Equity Income Sep Acct-R6 05-16-11 4,474.38

Turner/Mellon/Jacobs Levy

MidCap Growth III Sep Acct-R6 05-16-11 1,342.31

Principal Global/Barrow Hanley

MidCap Value III Sep Acct-R6 05-16-11 1,342.31

Principal Global Investors

LargeCap S&P 500 Index SA-R6 05-16-11 4,026.94

DFA/Vaughan Nelson/LA Capital

SmallCap Value II Sep Acct-R6 05-16-11 1,342.31

Principal Real Estate Inv

Real Estate Securities SA-R6 06-15-11 1,110.20

Principal Global Investors

Intl Emerging Markets SA-R6 06-15-11 888.16

BlackRock Financial Mgmt, Inc.

Inflation Protection SA-R6 06-15-11 4,958.91



Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

***** List of Transactions *****

PIMCO

Core Plus Bond I SA-R6 06-15-11 12,286.26

AllianceBernstein / Westwood

LargeCap Value III Sep Acct-R6 06-15-11 4,366.80

Columbus Circle Investors

LargeCap Growth Sep Acct-R6 06-15-11 4,440.82

Principal Global Investors

Bond and Mortgage Sep Acct-R6 06-15-11 12,360.37

Fidelity / Schroders

International I Sep Acct-R6 06-15-11 3,256.60

AllianceBernstein/CCI/Brown

SmallCap Growth I Sep Acct-R6 06-15-11 1,332.24

JP Morgan/Neuberger Berman

High Yield I Separate Acct-R6 06-15-11 3,330.61

T. Rowe Price/Brown Advisory

LargeCap Growth I Sep Acct-R6 06-15-11 4,366.80

Principal Global/Barrow Hanley

MidCap Value III Sep Acct-R6 06-15-11 1,332.24

Causeway / Barrow Hanley

International Value I SA-R6 06-15-11 4,810.88

Edge Asset Management, Inc.

Equity Income Sep Acct-R6 06-15-11 4,440.82

Turner/Mellon/Jacobs Levy

MidCap Growth III Sep Acct-R6 06-15-11 1,332.24

Principal Real Estate Inv

U.S. Property Separate Acct-R6 06-15-11 4,070.75

Principal Global Investors

LargeCap S&P 500 Index SA-R6 06-15-11 3,996.73



Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

***** List of Transactions *****

DFA/Vaughan Nelson/LA Capital

SmallCap Value II Sep Acct-R6		06-15-11	1,332.24
Total			\$895,522.34

Terminations

ID. No.

Principal Global Investors

Bond and Mortgage Sep Acct-R6	XXXXX5292	03-24-11	8,637.03
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PIMCO

Core Plus Bond I SA-R6	XXXXX5292	03-24-11	8,637.04
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Core Plus Bond I SA-R6	XXXXX5119	06-15-11	5,229.93
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Principal Global Investors

Bond and Mortgage Sep Acct-R6	XXXXX5119	06-15-11	5,229.94
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Total			\$27,733.94
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Transfers

Fidelity / Schroders

International I Sep Acct-R6		12-20-10	127,661.86
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Causeway / Barrow Hanley

International Value I SA-R6		12-20-10	469,371.09
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T. Rowe Price/Brown Advisory

LargeCap Growth I Sep Acct-R6		12-20-10	-242,143.11
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BlackRock Financial Mgmt, Inc.

Inflation Protection SA-R6		12-20-10	-12,215.58
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Emerald / Essex

SmallCap Growth II Sep Acct-R6		12-20-10	-275,570.36
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Principal Real Estate Inv

Real Estate Securities SA-R6		12-20-10	-38,648.79
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Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

***** List of Transactions *****

JP Morgan/Neuberger Berman		
High Yield I Separate Acct-R6	12-20-10	-212,234.08
Turner/Mellon/Jacobs Levy		
MidCap Growth III Sep Acct-R6	12-20-10	-12,517.75
AllianceBernstein/CCI/Brown		
SmallCap Growth I Sep Acct-R6	12-20-10	249,132.26
Columbus Circle Investors		
LargeCap Growth Sep Acct-R6	12-20-10	-207,363.05
AllianceBernstein / Westwood		
LargeCap Value III Sep Acct-R6	12-20-10	154,786.32
Principal Global Investors		
International Growth SA-R6	12-20-10	-515,224.15
PIMCO		
Core Plus Bond I SA-R6	12-20-10	-487.42
Edge Asset Management, Inc.		
Equity Income Sep Acct-R6	12-20-10	836,140.96
Principal Global Investors		
Intl Emerging Markets SA-R6	12-20-10	-25,576.88
TS&W / Herndon		
LargeCap Value I Sep Acct-R6	12-20-10	-1,300,937.37
Principal Global Investors		
LargeCap S&P 500 Index SA-R6	12-20-10	-104,331.58
Bond and Mortgage Sep Acct-R6	12-20-10	1,105,321.77
DFA/Vaughan Nelson/LA Capital		
SmallCap Value II Sep Acct-R6	12-20-10	-1,060.76
Principal Global/Barrow Hanley		
MidCap Value III Sep Acct-R6	12-20-10	5,896.62

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

***** List of Transactions *****

Principal Global Investors

Intl Emerging Markets SA-R6 06-28-11 -7,227.42

Fidelity / Schroders

International I Sep Acct-R6 06-28-11 -23,153.93

Causeway / Barrow Hanley

International Value I SA-R6 06-28-11 -51,958.04

BlackRock Financial Mgmt, Inc.

Inflation Protection SA-R6 06-28-11 -64,749.04

DFA/Vaughan Nelson/LA Capital

SmallCap Value II Sep Acct-R6 06-28-11 -10,666.52

Principal Real Estate Inv

Real Estate Securities SA-R6 06-28-11 -36,047.22

JP Morgan/Neuberger Berman

High Yield I Separate Acct-R6 06-28-11 -56,614.46

Turner/Mellon/Jacobs Levy

MidCap Growth III Sep Acct-R6 06-28-11 -20,168.24

AllianceBernstein/CCI/Brown

SmallCap Growth I Sep Acct-R6 06-28-11 -6,553.93

Columbus Circle Investors

LargeCap Growth Sep Acct-R6 06-28-11 -32,325.43

AllianceBernstein / Westwood

LargeCap Value III Sep Acct-R6 06-28-11 -44,647.60

Principal Global Investors

Bond and Mortgage Sep Acct-R6 06-28-11 381,068.89

PIMCO

Core Plus Bond I SA-R6 06-28-11 -114,325.44

Edge Asset Management, Inc.

Equity Income Sep Acct-R6 06-28-11 -10,532.00



Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

***** List of Transactions *****

T. Rowe Price/Brown Advisory

LargeCap Growth I Sep Acct-R6	06-28-11	-55,806.67
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Principal Global Investors

LargeCap S&P 500 Index SA-R6	06-28-11	-47,713.47
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Principal Real Estate Inv

U.S. Property Separate Acct-R6	06-28-11	225,438.96
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Principal Global/Barrow Hanley

MidCap Value III Sep Acct-R6	06-28-11	-24,018.44
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Total		\$0.00
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Expenses

Principal Global Investors

Bond and Mortgage Sep Acct-R6	07-30-10	2,666.67
Bond and Mortgage Sep Acct-R6	08-05-10	2,396.69
Bond and Mortgage Sep Acct-R6	08-31-10	2,666.67
Bond and Mortgage Sep Acct-R6	09-30-10	2,666.67
Bond and Mortgage Sep Acct-R6	10-29-10	2,666.67
Bond and Mortgage Sep Acct-R6	11-05-10	2,506.37
Bond and Mortgage Sep Acct-R6	11-30-10	2,666.67
Bond and Mortgage Sep Acct-R6	12-31-10	2,666.66
Bond and Mortgage Sep Acct-R6	01-31-11	2,666.68
Bond and Mortgage Sep Acct-R6	02-11-11	2,578.30
Bond and Mortgage Sep Acct-R6	02-28-11	2,666.65
Bond and Mortgage Sep Acct-R6	03-31-11	2,666.68
Bond and Mortgage Sep Acct-R6	04-29-11	2,666.65
Bond and Mortgage Sep Acct-R6	05-05-11	2,629.86
Bond and Mortgage Sep Acct-R6	05-31-11	2,666.68
Bond and Mortgage Sep Acct-R6	06-30-11	2,666.65



Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

***** List of Transactions *****

Total **\$42,111.22**

Direct Fund Payments to Retirees

Principal Global Investors

Bond and Mortgage Sep Acct-R6	07-01-10	42,161.88
Bond and Mortgage Sep Acct-R6	08-01-10	42,161.88
Bond and Mortgage Sep Acct-R6	09-01-10	42,161.88
Bond and Mortgage Sep Acct-R6	10-01-10	42,161.88
Bond and Mortgage Sep Acct-R6	11-01-10	42,161.88
Bond and Mortgage Sep Acct-R6	11-20-10	26,417.98
Bond and Mortgage Sep Acct-R6	12-01-10	43,968.23
Bond and Mortgage Sep Acct-R6	12-04-10	42,886.28
Bond and Mortgage Sep Acct-R6	01-01-11	45,634.63
Bond and Mortgage Sep Acct-R6	01-21-11	6,295.17
Bond and Mortgage Sep Acct-R6	01-22-11	578.62
Bond and Mortgage Sep Acct-R6	02-01-11	46,704.08
Bond and Mortgage Sep Acct-R6	03-01-11	46,862.03
Bond and Mortgage Sep Acct-R6	04-01-11	46,755.46
Bond and Mortgage Sep Acct-R6	05-01-11	46,704.08
Bond and Mortgage Sep Acct-R6	06-01-11	46,704.08

Total **\$610,320.04**

Benefit Index Payments to Retirees

Principal Global Investors

Bond and Mortgage Sep Acct-R6	07-01-10	30,220.33
Bond and Mortgage Sep Acct-R6	08-01-10	30,220.33
Bond and Mortgage Sep Acct-R6	09-01-10	30,220.33

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

***** List of Transactions *****

Bond and Mortgage Sep Acct-R6	10-01-10	30,220.33
Bond and Mortgage Sep Acct-R6	11-01-10	30,220.33
Bond and Mortgage Sep Acct-R6	12-01-10	30,220.33
Bond and Mortgage Sep Acct-R6	01-01-11	30,220.33
Bond and Mortgage Sep Acct-R6	02-01-11	30,220.33
Bond and Mortgage Sep Acct-R6	03-01-11	30,220.33
Bond and Mortgage Sep Acct-R6	04-01-11	30,220.33
Bond and Mortgage Sep Acct-R6	05-01-11	30,220.33
Bond and Mortgage Sep Acct-R6	06-01-11	30,220.33
Total		\$362,643.96

Credit Direct Fund Payments to Retirees

Principal Global Investors

Bond and Mortgage Sep Acct-R6	02-16-11	25.69
Total		\$25.69

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

***** FASB 110 Information *****

The Financial Accounting Standards Board (FASB) Amendment No. 110 requires certain defined benefit plans to report investment contracts issued by insurance companies or other financial institutions at fair (market) value. The fair (market) value is also referred to as the investment value.

Here is the information your accountant or auditor may need. This investment value may be used in the preparation of your Form 5500 Annual Report.

	Principal Global Investors International Emerging Markets Separate Account-R6	Fidelity / Schroders International I Separate Account-R6
(A) Investment Value of account	185,084.33	688,732.09
(B) Total investment value of all accounts	15,219,264.22	15,219,264.22
(C) Investment value Ratio (A / B)	0.01216	0.04525
(D) Present value of Benefit Index	4,409,691.00	4,409,691.00
(E) Allocated assets for Benefit index ret in Acct (C X D)	53,621.84	199,538.52
(F) Investment value of The unallocated portion of the account (A - E)	131,462.49	489,193.57

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

***** FASB 110 Information *****

The Financial Accounting Standards Board (FASB) Amendment No. 110 requires certain defined benefit plans to report investment contracts issued by insurance companies or other financial institutions at fair (market) value. The fair (market) value is also referred to as the investment value.

Here is the information your accountant or auditor may need. This investment value may be used in the preparation of your Form 5500 Annual Report.

	JP Morgan/Neuberger Berman High Yield I Separate Account-R6	BlackRock Financial Mgmt, Inc. Inflation Protection Separate Account-R6
(A) Investment Value of account	678,403.71	998,624.32
(B) Total investment value of all accounts	15,219,264.22	15,219,264.22
(C) Investment value Ratio (A / B)	0.04458	0.06562
(D) Present value of Benefit Index	4,409,691.00	4,409,691.00
(E) Allocated assets for Benefit index ret in Acct (C X D)	196,584.02	289,363.92
(F) Investment value of The unallocated portion of the account (A - E)	481,819.69	709,260.40

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

***** FASB 110 Information *****

The Financial Accounting Standards Board (FASB) Amendment No. 110 requires certain defined benefit plans to report investment contracts issued by insurance companies or other financial institutions at fair (market) value. The fair (market) value is also referred to as the investment value.

Here is the information your accountant or auditor may need. This investment value may be used in the preparation of your Form 5500 Annual Report.

	Principal Global/Barrow Hanley MidCap Value III Separate Account-R6	Turner/Mellon/Jacobs Levy MidCap Growth III Separate Account-R6
(A) Investment Value of account	277,331.24	279,467.92
(B) Total investment value of all accounts	15,219,264.22	15,219,264.22
(C) Investment value Ratio (A / B)	0.01822	0.01836
(D) Present value of Benefit Index	4,409,691.00	4,409,691.00
(E) Allocated assets for Benefit index ret in Acct (C X D)	80,344.57	80,961.93
(F) Investment value of The unallocated portion of the account (A - E)	196,986.67	198,505.99

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

***** FASB 110 Information *****

The Financial Accounting Standards Board (FASB) Amendment No. 110 requires certain defined benefit plans to report investment contracts issued by insurance companies or other financial institutions at fair (market) value. The fair (market) value is also referred to as the investment value.

Here is the information your accountant or auditor may need. This investment value may be used in the preparation of your Form 5500 Annual Report.

	PIMCO Core Plus Bond I Separate Account-R6	Causeway / Barrow Hanley International Value I Separate Account-R6
(A) Investment Value of account	2,484,770.04	1,014,916.18
(B) Total investment value of all accounts	15,219,264.22	15,219,264.22
(C) Investment value Ratio (A / B)	0.16327	0.06669
(D) Present value of Benefit Index	4,409,691.00	4,409,691.00
(E) Allocated assets for Benefit index ret in Acct (C X D)	719,970.25	294,082.29
(F) Investment value of The unallocated portion of the account (A - E)	1,764,799.79	720,833.89

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

***** FASB 110 Information *****

The Financial Accounting Standards Board (FASB) Amendment No. 110 requires certain defined benefit plans to report investment contracts issued by insurance companies or other financial institutions at fair (market) value. The fair (market) value is also referred to as the investment value.

Here is the information your accountant or auditor may need. This investment value may be used in the preparation of your Form 5500 Annual Report.

	DFA/Vaughan Nelson/LA Capital SmallCap Value II Separate Account-R6	Edge Asset Management, Inc. Equity Income Separate Account-R6
(A) Investment Value of account	277,114.49	922,202.43
(B) Total investment value of all accounts	15,219,264.22	15,219,264.22
(C) Investment value Ratio (A / B)	0.01821	0.06059
(D) Present value of Benefit Index	4,409,691.00	4,409,691.00
(E) Allocated assets for Benefit index ret in Acct (C X D)	80,300.47	267,183.18
(F) Investment value of The unallocated portion of the account (A - E)	196,814.02	655,019.25

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

***** FASB 110 Information *****

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	Columbus Circle Investors LargeCap Growth Separate Account-R6	Principal Real Estate Inv U.S. Property Separate Account-R6
(A) Investment Value of account	934,086.08	824,138.74
(B) Total investment value of all accounts	15,219,264.22	15,219,264.22
(C) Investment value Ratio (A / B)	0.06138	0.05415
(D) Present value of Benefit Index	4,409,691.00	4,409,691.00
(E) Allocated assets for Benefit index ret in Acct (C X D)	270,666.83	238,784.77
(F) Investment value of The unallocated portion of the account (A - E)	663,419.25	585,353.97

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

***** FASB 110 Information *****

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	Principal Global Investors Bond and Mortgage Separate Account-R6	Principal Global Investors LargeCap S&P 500 Index Separate Account-R6
(A) Investment Value of account	2,488,135.09	833,394.33
(B) Total investment value of all accounts	15,219,264.22	15,219,264.22
(C) Investment value Ratio (A / B)	0.16349	0.05476
(D) Present value of Benefit Index	4,409,691.00	4,409,691.00
(E) Allocated assets for Benefit index ret in Acct (C X D)	720,940.38	241,474.68
(F) Investment value of The unallocated portion of the account (A - E)	1,767,194.71	591,919.65

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

***** FASB 110 Information *****

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	AllianceBernstein/CCI/Brown SmallCap Growth I Separate Account-R6	T. Rowe Price/Brown Advisory LargeCap Growth I Separate Account-R6
(A) Investment Value of account	278,434.69	915,811.02
(B) Total investment value of all accounts	15,219,264.22	15,219,264.22
(C) Investment value Ratio (A / B)	0.01829	0.06017
(D) Present value of Benefit Index	4,409,691.00	4,409,691.00
(E) Allocated assets for Benefit index ret in Acct (C X D)	80,653.25	265,331.11
(F) Investment value of The unallocated portion of the account (A - E)	197,781.44	650,479.91

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

***** FASB 110 Information *****

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	AllianceBernstein / Westwood LargeCap Value III Separate Account-R6	Principal Real Estate Inv Real Estate Securities Separate Account-R6
(A) Investment Value of account	909,392.24	229,225.28
(B) Total investment value of all accounts	15,219,264.22	15,219,264.22
(C) Investment value Ratio (A / B)	0.05975	0.01506
(D) Present value of Benefit Index	4,409,691.00	4,409,691.00
(E) Allocated assets for Benefit index ret in Acct (C X D)	263,479.04	66,409.95
(F) Investment value of The unallocated portion of the account (A - E)	645,913.20	162,815.33

For FASB 110, the total investment value of accounts listed is \$10,809,573.22.

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

Principal Global Investors

***** International Emerging Markets Separate Account-R6 Transaction Detail *****

	ID. No.	Unit Value	Units	Amount
Prior Year Ending Balance				
06-30-10		45.0970895	3,530.868399937	\$159,231.88
Cash Received				
07-16-10		46.3941837	18.443260162	\$855.66
08-16-10		48.7365003	17.674637996	\$861.40
09-15-10		51.5258082	16.607211607	\$855.70
10-15-10		55.9795967	15.380067931	\$860.97
11-17-10		54.9498597	17.277023184	\$949.37
12-15-10		56.3113013	15.836430333	\$891.77
01-18-11		58.8814613	15.877323343	\$934.88
02-15-11		56.1685969	16.376944605	\$919.87
03-16-11		54.6532854	16.895233163	\$923.38
04-15-11		60.0432968	15.158727926	\$910.18
05-16-11		57.9084728	15.453179072	\$894.87
06-15-11		57.1724972	15.534742113	\$888.16
	Total		196.514781435	\$10,746.21
Transfers				
12-20-10		55.9326833	457.279688564	-\$25,576.88
06-28-11		57.5560125	125.571937423	-\$7,227.42
	Total		582.851625987	-\$32,804.30
Investment Return				\$47,910.54
Ending Balance				
06-30-11		58.8591118	3,144.531555385	\$185,084.33

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

Fidelity / Schroders

***** International I Separate Account-R6 Transaction Detail *****

	ID. No.	Unit Value	Units	Amount
Prior Year Ending Balance				
06-30-10		26.5963562	14,997.299842789	\$398,873.52
Cash Received				
07-16-10		28.1895800	86.002345547	\$2,424.37
08-16-10		29.0556797	83.998723320	\$2,440.64
09-15-10		30.6465191	79.111431614	\$2,424.49
10-15-10		32.9616932	74.007727248	\$2,439.42
11-17-10		32.5511229	82.636166139	\$2,689.90
12-15-10		33.3586319	98.020806422	\$3,269.84
01-18-11		34.7135094	98.748010767	\$3,427.89
02-15-11		35.0031455	96.359340048	\$3,372.88
03-16-11		32.2657992	104.933089647	\$3,385.75
04-15-11		35.3760584	94.338944216	\$3,337.34
05-16-11		35.2472038	93.091356086	\$3,281.21
06-15-11		34.0354358	95.682629690	\$3,256.60
	Total		1,086.930570744	\$35,750.33
Transfers				
12-20-10		33.2999374	3,833.696696378	\$127,661.86
06-28-11		34.5972263	669.242377964	-\$23,153.93
	Total		3,164.454318414	\$104,507.93
Investment Return				\$149,600.31
Ending Balance				
06-30-11		35.7807355	19,248.684731947	\$688,732.09

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

TS&W / Herndon

***** LargeCap Value I Separate Account-R6 Transaction Detail *****

ID. No.	Unit Value	Units	Amount
Prior Year Ending Balance			
06-30-10	9.8661424	107,213.098726330	\$1,057,779.69
Cash Received			
07-16-10	10.2221672	585.944240865	\$5,989.62
08-16-10	10.3433831	582.964968202	\$6,029.83
09-15-10	10.8100886	554.103691620	\$5,989.91
10-15-10	11.1429558	540.863672814	\$6,026.82
11-17-10	11.2193333	592.337336123	\$6,645.63
Total		2,856.213909624	\$30,681.81
Transfers			
12-20-10	11.8192559	110,069.312635954	-\$1,300,937.37
Total		110,069.312635954	-\$1,300,937.37
Investment Return			\$212,475.87
Ending Balance			
06-30-11	12.6273528	0.000000000	\$0.00

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

JP Morgan/Neuberger Berman

***** High Yield I Separate Account-R6 Transaction Detail *****

ID. No.	Unit Value	Units	Amount
Prior Year Ending Balance			
06-30-10	14.6208265	54,047.823307617	\$790,223.84
Cash Received			
07-16-10	14.9102606	253.460358700	\$3,779.16
08-16-10	15.1156783	251.694957016	\$3,804.54
09-15-10	15.4593833	244.469648410	\$3,779.35
10-15-10	15.9412566	238.540166275	\$3,802.63
11-17-10	15.9942462	262.161776651	\$4,193.08
12-15-10	16.0315566	208.597959851	\$3,344.15
01-18-11	16.4969395	212.512145055	\$3,505.80
02-15-11	16.7670581	205.733169135	\$3,449.54
03-16-11	16.7195558	207.104784446	\$3,462.70
04-15-11	16.9894297	200.900210323	\$3,413.18
05-16-11	17.1835828	195.289890301	\$3,355.78
06-15-11	16.8942204	197.144936027	\$3,330.61
Total		2,677.610002190	\$43,220.52
Transfers			
12-20-10	16.0452062	13,227.257870952	-\$212,234.08
06-28-11	16.7723757	3,375.458611984	-\$56,614.46
Total		16,602.716482936	-\$268,848.54
Investment Return			\$113,807.89
Ending Balance			
06-30-11	16.9082197	40,122.716826871	\$678,403.71



Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

BlackRock Financial Mgmt, Inc.

***** Inflation Protection Separate Account-R6 Transaction Detail *****

ID. No.	Unit Value	Units	Amount
Prior Year Ending Balance			
06-30-10	9.9885006	95,008.293722244	\$948,990.39
Cash Received			
07-16-10	9.9162680	474.586810279	\$4,706.13
08-16-10	10.1324375	467.580481004	\$4,737.73
09-15-10	10.1639851	463.042788207	\$4,706.36
10-15-10	10.4736091	452.122086549	\$4,735.35
11-17-10	10.2755941	508.152613774	\$5,221.57
12-15-10	10.0428645	495.781855863	\$4,979.07
01-18-11	10.2102148	511.228226070	\$5,219.75
02-15-11	10.0306820	512.027995703	\$5,135.99
03-16-11	10.4597437	492.897354645	\$5,155.58
04-15-11	10.5414307	482.083518321	\$5,081.85
05-16-11	10.5763001	472.413788636	\$4,996.39
06-15-11	10.6662311	464.916797086	\$4,958.91
Total		5,796.834316137	\$59,634.68
Transfers			
12-20-10	10.1475506	1,203.795918987	-\$12,215.58
06-28-11	10.6745817	6,065.721526118	-\$64,749.04
Total		7,269.517445105	-\$76,964.62
Investment Return			\$66,963.87
Ending Balance			
06-30-11	10.6764078	93,535.610593276	\$998,624.32



Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

Principal Global/Barrow Hanley

***** MidCap Value III Separate Account-R6 Transaction Detail *****

	ID. No.	Unit Value	Units	Amount
Prior Year Ending Balance				
06-30-10		55.7141402	3,700.508072075	\$206,170.62
Cash Received				
07-16-10		57.1852417	18.703601981	\$1,069.57
08-16-10		58.3660156	18.448235483	\$1,076.75
09-15-10		61.2653401	17.458811103	\$1,069.62
10-15-10		64.1723484	16.770618916	\$1,076.21
11-17-10		64.0289458	18.534117424	\$1,186.72
12-15-10		66.8475072	20.010619034	\$1,337.66
01-18-11		70.4770521	19.897540521	\$1,402.32
02-15-11		72.7281013	18.972171352	\$1,379.81
03-16-11		69.7302590	19.863399618	\$1,385.08
04-15-11		74.1197527	18.419786227	\$1,365.27
05-16-11		75.1336652	17.865626499	\$1,342.31
06-15-11		71.7918780	18.556973812	\$1,332.24
	Total		223.501501970	\$15,023.56
Transfers				
12-20-10		67.7454335	87.040848295	\$5,896.62
06-28-11		74.0181464	324.493940583	-\$24,018.44
	Total		237.453092288	-\$18,121.82
Investment Return				
				\$74,258.88
Ending Balance				
06-30-11		75.2277230	3,686.556481757	\$277,331.24

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

Turner/Mellon/Jacobs Levy

***** MidCap Growth III Separate Account-R6 Transaction Detail *****

	ID. No.	Unit Value	Units	Amount
Prior Year Ending Balance				
06-30-10		11.9175422	17,099.168759580	\$203,780.06
Cash Received				
07-16-10		12.1990224	87.676697765	\$1,069.57
08-16-10		12.3607878	87.110143578	\$1,076.75
09-15-10		13.2207384	80.904709528	\$1,069.62
10-15-10		13.9467863	77.165447067	\$1,076.21
11-17-10		14.3308802	82.808591198	\$1,186.72
12-15-10		15.4873298	86.371247805	\$1,337.66
01-18-11		16.5391365	84.787981524	\$1,402.32
02-15-11		17.1160687	80.614890263	\$1,379.81
03-16-11		16.1936375	85.532358001	\$1,385.08
04-15-11		17.2155348	79.304536040	\$1,365.27
05-16-11		17.2873874	77.646781953	\$1,342.31
06-15-11		16.3058686	81.703099214	\$1,332.24
	Total		991.626483936	\$15,023.56
Transfers				
12-20-10		15.7691119	793.814520397	-\$12,517.75
06-28-11		17.0467467	1,183.113725740	-\$20,168.24
	Total		1,976.928246137	-\$32,685.99
Investment Return				\$93,350.29
Ending Balance				
06-30-11		17.3433183	16,113.866997379	\$279,467.92

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

PIMCO

***** Core Plus Bond I Separate Account-R6 Transaction Detail *****

	ID. No.	Unit Value	Units	Amount
Prior Year Ending Balance				
06-30-10		11.8759953	196,104.475689968	\$2,328,935.83
Cash Received				
07-16-10		11.9387226	1,134.791422325	\$13,547.96
08-16-10		12.1701254	1,120.688534565	\$13,638.92
09-15-10		12.1579335	1,114.385105001	\$13,548.62
10-15-10		12.3471592	1,104.066917676	\$13,632.09
11-17-10		12.2178820	1,230.311440231	\$15,031.80
12-15-10		11.8943021	1,212.103062356	\$14,417.12
01-18-11		12.1012427	1,248.960984808	\$15,113.98
02-15-11		12.0219820	1,237.024810052	\$14,871.49
03-16-11		12.1982053	1,223.801340677	\$14,928.18
04-15-11		12.2900940	1,197.284577318	\$14,714.74
05-16-11		12.4115290	1,165.627538718	\$14,467.22
06-15-11		12.4546604	986.478924788	\$12,286.26
	Total		13,975.524658515	\$170,198.38
Terminations				
03-24-11	XXXXX5292	12.1866689	708.728535326	\$8,637.04
06-15-11	XXXXX5119	12.4546604	419.917511359	\$5,229.93
	Total		1,128.646046685	\$13,866.97
Transfers				
12-20-10		12.0042735	40.603873278	-\$487.42
06-28-11		12.4091924	9,212.963770309	-\$114,325.44
	Total		9,253.567643587	-\$114,812.86
Investment Return				\$114,315.66



Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

Ending Balance

06-30-11	12.4426519	199,697.786658211	\$2,484,770.04
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Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

Causeway / Barrow Hanley

***** International Value I Separate Account-R6 Transaction Detail *****

ID. No.	Unit Value	Units	Amount
Prior Year Ending Balance			
06-30-10	9.6766749	39,402.738456516	\$381,287.49
Cash Received			
07-16-10	10.3231501	227.940112969	\$2,353.06
08-16-10	10.5930993	223.622939133	\$2,368.86
09-15-10	11.1447709	211.146556633	\$2,353.18
10-15-10	11.9571421	198.013035238	\$2,367.67
11-17-10	11.6841727	223.445858515	\$2,610.78
12-15-10	11.8868645	406.368727430	\$4,830.45
01-18-11	12.6083632	401.632624288	\$5,063.93
02-15-11	12.8335567	388.253242376	\$4,982.67
03-16-11	11.8343899	422.639446753	\$5,001.68
04-15-11	12.9095756	381.899463836	\$4,930.16
05-16-11	13.0044822	372.736101711	\$4,847.24
06-15-11	12.4463248	386.530166720	\$4,810.88
Total		3,844.228275602	\$46,520.56
Transfers			
12-20-10	11.8754113	39,524.617559982	\$469,371.09
06-28-11	12.4796817	4,163.410674168	-\$51,958.04
Total		35,361.206885814	\$417,413.05
Investment Return			\$169,695.08
Ending Balance			
06-30-11	12.9110770	78,608.173617932	\$1,014,916.18

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

DFA/Vaughan Nelson/LA Capital

***** SmallCap Value II Separate Account-R6 Transaction Detail *****

ID. No.	Unit Value	Units	Amount
Prior Year Ending Balance			
06-30-10	11.1855716	17,945.630292190	\$200,732.13
Cash Received			
07-16-10	11.2594519	94.993078659	\$1,069.57
08-16-10	11.4370927	94.145429108	\$1,076.75
09-15-10	12.0626052	88.672387288	\$1,069.62
10-15-10	12.9118588	83.350508758	\$1,076.21
11-17-10	13.0891115	90.664671929	\$1,186.72
12-15-10	14.1470408	94.554049776	\$1,337.66
01-18-11	14.9672711	93.692430011	\$1,402.32
02-15-11	15.2800227	90.301567418	\$1,379.81
03-16-11	14.5890480	94.939710939	\$1,385.08
04-15-11	15.4407907	88.419694724	\$1,365.27
05-16-11	15.1392005	88.664523598	\$1,342.31
06-15-11	14.3286958	92.977059363	\$1,332.24
Total		1,095.375111571	\$15,023.56
Transfers			
12-20-10	14.3407259	73.968361671	-\$1,060.76
06-28-11	14.9566888	713.160522534	-\$10,666.52
Total		787.128884205	-\$11,727.28
Investment Return			\$73,086.08
Ending Balance			
06-30-11	15.1811311	18,253.876519556	\$277,114.49

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

Edge Asset Management, Inc.

***** Equity Income Separate Account-R6 Transaction Detail *****

ID. No.	Unit Value	Units	Amount
Prior Year Ending Balance			
06-30-10	0.0000000	0.000000000	\$0.00
Cash Received			
12-15-10	13.9049856	320.666998748	\$4,458.87
01-18-11	14.3563988	325.596973525	\$4,674.40
02-15-11	14.6132869	314.740279272	\$4,599.39
03-16-11	14.0942120	327.577022397	\$4,616.94
04-15-11	14.9263184	304.891660357	\$4,550.91
05-16-11	15.1438845	295.457879383	\$4,474.38
06-15-11	14.5319899	305.589257256	\$4,440.82
Total		2,194.520070938	\$31,815.71
Transfers			
12-20-10	13.9447752	59,960.877676966	\$836,140.96
06-28-11	14.7344517	714.787371422	-\$10,532.00
Total		59,246.090305544	\$825,608.96
Investment Return			\$64,777.76
Ending Balance			
06-30-11	15.0096561	61,440.610376482	\$922,202.43

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

Columbus Circle Investors

***** LargeCap Growth Separate Account-R6 Transaction Detail *****

ID. No.	Unit Value	Units	Amount
Prior Year Ending Balance			
06-30-10	19.9861318	42,543.326343819	\$850,276.52
Cash Received			
07-16-10	20.7450574	223.418518957	\$4,634.83
08-16-10	20.8837381	223.424560184	\$4,665.94
09-15-10	22.0561054	210.148161515	\$4,635.05
10-15-10	23.1791084	201.198851980	\$4,663.61
11-17-10	23.7914995	216.146527460	\$5,142.45
12-15-10	25.0511693	177.990494040	\$4,458.87
01-18-11	26.4705582	176.588644813	\$4,674.40
02-15-11	26.7651345	171.842588723	\$4,599.39
03-16-11	24.6326207	187.431944665	\$4,616.94
04-15-11	25.9936024	175.078079981	\$4,550.91
05-16-11	26.0058484	172.052837161	\$4,474.38
06-15-11	24.6459728	180.184407247	\$4,440.82
Total		2,315.505616726	\$55,557.59
Transfers			
12-20-10	25.3332584	8,185.407764206	-\$207,363.05
06-28-11	25.8486901	1,250.563563373	-\$32,325.43
Total		9,435.971327579	-\$239,688.48
Investment Return			\$267,940.45
Ending Balance			
06-30-11	26.3695837	35,422.860632966	\$934,086.08



Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

Principal Real Estate Inv

***** U.S. Property Separate Account-R6 Transaction Detail *****

	ID. No.	Unit Value	Units	Amount
Prior Year Ending Balance				
06-30-10		448.7758425	1,097.654997186	\$492,601.04
Cash Received				
06-15-11		535.3892035	7.603347197	\$4,070.75
	Total		7.603347197	\$4,070.75
Transfers				
06-28-11		541.7882822	416.101579540	\$225,438.96
	Total		416.101579540	\$225,438.96
Investment Return				
				\$102,027.99
Ending Balance				
06-30-11		541.7118793	1,521.359923923	\$824,138.74

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

Principal Global Investors

***** Bond and Mortgage Separate Account-R6 Transaction Detail *****

	ID. No.	Unit Value	Units	Amount
Prior Year Ending Balance				
06-30-10		904.2779366	1,890.095658455	\$1,709,171.80
Cash Received				
07-16-10		911.5429166	14.941018960	\$13,619.38
08-16-10		928.6347136	14.764459910	\$13,710.79
09-15-10		932.3420838	14.608382734	\$13,620.01
10-15-10		946.1016870	14.484648096	\$13,703.95
11-17-10		944.0976416	16.005749123	\$15,110.99
12-15-10		927.0772919	15.551055047	\$14,417.03
01-18-11		945.9704098	15.977148802	\$15,113.91
02-15-11		945.3595823	15.730913695	\$14,871.37
03-16-11		959.7854872	15.553590045	\$14,928.11
04-15-11		963.0315852	15.279488467	\$14,714.63
05-16-11		977.9999716	14.792597566	\$14,467.16
06-15-11		979.3798938	12.620608283	\$12,360.37
	Total		180.309660728	\$170,637.70
Terminations				
03-24-11	XXXXX5292	955.1407265	9.042677963	\$8,637.03
06-15-11	XXXXX5119	979.3798938	5.340052448	\$5,229.94
	Total		14.382730411	\$13,866.97
Transfers				
12-20-10		934.5609855	1,182.717647269	\$1,105,321.77
06-28-11		974.3634867	391.095207488	\$381,068.89
	Total		1,573.812854757	\$1,486,390.66
Expenses				
07-30-10		919.1698031	2.901172330	\$2,666.67

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

08-05-10	920.9183801	2.602499908	\$2,396.69
08-31-10	933.2238492	2.857481623	\$2,666.67
09-30-10	939.9200116	2.837124401	\$2,666.67
10-29-10	950.0914771	2.806750785	\$2,666.67
11-05-10	955.2254613	2.623851751	\$2,506.37
11-30-10	945.7766507	2.819555756	\$2,666.67
12-31-10	939.4826839	2.838434433	\$2,666.66
01-31-11	947.7315655	2.813750324	\$2,666.68
02-11-11	942.6095196	2.735278974	\$2,578.30
02-28-11	954.1809439	2.794700540	\$2,666.65
03-31-11	955.7750050	2.790070870	\$2,666.68
04-29-11	970.9754829	2.746361825	\$2,666.65
05-05-11	975.4964400	2.695919628	\$2,629.86
05-31-11	981.3533395	2.717349493	\$2,666.68
06-30-11	973.6455184	2.738830456	\$2,666.65
Total		44.319133097	\$42,111.22

**Direct Fund
Payments to
Retirees**

07-01-10	904.4559102	46.615738284	\$42,161.88
08-01-10	919.1340439	45.871307106	\$42,161.88
09-01-10	930.9271303	45.290204386	\$42,161.88
10-01-10	940.6488026	44.822126901	\$42,161.88
11-01-10	950.6558465	44.350308426	\$42,161.88
11-20-10	944.7070915	27.964202066	\$26,417.98
12-01-10	940.1294332	46.768273013	\$43,968.23
12-04-10	940.4272540	45.602974411	\$42,886.28
01-01-11	939.4644092	48.575155751	\$45,634.63
01-21-11	945.0093838	6.661489407	\$6,295.17
01-22-11	944.9910013	0.612302126	\$578.62
02-01-11	945.4772974	49.397357428	\$46,704.08
03-01-11	954.9980657	49.070287870	\$46,862.03

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

04-01-11	956.2722645	48.893460299	\$46,755.46
05-01-11	970.9377065	48.102035472	\$46,704.08
06-01-11	984.3779576	47.445272051	\$46,704.08
Total		646.042494997	\$610,320.04

**Benefit Index
Payments to
Retirees**

07-01-10	904.4559102	33.412717700	\$30,220.33
08-01-10	919.1340439	32.879132484	\$30,220.33
09-01-10	930.9271303	32.462616048	\$30,220.33
10-01-10	940.6488026	32.127112601	\$30,220.33
11-01-10	950.6558465	31.788927729	\$30,220.33
12-01-10	940.1294332	32.144861050	\$30,220.33
01-01-11	939.4644092	32.167615615	\$30,220.33
02-01-11	945.4772974	31.963041400	\$30,220.33
03-01-11	954.9980657	31.644388701	\$30,220.33
04-01-11	956.2722645	31.602223678	\$30,220.33
05-01-11	970.9377065	31.124890708	\$30,220.33
06-01-11	984.3779576	30.699925538	\$30,220.33
Total		384.017453252	\$362,643.96

**Credit Direct Fund
Payments to
Retirees**

02-16-11	945.2888894	0.027176877	\$25.69
Total		0.027176877	\$25.69

Investment Return

\$150,851.43

Ending Balance

06-30-11	973.6455184	2,555.483539060	\$2,488,135.09
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Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

Principal Global Investors

***** LargeCap S&P 500 Index Separate Account-R6 Transaction Detail *****

ID. No.	Unit Value	Units	Amount
Prior Year Ending Balance			
06-30-10	42.2669980	17,073.834936540	\$721,659.74
Cash Received			
07-16-10	43.6964455	89.750320766	\$3,921.77
08-16-10	44.3583921	89.004578684	\$3,948.10
09-15-10	46.3149149	84.680280822	\$3,921.96
10-15-10	48.4728395	81.409095087	\$3,946.13
11-17-10	48.6552052	89.431541437	\$4,351.31
12-15-10	51.0534037	78.603574084	\$4,012.98
01-18-11	53.5847725	78.510364115	\$4,206.96
02-15-11	55.0247954	75.228812209	\$4,139.45
03-16-11	52.1665299	79.653371768	\$4,155.24
04-15-11	54.8251292	74.706983089	\$4,095.82
05-16-11	55.2969821	72.823865734	\$4,026.94
06-15-11	52.7294484	75.796924133	\$3,996.73
Total		969.599711928	\$48,723.39
Transfers			
12-20-10	51.5413472	2,024.230751966	-\$104,331.58
06-28-11	54.0565698	882.658114943	-\$47,713.47
Total		2,906.888866909	-\$152,045.05
Investment Return			\$215,056.25
Ending Balance			
06-30-11	55.0584227	15,136.545781559	\$833,394.33



Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

Principal Global Investors

***** International Growth Separate Account-R6 Transaction Detail *****

	ID. No.	Unit Value	Units	Amount
Prior Year Ending Balance				
06-30-10		11.0994021	36,643.977653396	\$406,726.24
Cash Received				
07-16-10		11.6705583	201.623601846	\$2,353.06
08-16-10		11.8853508	199.309220220	\$2,368.86
09-15-10		12.5791979	187.069161222	\$2,353.18
10-15-10		13.5200868	175.122396403	\$2,367.67
11-17-10		13.3018411	196.272078456	\$2,610.78
	Total		959.396458147	\$12,053.55
Transfers				
12-20-10		13.7015405	37,603.374111543	-\$515,224.15
	Total		37,603.374111543	-\$515,224.15
Investment Return				\$96,444.36
Ending Balance				
06-30-11		15.1360810	0.000000000	\$0.00

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

AllianceBernstein/CCI/Brown

***** SmallCap Growth I Separate Account-R6 Transaction Detail *****

	ID. No.	Unit Value	Units	Amount
Prior Year Ending Balance				
06-30-10		8.9248044	0.000000000	\$0.00
Cash Received				
12-15-10		11.9695790	111.754974840	\$1,337.66
01-18-11		12.6071235	111.232352090	\$1,402.32
02-15-11		13.0093184	106.063204664	\$1,379.81
03-16-11		12.5030566	110.779311356	\$1,385.08
04-15-11		13.4656717	101.388926628	\$1,365.27
05-16-11		13.3517243	100.534580391	\$1,342.31
06-15-11		12.5877632	105.836118683	\$1,332.24
	Total		747.589468652	\$9,544.69
Transfers				
12-20-10		12.2048889	20,412.497159232	\$249,132.26
06-28-11		13.2931755	493.029675264	-\$6,553.93
	Total		19,919.467483968	\$242,578.33
Investment Return				\$26,311.67
Ending Balance				
06-30-11		13.4723919	20,667.056952620	\$278,434.69

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

T. Rowe Price/Brown Advisory

***** LargeCap Growth I Separate Account-R6 Transaction Detail *****

ID. No.	Unit Value	Units	Amount
Prior Year Ending Balance			
06-30-10	8.6919941	99,079.529519271	\$861,198.68
Cash Received			
07-16-10	8.9790993	508.238059022	\$4,563.52
08-16-10	9.0737713	506.312077757	\$4,594.16
09-15-10	9.5999144	475.393822261	\$4,563.74
10-15-10	10.2817022	446.605037831	\$4,591.86
11-17-10	10.3760681	487.982533576	\$5,063.34
12-15-10	10.9738014	399.547963388	\$4,384.56
01-18-11	11.5609088	397.588985391	\$4,596.49
02-15-11	11.9551988	378.306548946	\$4,522.73
03-16-11	11.1383833	407.598650335	\$4,539.99
04-15-11	11.6883699	382.864337652	\$4,475.06
05-16-11	11.8066404	372.654696928	\$4,399.80
06-15-11	11.2418049	388.442962570	\$4,366.80
Total		5,151.535675657	\$54,662.05
Transfers			
12-20-10	11.0933596	21,827.752703518	-\$242,143.11
06-28-11	11.5767213	4,820.593720261	-\$55,806.67
Total		26,648.346423779	-\$297,949.78
Investment Return			\$297,900.07
Ending Balance			
06-30-11	11.8043173	77,582.718771149	\$915,811.02



Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

AllianceBernstein / Westwood

***** LargeCap Value III Separate Account-R6 Transaction Detail *****

ID. No.	Unit Value	Units	Amount
Prior Year Ending Balance			
06-30-10	10.5421359	54,609.861592435	\$575,704.58
Cash Received			
07-16-10	10.8638392	295.357832615	\$3,208.72
08-16-10	11.0483622	292.375461767	\$3,230.27
09-15-10	11.5180459	278.595868418	\$3,208.88
10-15-10	11.9380189	270.451071240	\$3,228.65
11-17-10	11.9858716	297.029712882	\$3,560.16
12-15-10	12.5049227	350.626717588	\$4,384.56
01-18-11	13.2293059	347.447555808	\$4,596.49
02-15-11	13.5671759	333.358248860	\$4,522.73
03-16-11	12.9494113	350.594316206	\$4,539.99
04-15-11	13.5636674	329.929942104	\$4,475.06
05-16-11	13.6623758	322.037694205	\$4,399.80
06-15-11	12.9945155	336.049466407	\$4,366.80
Total		3,803.853888100	\$47,722.11
Transfers			
12-20-10	12.6161866	12,268.867361235	\$154,786.32
06-28-11	13.2702380	3,364.491277398	-\$44,647.60
Total		8,904.376083837	\$110,138.72
Investment Return			\$175,826.83
Ending Balance			
06-30-11	13.5088833	67,318.091564372	\$909,392.24

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

Emerald / Essex

***** SmallCap Growth II Separate Account-R6 Transaction Detail *****

ID. No.	Unit Value	Units	Amount
Prior Year Ending Balance			
06-30-10	8.6539634	23,388.524900173	\$202,403.43
Cash Received			
07-16-10	8.6927493	123.041625047	\$1,069.57
08-16-10	8.6784388	124.071854951	\$1,076.75
09-15-10	9.2680359	115.409565903	\$1,069.62
10-15-10	10.1199939	106.344925761	\$1,076.21
11-17-10	10.2366448	115.928609733	\$1,186.72
Total		584.796581395	\$5,478.87
Transfers			
12-20-10	11.4948762	23,973.321481568	-\$275,570.36
Total		23,973.321481568	-\$275,570.36
Investment Return			\$67,688.06
Ending Balance			
06-30-11	12.5865262	0.000000000	\$0.00

Fund Statement
For the period 07-01-10 through 06-30-11
CITY OF NEWBERG GENERAL EMPLOYEES
Annuity Contract Number 4-47053

Principal Real Estate Inv

***** Real Estate Securities Separate Account-R6 Transaction Detail *****

ID. No.	Unit Value	Units	Amount
Prior Year Ending Balance			
06-30-10	21.2438465	10,409.900811793	\$221,146.33
Cash Received			
07-16-10	21.5543429	49.622018400	\$1,069.57
08-16-10	22.8643346	47.092995218	\$1,076.75
09-15-10	24.5026449	43.653246592	\$1,069.62
10-15-10	24.9708488	43.098655100	\$1,076.21
11-17-10	24.0528645	49.337990491	\$1,186.72
12-15-10	24.2672263	45.934792308	\$1,114.71
01-18-11	25.9165741	45.090836292	\$1,168.60
02-15-11	26.9375551	42.685388326	\$1,149.84
03-16-11	25.8886393	44.584421244	\$1,154.23
04-15-11	27.3354323	41.620706324	\$1,137.72
05-16-11	28.2457346	39.602085618	\$1,118.59
06-15-11	27.2426738	40.752240699	\$1,110.20
Total		533.075376612	\$13,432.76
Transfers			
12-20-10	24.8002432	1,558.403669202	-\$38,648.79
06-28-11	27.9353806	1,290.378696326	-\$36,047.22
Total		2,848.782365528	-\$74,696.01
Investment Return			\$69,342.20
Ending Balance			
06-30-11	28.3197181	8,094.193822877	\$229,225.28

