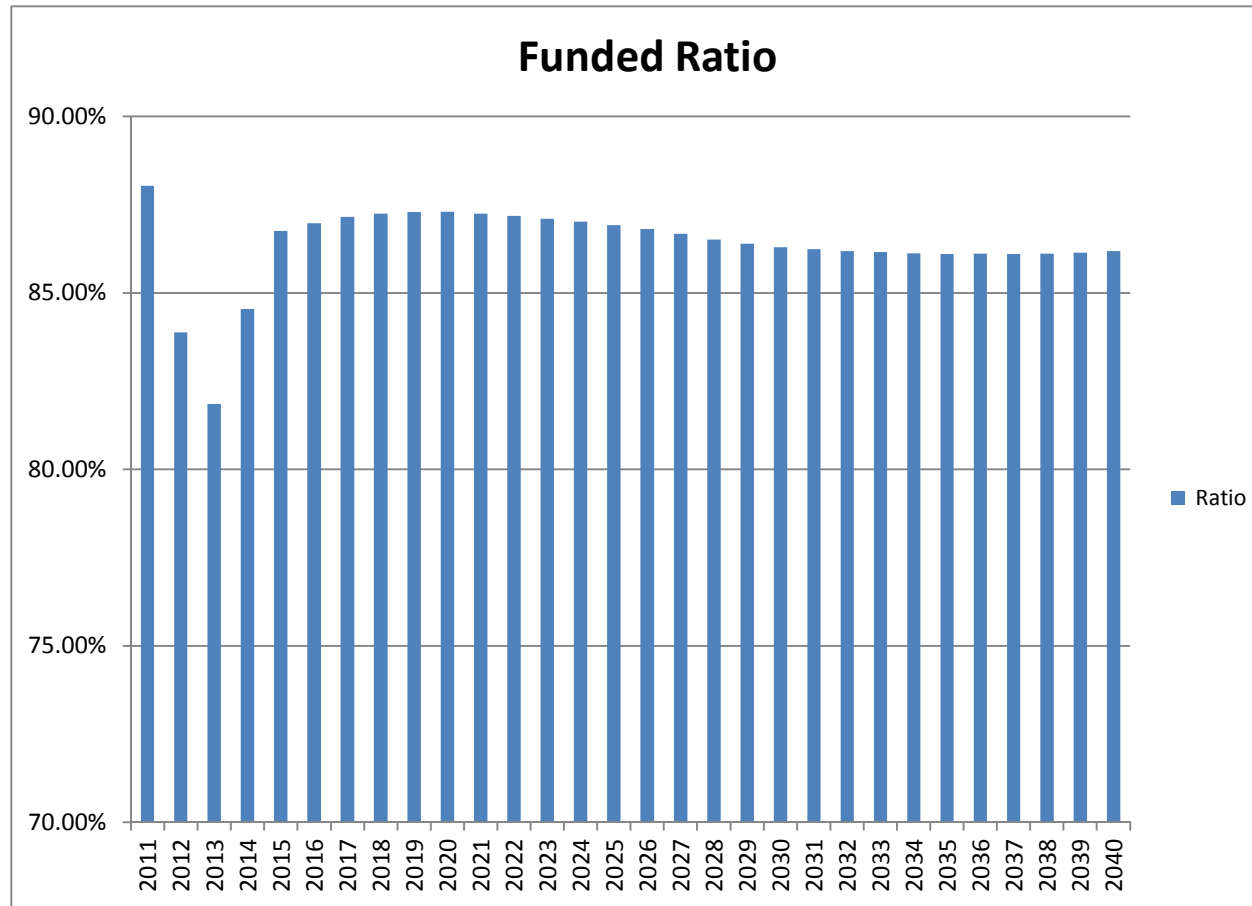


Projections – Funded Ratio



The funded ratio is projected to continue to slip over the next two valuations as the losses from 2008 and 2009 are finally recognized in the valuation, and will rise as gains from 2010 and 2011 are recognized. Of course the projection to the left is predicated on the System achieving all assumptions, including a 7.00% return.

Based on our understanding of the rolling 25 year amortization policy, the System is not expected to achieve 100% funding. This policy decision should be addressed and clarified.