

APPENDIX "A"

INSURANCE REQUIREMENTS

The Contractor shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors. The cost of such insurance shall be paid by the Contractor. Insurance shall meet or exceed the following unless otherwise approved by the MEBT.

A. Minimum Insurance

1. Commercial General Liability coverage with limits not less than \$2,000,000 per occurrence / \$2,000,000 annual aggregate.
2. Stop Gap/Employers Liability coverage with limits not less than \$1,000,000 per accident/disease,
3. Business Automobile Liability coverage with limits not less than \$1,000,000 per accident for any auto,
4. Workers' Compensation coverage as required by the Industrial Insurance Laws of the State of Washington.

B. Self-Insured Retentions

Self-insured retentions must be declared to and approved by the MEBT.

C. Other Provisions

Commercial General Liability (including the Products/Completed Operations Coverage) policies shall be endorsed to:

1. Include the MEBT, its officials, employees and volunteers as additional insureds,
2. Provide that such insurance shall be primary as respects any insurance or self-insurance maintained by the MEBT,
3. Each insurance policy shall provide that coverage shall not be canceled except after thirty (30) days' written notice has been given to the MEBT.

D. Acceptability of Insurers

Insurance shall be placed with insurers with a rating acceptable to the MEBT.

E. Verification of Coverage

Contractor shall furnish the MEBT with certificates of insurance required by this clause. The certificates are to be received and approved by the MEBT before work commences. The MEBT reserves the right to require complete, certified copies of all required insurance policies at any time.

F. Subcontractors

Contractor shall require subcontractors to provide coverage which complies with the requirements stated herein.

Appendix B - MEBT

TRUSTEE/MASTER CUSTODIAN CONTRACT PREFERRED PROVISIONS

1. Fees:
 - a. Agreement should provide for a pass-through of all compensation related to shareholder communications, soft dollar arrangements, etc.
 - b. Preferred language: ABC agrees to report to MEBT, in writing, all sources of compensation it receives from anyone dealing with the Plan, direct or indirect, including through any related or unrelated brokerage services, whether in the form shareholder service fees, program administration fees, finder's fees, 12b-1 fees and/or reallowances, sub-transfer agency fees, commissions on investment products, dealer spreads, directed brokerage, soft dollar brokerage, transaction based commissions, money manager fee sharing, placement fees (such as "Preferred Provider" fees) or any similar fees or remuneration paid to ABC by investment or service providers. In the event that, as a consequence of MEBT's investments, ABC receives any such fees described above, the value of such fees received by ABC shall be first credited against ABC's fees. Any excess shall be paid directly to MEBT's Trustee to pay any expenses as MEBT shall determine appropriate. These amounts, if any, will be calculated, reported and paid (or credited) monthly to MEBT by ABC.

ABC will further disclose any potential conflicts of interest to MEBT, in writing.
 - c. Want invoices billed within 30 days of the services being provided.
 - d. Termination/Conversion Fees. Any services related to the transfer of data to a new Trustee/Custodian will be charged by ABC at its normal hourly billing rates to provide for a reasonable transition. ABC agrees to only charge for time incurred to provide data to the new Trustee/Custodian in the format requested. There shall be no one-time extra-ordinary or other charges, penalties or fees.
 - e. Fees paid in arrears.
2. Proxy voting: Trustee/Custodian should be responsible to forward all proxies within a reasonable time period to MEBT.
3. We prefer no mandatory arbitration and prefer mandatory mediation of disputes.
4. Agreement should provide for reciprocal indemnification for negligence.
5. Agreement should address termination and prevent assignment.

6. Agreement should allow for review and audit of operations of Trustee/Custodian, provide for SAS70 level II report provided to Committee.
7. Agreement should address the standard of care.
 - a. Would like a provision reading:

Damages. ABC will accurately and correctly perform all of its obligations under this Agreement. In the event ABC or its agent or employee makes a mistake or error, it will promptly remedy the problem without charge to the MEBT Trust Committee or City Plan Committee. ABC shall be fully liable for all damages attributable to its mistakes or errors and those of its agents or employees including costs of other parties necessary to effectuate the correction. Each party shall be responsible for its own actions and omissions as they may relate to or arise from its duties or obligation under this Agreement.
 - b. Agreement should provide for performance standards and penalties for noncompliance.
8. Agreement should provide that the Master Custodian will act as Trustee.
9. Agreement should include language with respect to providing audit assistance to Plan's auditors.
10. Agreement should include language with respect to providing certified annual financial statements.
11. Agreement should provide that it is subject to Washington law, venue in King County, Washington.
12. Agreement should provide a representation or warranty that there are no criminal convictions of the firm or persons in key positions in the firm. Also a provision to update this if the representation changes.
13. Agreement should provide for the minimum insurance requirements listed in Appendix B.
14. Agreement should provide for Attorneys' fees in the event of a dispute.

Appendix C - MEBT

RECORD KEEPER CONTRACT PREFERRED PROVISIONS

1. Fees:
 - a. Agreement should provide for a fixed fee.
 - b. Agreement should provide for a pass-through of all compensation related to shareholder communications, soft dollar arrangements, etc.
 - c. Preferred language: ABC agrees to report to MEBT, in writing, all sources of compensation it receives from anyone dealing with the Plan, direct or indirect, including through any related or unrelated brokerage services, whether in the form shareholder service fees, program administration fees, finder's fees, 12b-1 fees and/or reallowances, sub-transfer agency fees, commissions on investment products, dealer spreads, directed brokerage, soft dollar brokerage, transaction based commissions, money manager fee sharing, placement fees (such as "Preferred Provider" fees) or any similar fees or remuneration paid to ABC by investment or service providers. In the event that, as a consequence of MEBT's investments, ABC receives any such fees described above, the value of such fees received by ABC shall be first credited against ABC's fees. Any excess shall be paid directly to MEBT's Trustee to pay any expenses as MEBT shall determine appropriate. These amounts, if any, will be calculated, reported and paid (or credited) monthly to MEBT by ABC.

ABC will further disclose any potential conflicts of interest to MEBT, in writing.
 - d. Want invoices billed within 30 days of the services being provided.
 - e. Termination/Conversion Fees. Any services related to the transfer of data to a new recordkeeper will be charged by ABC at its normal hourly billing rates to provide for a reasonable transition. ABC agrees to only charge for time incurred to provide data to the new recordkeeper in the format requested. There shall be no one-time extra-ordinary or other charges, penalties or fees.
4. Proxy voting: Manager should be responsible to vote all proxies and provide an annual report of such votes.
5. We prefer no mandatory arbitration and prefer mandatory mediation of disputes.
6. Agreement should certify Recordkeeper will provide GAAP ready financial statements.
7. Agreement should provide for reciprocal indemnification for negligence.

8. Agreement should address termination and prevent assignment.
9. Agreement should allow for review and audit of operations of recordkeeper, provide for SAS70 report provided to Committee.
10. Agreement should address the standard of care.
 - a. Would like a provision reading:

Damages. ABC will accurately and correctly perform all of its obligations under this Agreement. In the event ABC or its agent or employee makes a mistake or error, it will promptly remedy the problem without charge to the MEBT Trust Committee or City Plan Committee. ABC shall be fully liable for all damages attributable to its mistakes or errors and those of its agents or employees including costs of other parties necessary to effectuate the correction. Each party shall be responsible for its own actions and omissions as they may relate to or arise from its duties or obligation under this Agreement.

- b. Agreement should provide for performance standards and penalties for noncompliance.

APPENDIX D - Current Managers, Assets and Transactions

Municipal Employees' Benefit Trust
 Total Transactions by Individual Manager
 January 1, 2007 through December 31, 2007

Manager	Asset Class / SMA or MF	# of Positions @ 12/31/07	Assets @ 12/31/07	Purchases	Sells	Bond Redemptions	Income/Div Postings	Foreign Tax withholding	Paydowns	Wire Contributions	Wire Distributions
Alliance Bernstein	Equity (SMA)	127	\$44,766,724	94	101	n/a	427	15	n/a	10	5
Baron	Equity (SMA)	86	\$10,224,345	165	128	n/a	123	1	n/a	0	5
Wells	Equity (SMA)	107	\$9,950,011	1527	1094	n/a	152	20	n/a	0	4
TCW	Equity (SMA)	29	\$49,946,106	70	41	n/a	56	0	n/a	11	4
William Blair	nt'l Equity (SMA)	40	\$38,397,597	170	147	n/a	87	77	n/a	0	6
Columbia	Fixed (SMA)	155	\$121,382,997	151	95	9	846	0	419	6	6
ING Int'l Value	Equity (MF)	1	\$34,194,120	0	4	n/a	n/a	n/a	n/a	n/a	n/a
State Street 500	Equity (CTF)	1	\$92,975,529	0	4	n/a	n/a	n/a	n/a	n/a	n/a
Calamos	Fixed (MF)	1	\$54,675,825	0	4	n/a	n/a	n/a	n/a	n/a	n/a
Vanguard	Cash (MF)	1	\$4,254,534	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
		548	\$460,767,788	2,177	1,618	9	1,691	113	419	27	30

Appendix E – Audit Items Requested

**Clark Nuber P.S.
Municipal Employees Benefit Trust
Sample Prepared By Client Listing**

Items to be Provided by Asset Custodian

1. Certified trust report from the asset custodian for the plan year ended December 31, 200X. The certified trust report should include a certification statement indicating that that trust report is complete and accurate which allows the plan administrator to instruct the auditors to perform a limited scope audit.
2. SAS 70 report (aka Service Auditors Report) – This report describes controls in place at the service provider relevant to the custodial services provided to the Plan.
3. Distribution report broken out by:
 - a. Type (termination, retirement, hardship, etc.)
 - b. Gross Distribution
 - c. Taxes withheld
 - d. Amounts forfeited

Items to be Provided by Recordkeeper (third party administrator)

1. **Contributions Template** – Each city provides a contributions template. Summary of periodic employer contributions, employee contributions and loan repayments (if applicable) to the plan for the year ended December 31, 200X, based on amounts disbursed or to be disbursed from employer accounts. Please reconcile contributions income reported on the contributions template to contributions income reported by recordkeeper, asset custodian, and contributions income reported on the census (see #2 below). Please also reconcile participant deferrals per the contributions template to the annual third party payroll report or W-3. Please complete the attached contribution template provided to you.
2. **Census** - Employee census data in MS excel. The census should include all employees who worked for the Company during the plan year ended December 31, 200X and include information such as hire date, termination date (if applicable), hours worked (if relevant to eligibility), gross wages and/or eligible wages, employee deferral contributions, employer matching contributions and other employer contributions. Please refer to the sample census included as a separate attachment for an example of information needed to be included on the census. We will need this prior to fieldwork in order to make selections for participant data testing.
3. SAS 70 report (aka Service Auditors Report) – This report describes controls in place at the service provider relevant to the recordkeeping services provided to the Plan (if available).
4. Statements of Net Assets Available For Plan Benefits (aka Balance Sheet) as of December 31, 2005 and 2004.
5. Statement of Changes in Net Assets Available For Plan Benefits (aka Income Statement) for the plan year ended December 31, 200X.
6. Reconciliations between amounts reported on the balance sheet and income statement by the recordkeeper and asset custodian

7. Participant Account Detail (This report shows every individuals beginning balance, plus contributions, less distributions, plus earnings, etc., ending balance). Please provide reconciliations as needed from the final summary page of this report to the Balance Sheet.
8. Forfeiture Roll-forward Account Detail (This report shows the forfeitures account beginning balance, additions, deductions, investment gain/loss, etc., ending balance).
9. The amount of any employer contributions and/or expenses that were paid by the plan from the forfeiture account.
10. Summary of contributions by type by pay period for the plan year ended December 31, 200X.
11. Listing of rollover contributions for the plan year ended December 31, 200X including participant name, amount and the date the rollover contribution was received by the plan.
12. Summary schedule of participant loan activity for the plan (by participant and in the aggregate) showing the following: Balance at beginning of plan year, new loans (additions), loan principal repayment (deductions), and loan balance at the end of the year.
13. Listing of individuals who received distributions during 200X broken out by:
 - a. Type (termination, retirement, hardship, etc.)
 - b. Gross Distribution
 - c. Taxes withheld
 - d. Amounts forfeited
14. Listing of individuals who had requested a distribution as of December 31, 200X but were not paid until 200X+1 (if any).
15. Regulatory Compliance - Evidence of compliance with various IRS testing requirements for qualified plans, as follows:
 - a. IRC Section 401(k)
 - b. IRC Section 415 limits
 - c. IRC Section 402(g) annual limitations
16. If applicable, schedule of reportable transactions for non-participant directed investments.

Appendix F - MEBT Plan Matrix of Plan Provisions

Participant Information as of 12/31/07 (all are approximate)

Number of Eligible Employees :	3708
Number of Actively Contributing Participants:	3075
Total with Account Balances:	4863
Loans Outstanding:	179
Hardships processed 2007	25
QDROS Processed 2007:	10

Annual Cash Flow (2006 Plan Year)

Employee payroll contributions:	16,144,459.65
Employer Contributions	11,559,667.71
Rollovers :	897,379.61
Loan Payments:	972,493.64
Distributions/New Loans and withdrawals:	(18,821,177.02)

MEBT Distributions by Quarter				
Type of Distribution	<i>1st qtr 07</i>	<i>2nd qtr 07</i>	<i>3rd qtr 07</i>	<i>4th Qtr 07</i>
Death	3	2	0	5
QDRO	5	1	1	3
Hardship	2	5	12	6
MRD	2	1	0	7
Non-Hardship	20	6	27	24
Regular termination	118	131	143	211
MEBT 2's	29	19	35	0
Rollover to another MEBT City	2	1	2	2
MEBT 2 to MEBT transfer	0	1	1	0
Installments	217	224	297	165
Transfer to money market	0	1	0	0
Previous forfeiture	1	1	0	0
TOTAL	399	393	518	423

	City of Bellevue Employees' Retirement Benefit Plan	City of Edmonds Employees' Benefit Plan	City of Federal Way Employees' Retirement System	City of Kirkland Employees' Benefit Plan	City of Mill Creek Employees' Benefit Plan	City of Redmond Employees' Benefit Plan	City of Woodinville Employees' Benefit Plan
Effective Dates	10-01-72 2001 2nd & 3rd in 2004 4th in 2005 5th in 2007	7-01-77 Restated 2005	6-01-90 Restated 1999 3rd & 4th in 2003 5th in 2005 6th in 2006	1-1-77 2001 2nd & 3rd in 2003 4th in 2005	1-1-84 2002 1st 2nd & 3rd in 2003 4th in 2005	1-1-75 2001 1st & 2nd in 2003 3rd in 2004 4th in 2005 5th in 2007	4-1-93 2002 1st & 2nd in 2003 3rd in 2005
Latest Determination Letter	5/21/07 4th Amd 5th is new safe-harbor hardship provisions	11/1/01 Restatement includes mandatory cash out to \$1,000 IRS sent back submission with request to wait until 2008	9/29/06 5th & 6th Amd	9/19/06 4th Amd	9/19/06 4th Amd	7/26/06 4th Amd 5th is new safe-harbor hardship provisions and to provide for domestic partners as automatic beneficiaries.	9/20/06 3rd Amd
A profit sharing plan	Yes \$1.2	No - Money Purchase Pension Plan	Yes \$1.2	Yes \$1.2	Yes \$1.2	Yes \$1.2	Yes \$1.2
Definition of disability for all except PCB	From any gainful activity \$2.9	LTD standard \$2.8	Perform own occupation No PCB \$2.7	Same Edmonds \$2.8	same Fed Way \$2.8	Same Edmonds \$2.8	Same Edmonds \$2.8
Definition of disability for PCB	Code definition - from any gainful activity. Art. IX	Same Bellevue	No PCB	Same Bellevue	No PCB	Same Bellevue	No PCB
Definition of maximum compensation	Includes both comp up to SSA wage base & that above subject only to Medicare.	Same Bellevue.	Includes only comp up to SSA wage base	Same Bellevue.	Same Bellevue.	Same Federal Way.	Same Bellevue.

	City of Bellevue Employees' Retirement Benefit Plan	City of Edmonds Employees' Benefit Plan	City of Federal Way Employees' Retirement System	City of Kirkland Employees' Benefit Plan	City of Mill Creek Employees' Benefit Plan	City of Redmond Employees' Benefit Plan	City of Woodinville Employees' Benefit Plan
Normal Retirement Date	Age 65 or NRD-earliest service retirement date under other plan whether benefits actuarially reduced or not. For PCB, earliest service retirement date without actuarial reduction. §2.22	Same Bellevue. §2.21	Same Bellevue. However, not before 5th year of participation. §2.19	Same Bellevue. §2.21	Same Bellevue. No PCB. §2.21	Same Bellevue. §2.21	Same Bellevue. No PCB. §2.20
Eligibility-Optional	1) Regular status employees 2) City Council members 3) Other employees designated by Council §§2.11, 3.1, 3.2	None. §§3.1, 3.2	None §§3.1, 3.2	Regular Employees §§2.10, 3.1, 3.2	None §§3.1, 3.2	Regular Employees §§2.10, 3.1, 3.2	None §§3.1, 3.2
Eligibility-Mandatory	MEBT II Employees §§2.21, 3.3	All Regular employees, council and transitional Hourly. §§3.1, 3.2	All Regular Employees §§3.1, 3.2	Hourly employees §§2.14, 3.3	All employees §§3.1, 3.2	Hourly employees §§2.14, 3.3	All employees §§3.1, 3.2
Accounts							
Extra Employee contributions	Yes §§4.5, 5.2	Yes §§4.3, 5.2	Yes §§4.2, 5.2	Yes §§4.5, 5.2	Yes §§4.3, 5.2	Yes §§4.5, 5.2	Yes §§4.3, 5.2

	City of Bellevue Employees' Retirement Benefit Plan	City of Edmonds Employees' Benefit Plan	City of Federal Way Employees' Retirement System	City of Kirkland Employees' Benefit Plan	City of Mill Creek Employees' Benefit Plan	City of Redmond Employees' Benefit Plan	City of Woodinville Employees' Benefit Plan
Basic After-Tax (Employee) Contribution	Yes §§4.1, 5.2	N/A (see pick-up) Amts for life insurance continue to be Basic (after tax).	N/A (see pick-up)	Yes §§4.1, 5.2	N/A see pick-up)	Yes §§4.1, 5.2	N/A (see pick-up). Amounts for life insurance up to the Code '79 limits are paid outside of Plan with the Employer contribution. Remaining amts for life insurance are paid outside of Plan from employee contributions after tax.
Salary Reduction Deferral (Employee)	Yes §§4.1, 5.2	No	No	Yes §§4.1, 5.2	No	Yes §§4.1, 5.2	No
Pick-up Contribution (Employee contribution picked up by employer)	No §5.2	Yes - Pick-up Account - mandatory However, still a Basic (after tax) amount to pay for life insurance piece. §§4.1, 5.2	Yes - Pickup Account - mandatory employee §§4.1, 5.2	No	Yes - Pickup Account - mandatory employee	No	Yes - pick-up account - mandatory. However, prior to pick-up amount is reduced by life insurance premiums paid outside of Plan. § 4.1, 5.2
Employer (Matching) Contribution	Yes §§4.6, 5.2	Yes §4.4	Yes §§4.3, 5.2	Yes §§4.6, 5.2	Yes §§4.4, 5.2	Yes §§4.6, 5.2	Yes §§4.4, 5.2
Rolllover	Yes - from any qualified Plan or conduit IRA §16.1	Same Bellevue. §15.1	Same Bellevue. §§5.2, 15.1	Same Bellevue. §15.1	Same Bellevue. §15.1	Same Bellevue plus 403(b) §15.1	Same Bellevue. §15.1

	City of Bellevue Employees' Retirement Benefit Plan	City of Edmonds Employees' Benefit Plan	City of Federal Way Employees' Retirement System	City of Kirkland Employees' Benefit Plan	City of Mill Creek Employees' Benefit Plan	City of Redmond Employees' Benefit Plan	City of Woodinville Employees' Benefit Plan
Mandatory MEBT II	For MEBT II Employees §§4.2, 5.2(b) Yes	For transitional Hourly. Effective 1/1/06 hourly in Social Security §§3.1, 42, 5.2(b) No	No – hourly employees in Social Security No	For Hourly §§4.2, 5.2(b) Yes	For Hourly §§4.2, 5.2(b) Yes	For Hourly §§4.2, 5.2(b) Yes	For Hourly §§4.2, 5.2(b) Yes
Allows for additional accounts as needed	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Segregated prior to NRD (allows employee to move to money market)	§ 5.2 Yes/beginning within 3 years of NRD/3 times until account paid out/All or part/Irrevocable §5.3(b)	§ 5.2 Same Bellevue. §5.3(b)	No	§ 5.2 Yes/beginning within 3 years of NRD/Prior to any valuation date/one election & applies to all/ Irrevocable §5.3(b)	§ 5.2 Same Bellevue. §5.3(b)	§ 5.2 Same Kirkland. §5.3(b)	§ 5.2 Same Bellevue §5.3(b)

	City of Edmonds	City of Kirkland	City of Mill Creek	City of Redmond	City of Woodinville
Employee – Optional	Max: SS rate up to SSWB. Min: 10% of SS rate up to SSWB. Can be pre-tax (Salary Deferral) or post tax (Basic) §4.1	SS rate up to SSWB. Must either contribute SS rate or none. Can be pre-tax (Salary Deferral) or post tax (Basic) §4.1	Same Edmonds.	Same Edmonds.	Same Edmonds.
Employee Hired prior to 4-1-86	Max: 7.65% Min: 0.765% §4.1	Max: 7.65% Min: none §4.1		Same Kirkland §4.1	
Employee Hired after 4-1-86	Max: 6.2 Min: 0.62% §4.1	Max: 6.2% Min: none §4.1		Same Kirkland §4.1	

Termination of Optional Contributions or Ineligible	City of Bellevue Employees' Retirement Benefit Plan	City of Edmonds Employees' Benefit Plan	City of Federal Way Employees' Retirement System	City of Kirkland Employees' Benefit Plan	City of Mill Creek Employees' Benefit Plan	City of Redmond Employees' Benefit Plan	City of Woodinville Employees' Benefit Plan
	Participants on LOA (or ineligible) cannot contribute and no vesting while Inactive. \$4.4	Participant on LOA (or ineligible) cannot contribute but continues vesting accruals. \$4.6	Same Edmonds. \$4.4	Inactive Participant; cannot contribute for 1 year and no vesting while Inactive. FMLA LOA may continue vesting accruals. \$4.4, 11.2	Same Bellevue. \$4.6	Same Kirkland. \$4.4	Same Edmonds. \$4.6
Eligible Employee - Mandatory	None	Pick-up - Social Security rate; pre-tax for all except life insurance piece - Basic -- after tax \$4.1	Pickup - Social Security rate less Medicare; pre-tax, all employees 6.2% \$4.1	None	Pick-up - Social Security rate; pre-tax \$4.1	None	Pick-up Social Security rate (pre-tax) for all except life insurance piece paid outside of Plan after tax. \$4.1
Employee Hired prior to 4-1-86		7.65% \$4.1	City incorporated after 4/1/86		7.65% \$4.1		City incorporated after 4/1/86
Employee Hired after 4-1-86		6.2% \$4.1	City incorporated after 4/1/86		6.2% \$4.1		City incorporated after 4/1/86
Extra Employee - no employer matching	Limited only by federal rules, may be pre-tax or after-tax contributions. \$4.5	Limited only by federal rules. All after-tax. \$4.3	Minimum: 1% Maximum: 10% All after-tax. \$4.2	Same Bellevue. \$4.5	Same Edmonds. \$4.3	Same Bellevue. \$4.5	Same Edmonds. \$4.3
Hourly (MEBT II) Employee - Mandatory	SS rate = 6.2% if >4-1-86 7.65% if <4-1-86 After tax \$4.2	The legal minimum currently 7.5% After-tax. Effective 1/1/06 all hourly in Social Security except transition group. \$4.2	N/A	The legal minimum, currently 7.5% After tax \$4.2	Same Kirkland. \$4.2	Same Bellevue. \$4.2	Same Kirkland. \$4.2

	City of Bellevue Employees' Retirement Benefit Plan	City of Edmonds Employees' Benefit Plan	City of Federal Way Employees' Retirement System	City of Kirkland Employees' Benefit Plan	City of Mill Creek Employees' Benefit Plan	City of Redmond Employees' Benefit Plan	City of Woodinville Employees' Benefit Plan
<u>Employer Matching on Basic and Salary Deferral Contributions</u>							
Guaranteed Match	N/A \$4.6	N/A \$4.4	N/A \$4.3	75% of total of Basic and Salary Deferral contributions. \$4.6	60% of Basic contributions \$4.4	80% of total of Basic and Salary Deferral contributions. \$4.6	N/A \$4.6
Match	Pro-rata share of net contribution. Net is gross less insurance premiums, MEBT II Employee allocations, pension continuation benefits for disabled participants, and administrative expenses (net of asset management and administrative fees charged to participants). \$4.6	Same as Bellevue. \$4.4	Same as Bellevue. \$4.3	Pro-rata share of net contribution. Net is gross less guaranteed match, if any, insurance premiums, hourly employees allocations, pension continuation benefits for disabled participants, and administrative expenses (net of asset management) and administrative fees charged to participants. \$4.6	Same as Kirkland. \$4.4	Same as Kirkland. \$4.6	Same as Bellevue. \$4.4

	City of Bellevue Employees' Retirement Benefit Plan	City of Edmonds Employees' Benefit Plan	City of Federal Way Employees' Retirement System	City of Kirkland Employees' Benefit Plan	City of Mill Creek Employees' Benefit Plan	City of Redmond Employees' Benefit Plan	City of Woodinville Employees' Benefit Plan
Employer Contribution Rate	Gross equal all employees' Maximum Compensation times FICA rates.	Gross equal all Eligible Employees' Maximum Compensation times FICA rates.	Same as Edmonds.	Same as Bellevue.	Same as Edmonds.	Same as Edmonds.	Same as Bellevue.
Allocation basis	Allocation monthly. Allocation based on share of total Basic and Salary Deferral contributions. \$4.6	Same as Bellevue. \$4.4	Allocation quarterly, otherwise same as Bellevue \$4.3	True up allocation only if employee on last day of Plan Year or retired in Plan Year. Allocation based on share of employer matching contributions. \$4.6	Same as Kirkland. \$4.4	Same as Kirkland. \$4.6	Allocation only if employee on last day of calendar quarter or retired in the quarter. Otherwise same as Bellevue. \$4.4
Employer contribution for Hourly (or MEBT II) Mandatory Contributions	The legal minimum, currently 1.3% \$4.3, 4.7 (means employee contributes 6.2%)	The legal minimum, currently 0% \$4.4, 4.5 (means employee contributes 7.5%) Effective 1/1/06 all new employees in Social Security.	N/A	The legal minimum, currently 0% \$4.6, 4.7 (means employee contributes 7.5%)	Same as Kirkland.	The legal minimum, currently 1.3% plus 2.0% of compensation to unallocated contributions to cover administrative expenses. \$4.6, 4.7 (means employee contributes 6.2%)	Same as Kirkland.
<u>Benefits/ Withdrawals</u>							

Employer contributions for Disabled Participants	City of Bellevue Employees' Retirement Benefit Plan	City of Edmonds Employees' Benefit Plan	City of Federal Way Employees' Retirement System	City of Kirkland Employees' Benefit Plan	City of Mill Creek Employees' Benefit Plan	City of Redmond Employees' Benefit Plan	City of Woodinville Employees' Benefit Plan
	Until NRD, distribution or no longer disabled; 180% of last Basic and Salary Deferral contributions. 100% vested. NRD means earliest service retirement date without actuarial reduction. §§4.6(a)(3), 9.3	Until NRD, distribution or no longer disabled, 160% of last Basic contribution. 100% vested. §§4.4(b), 9.3 NRD means earliest service retirement date without actuarial reduction. §§4.6(a)(3), 9.3	N/A	Same as Bellevue. §§4.6(c), 9.3	N/A	Same as Bellevue. §§4.6(b)(3), 9.3	N/A
Withdrawals - Regular (non-hardship)	From Basic, Extra and Rollover Employee Accounts. Fee of \$100 will be charged for non-hardship. §§6.1, 6.2, 6.5	From Extra and Rollover Employee Account. Fee will be charged. §§6.3, 6.4	Same as Edmonds.	From Basic, Extra and Rollover Employee Accounts. May not participate for 1 year if Basic. If Extra, no Extra for 1 year. Fee imposed for Extra and Rollover. §§6.1, 6.2, 6.5, 6.6	From Extra and Rollover Accounts. § 6.3, 6.4, 6.5	From Basic and Extra Employee Accounts. If from Basic, may not participate for 1 year after 1st Basic withdrawal. Fee imposed for 1st Basic withdrawal. §§6.1, 6.2, 6.5	None
Withdrawals - Hardship	From Basic and Salary Deferral Accounts. §§6.3, 6.4, 6.5	From Basic Accounts. Fee will be charged. §§6.1, 6.2, 6.4	From Rollover, Pick-up or Extra Employee Accounts §§6.1 - 6.3	From Salary Deferral Account; may not participate for 1 year §§6.3, 6.4, 6.5	From Basic or Extra Employee Accounts Art. VI	From Basic, Salary Deferral or Rollover Account §§6.3, 6.4, 6.5	None
Participant Loans	No	No	Yes §6.4, 11.5	No	No	Yes §§6.6, 11.5	No
Retirement Payments Begin	At NRD; may defer up to age 70 ½ Art. VII	Same. Art. VII	Same. Art. VII	Same. Art. VII	Same. Art. VII	Same. Art. VII	Same. Art. VII

Retirement Forms of Payments	City of Bellevue Employees' Retirement Benefit Plan	City of Edmonds Employees' Benefit Plan	City of Federal Way Employees' Retirement System	City of Kirkland Employees' Benefit Plan	City of Mill Creek Employees' Benefit Plan	City of Redmond Employees' Benefit Plan	City of Woodinville Employees' Benefit Plan	
	Lump sum, monthly, quarterly or annual installments as nearly equal as possible, or annuity contract. May accelerate, defer or reduce installments on all or portion of unpaid amounts. May take withdrawals under Article VI and partial distributions from any account. Participant may designate the contract (after tax plus earnings or all other contributions plus earnings) as permitted under Code Section 72. §§7.3, 7.5	Same as Bellevue. §§7.4, 7.5	Lump sum, monthly, quarterly or annual installments for at least 5 years nor more than life expectancy, or annuity contract. May accelerate all or portion of unpaid amounts. §§7.4, 7.5	Same as Bellevue. §§7.4, 7.5	Lump sum, monthly, quarterly or annual installments as nearly equal as possible, or annuity contract. May accelerate to lump sum. May take withdrawals under Article VI and partial distributions from any account. Participant may designate the contract (after tax plus earnings or all other contributions plus earnings) as permitted under Code Section 72. §§7.4, 7.5	Same as Bellevue. §§7.4, 7.5.	Lump sum, monthly, or annual installments for at least 5 years nor more than life expectancy, or annuity contract. §§7.4, 7.5	
Death Benefits	Payment of Accounts over a period not to exceed 5 years, or over beneficiary's life expectancy. Art. VIII	Same. Art. VIII	Same. Art. VIII	Same. Art. VIII	Same. Art. VIII	Same. Art. VIII	Same. Art. VIII	

	City of Bellevue Employees' Retirement Benefit Plan	City of Edmonds Employees' Benefit Plan	City of Federal Way Employees' Retirement System	City of Kirkland Employees' Benefit Plan	City of Mill Creek Employees' Benefit Plan	City of Redmond Employees' Benefit Plan	City of Woodinville Employees' Benefit Plan
Partial Distributions	May defer all or part May elect partial distributions from any account participant designates. Participant may designate the contract (after tax plus earnings on all other contributions plus earnings) as permitted under Code Section 72. §§ 7.5	Same as Bellevue. § 7.5(d)	May defer all or part. No later partial. § 7.3	Same as Bellevue. § 7.5	Same as Bellevue.. § 7.5	Same as Bellevue. § 7.5	May defer all or part May withdraw Participant Contribution or Extra Accounts by election § 7.3
Vesting Schedule	<12 mos 0.0% 12 mos 10.0% addl mo. 0.8333% 120 mos 100.0% Includes months with other MEBT plans if former account rolled over. Vesting only occurs while actively participating. Art. XI	< 12 mos. 0% 12 mos. 10% add. mo. 1.25% ≥84 mos. 100% Includes months with other MEBT plans if former account rolled over. Art. X	<1 yr. 0% 1 yr. 20% 2 yrs. 40% 3 yrs. 60% 4 yrs. 80% ≥5 yrs. 100% All years count whether Active or not. Includes months with other MEBT plans if former account rolled over. Art. X	Same as Edmonds. Vesting only occurs while actively participating. Art. X	Same as Edmonds. Art. X	<12 mos. 0% 12 mos. 20% addl. mo. 1.666% 60+ mos. 100% Includes months with other MEBT plans if former account rolled over. Art. X	Same as Redmond. Art. X

Rehire	City of Bellevue Employees' Retirement Benefit Plan Rehires will be credited with prior months of continuous participation for vesting. Effective for employees hired after 12/31/99. §11.4	City of Edmonds Employees' Benefit Plan Same as Bellevue. §11.4	City of Federal Way Employees' Retirement System Same as Bellevue. §10.4	City of Kirkland Employees' Benefit Plan Same as Bellevue. §11.4	City of Mill Creek Employees' Benefit Plan Same as Bellevue. §10.5	City of Redmond Employees' Benefit Plan Rehires will be credited with prior months of continuous participation for vesting if they participate immediately on rehire and continue 12 months. §11.2	City of Woodinville Employees' Benefit Plan Rehires do not receive credit for prior months of continuous participation. §10.4
Termination of Employment	Optional payment of all vested Accounts if > \$1,000; Account balances > \$1,000 and \$5,000 or less to money market. 100% vesting of Employer account on death disability, layoff or at NRD. LTE's do not vest on layoff. Art. X	Same as Bellevue, except no LTE provision. Art. X	Optional Payment of all vested Accounts if > \$1,000; 100% vesting on death, disability, layoff or at NRD. Art. IX	Same as Bellevue, except no LTE provision. Art. X	Same as Bellevue, except no LTE provision. Art. IX	Same as Bellevue, except no LTE provision. Art. X	Same as Federal Way. Art. IX
Forfeitures	Nonvested accounts are forfeited on termination (whether defer receipt or not). §10.3	Same as Bellevue. §10.3	If terminated for cause, Employer accounts are forfeited. Non-vested accounts are forfeited on termination (whether defer receipt or not). §9.2	Same as Federal Way. §10.3	Same as Federal Way. §9.3	Same as Federal Way. §10.3	Same as Federal Way. §9.3

	City of Bellevue Employees' Retirement Benefit Plan	City of Edmonds Employees' Benefit Plan	City of Federal Way Employees' Retirement System	City of Kirkland Employees' Benefit Plan	City of Mill Creek Employees' Benefit Plan	City of Redmond Employees' Benefit Plan	City of Woodinville Employees' Benefit Plan
Restoration of Forfeitures	None.	None.	None.	None.	If rehired within one year and repayment is made within 6 months. §10.4	None.	None.
Ordinary Termination Payment Options	If account is >\$5,000 (or IRS limit), participant can leave account until later date; until later date; may choose all retirement forms of payouts. If \$5,000 or less lump sum. §10.4	If account > \$5,000 participant can leave account until later date. If later wants distribution before age 59 ½ must take lump sum. After age 59 ½ may choose all retirement forms of payouts. If \$5,000 or less lump sum. §10.4	Same as Bellevue. §9.5	Same as Bellevue. §10.5	Same as Bellevue. §9.1, 9.5.	If account is >\$1,000 (or IRS limit), participant can leave account until later date; lump sum payment only. §10.1	Same as Bellevue. §9.5
Valuation of Accounts	Daily. § 5.1. § 7.7, 8.1, 10.1	Same as Bellevue. § 5.1. § 7.7, 8.1, 9.1	Same as Bellevue. § 2.28, 5.1. § 7.7, 8.1, 9.1	Same as Bellevue. § 5.1. § 7.7, 8.1, 9.1	Same as Bellevue. §2.29. § 7.7, 8.1, 9.1	Same as Bellevue. § 5.1. § 7.7, 8.1, 9.1	Same as Bellevue. § 5.1. § 7.7, 8.1, 9.1

Administrative Fee Charged to Deferred Accounts	City of Bellevue Employees' Retirement Benefit Plan	City of Edmonds Employees' Benefit Plan	City of Federal Way Employees' Retirement System	City of Kirkland Employees' Benefit Plan	City of Mill Creek Employees' Benefit Plan	City of Redmond Employees' Benefit Plan	City of Woodinville Employees' Benefit Plan
	<p>Periodic maintenance fee may be assessed on all participants deferring distribution (terminated, retired, beneficiaries and alternate payees). Fee is based on 3 year rolling average of annual plan expenses divided by number of MEBT I participants.</p> <p>Fee for accounts \$5,000 or less based on recordkeeping and Trustee expenses only.</p>	Same as Bellevue.	Same as Kirkland except manner of fee determination.	<p>Periodic maintenance fee may be assessed on all participants deferring distribution (terminated, retired, beneficiaries and alternate payees). Fee is based on 3 year rolling average of annual plan expenses divided by number of MEBT I participants</p>	<p>Periodic maintenance fee may be assessed. Currently not being charged.</p>	Same as Kirkland.	Same as Kirkland.
Plan Committee	<p>Five members, all appointed by the City Manager for five year terms. Four must be participants. Art. XII</p>	<p>7 members. Mayor appoints and City council confirms 2 members. Five members are elected from participants for 2 year terms. No term limits. Art. XI</p>	<p>7 members. City Manager or designee holds one, rest are elected from the membership for 3 year terms. No term limits Art. XI</p>	<p>5 members. Employer appoints 2 members, other 3 are elected by participants for a three year term and may be reappointed or reelected. At least 4 of the 5 must be participants. Art. XI</p>	<p>Five members, all appointed by the City Manager for three year terms. Three must be participants Art. XI</p>	<p>Seven members, all appointed by the Employer. Five must be participants Art. XI</p>	<p>Three members, all appointed by the City Manager for five year terms. All three must be participants Art. XI</p>

Amendments to Plan Permitted by Committee	City of Bellevue Employees' Retirement Benefit Plan	City of Edmonds Employees' Benefit Plan	City of Federal Way Employees' Retirement System	City of Kirkland Employees' Benefit Plan	City of Mill Creek Employees' Benefit Plan	City of Redmond Employees' Benefit Plan	City of Woodinville Employees' Benefit Plan
	Any to maintain qualification.	Same as Bellevue.	Any to maintain qualification. Those Committee's opinion are in best interest after arranging a meeting of participants to comment on proposed amendments.	Any which Committee determines (1) will facilitate Administration, (2) are in best interests of Participants and Beneficiaries, or (3) are necessary to maintain Plan qualification, and (4) which do not increase Employer's obligation.	Same as Bellevue.	Same as Kirkland.	Same as Bellevue.

Appendix G – MEBT Money Sources

Basic Salary Deferrals Pre-Tax

Extra Salary Deferrals Pre-Tax

Basic Contributions After-Tax

Extra/Voluntary Contributions After-Tax

Mandatory "Pick-Up" Account Pre-Tax

MEBT I Employer Match Account (for each participant)

MEBT II Employee Mandatory Contribution After-Tax

MEBT II Employer Mandatory Employer Match

Employer Contribution Reserve Account (used for employer match and to pay MEBT operating expenses)

Rollover Account

All Cities Distribution/Clearing Account

Forfeiture Account

Loan Account

MEBT Appendix H INSURANCE POLICY INFO

Woodinville

- Outside of the Plan
- Premium from Employee and Employer paid directly to Insurance Co
- EE pays premium > the premium for a \$50K benefit that is paid by the Employer
- Remaining EE amount (after paying premium) deposited to Trust as Employee contribution
- EE premium included in EE income (A-T) (*How is it incl in inc? Is this done by TMA, AST or employer?*)
- Match on both premium and net EE MEBT Contrib
- Edmonds gives TMA premium. TMA calculates each EE contrib based on their circumstances

Edmonds

- Inside the Plan (Trustee purchases policy/contracts and is the beneficiary; Trustee pays premiums and expenses)
- Term Life Premium is the same for all employees (who are insurable)
- Trustee processes benefit payments and prepares IRS 1099R tax forms
- Trustee prepares IRS 1099R forms for PS 58 costs (is this imputed income?)
- Trustee reregisters and/or surrenders policies
- EE pays entire premium
- *Is there a conversion feature?*
- *Is the net amount the EE contribution to MEBT?*

Appendix I – MEBT Quarterly Financial Statement
From Recordkeeper

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Municipal Employees' Benefit Trust

Trust Income Statement for the Quarter Ended September 30, 2007

	All Cities Fee Account #n3177x	City of Bellevue Account #n3177a	City of Edmonds Account #n3177b	City of Federal Way Account #n3177c	City of Kirkland Account #n3177d	City of Mill Creek Account #n3177e	City of Redmond Account #n3177f	City of Woodinville Account #n3177g	Loan Account	Total
Market Values as of 07/01/2007	\$ 15,280.82	\$ 245,271,380.30	\$ 42,108,925.08	\$ 23,043,777.11	\$ 54,125,962.44	\$ 4,071,704.16	\$ 86,743,789.08	\$ 3,304,270.41	\$ 1,796,672.22	\$ 460,481,761.62
Adjustments ¹	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Trust Assets	\$ 15,280.82	\$ 245,271,380.30	\$ 42,108,925.08	\$ 23,043,777.11	\$ 54,125,962.44	\$ 4,071,704.16	\$ 86,743,789.08	\$ 3,304,270.41	\$ 1,796,672.22	\$ 460,481,761.62
Deposits										
Employer & Employee Contributions	0.00	3,547,717.66	601,704.06	632,938.88	1,137,844.53	107,726.46	1,426,165.60	110,227.29	0.00	7,564,324.48
Loan Payments	0.00	0.00	0.00	88,162.79	0.00	0.00	98,011.01	0.00	0.00	186,173.80
Std. Ins. Disability Payments (PCB's)	0.00	376.20	2,487.45	0.00	1,203.27	0.00	0.00	0.00	0.00	4,066.92
Commission Recapture	13,734.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13,734.06
Rollovers	0.00	0.00	0.00	0.00	114,101.46	0.00	0.00	0.00	0.00	114,101.46
Total Deposits	13,734.06	3,548,093.86	604,191.51	721,101.67	1,253,149.26	107,726.46	1,524,176.61	110,227.29	0.00	7,868,666.66
Transfers										
In	486,088.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	486,088.19
Out	(500,954.50)	(28,372.80)	(5,244.54)	(3,576.41)	(5,412.45)	(1,336.60)	(13,913.65)	(850.37)	0.00	(559,661.32)
Net Transfers	(14,866.31)	(28,372.80)	(5,244.54)	(3,576.41)	(5,412.45)	(1,336.60)	(13,913.65)	(850.37)	0.00	(58,706.82)
Distributions										
New Loans	0.00	0.00	0.00	(173,749.28)	0.00	0.00	(158,250.00)	0.00	331,999.28	0.00
Loan Rebalancing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(144,083.62)	(144,083.62)
Withdrawals	0.00	(1,855,789.73)	(1,320,964.07)	(644,552.59)	(466,337.90)	(20,676.51)	(861,708.64)	(111,141.57)	0.00	(5,281,171.01)
Total Distributions	0.00	(1,855,789.73)	(1,320,964.07)	(818,301.87)	(466,337.90)	(20,676.51)	(1,019,958.64)	(111,141.57)	187,915.66	(5,425,254.63)
Investment Income										
Gain/Loss	0.00	5,427,499.09	908,280.25	500,078.53	1,211,059.55	91,497.24	1,908,011.77	72,421.74	0.00	10,118,848.17
Total Investment Income	0.00	5,427,499.09	908,280.25	500,078.53	1,211,059.55	91,497.24	1,908,011.77	72,421.74	0.00	10,118,848.17
Market Values as of 09/30/2007	\$ 14,148.57	\$ 252,362,810.72	\$ 42,295,188.23	\$ 23,443,079.03	\$ 56,118,420.90	\$ 4,248,914.75	\$ 89,142,105.17	\$ 3,374,927.50	\$ 1,984,587.88	\$ 472,984,182.75

Municipal Employees' Benefit Trust

Change in Participant Accounts for the Quarter Ended September 30, 2007

	Balanced Unitized Fund	MEBT II/Retirees' Money Market Unitized Fund	Loan Fund	Total
1) July 1, 2007 Balances	\$ 452,790,001.44	\$ 5,937,531.49	\$ 1,756,281.52	\$ 460,483,814.45
Adjustments ¹	0.00	0.00	0.00	0.00
Adjusted Balances	<u>\$ 452,790,001.44</u>	<u>\$ 5,937,531.49</u>	<u>\$ 1,756,281.52</u>	<u>\$ 460,483,814.45</u>
2) Contributions				
Salary Deferral	4,100,565.53	6,421.29	0.00	4,106,986.82
Employer	3,039,676.99	60,096.73	0.00	3,099,773.72
Basic After-tax	110,673.19	2,000.64	0.00	112,673.83
Voluntary After-tax	81,141.02	0.00	0.00	81,141.02
Employee Mandatory	0.00	109,007.60	0.00	109,007.60
Employer Mandatory	0.00	15,755.77	0.00	15,755.77
Rollovers	5,280.08	0.00	0.00	5,280.08
Total Contributions	<u>7,337,336.81</u>	<u>193,282.03</u>	<u>0.00</u>	<u>7,530,618.84</u>
3) Loan Payments	186,173.80	0.00	(186,173.80)	0.00
4) New Loans	(385,049.28)	0.00	385,049.28	0.00
5) Distributions	(4,638,368.91)	(599,093.61)	(16,566.23)	(5,254,028.75)
6) City to City Transfers	0.00	0.00	0.00	0.00
7) Forfeitures	(139,723.54)	0.00	0.00	(139,723.54)
8) Transfers	(527,402.77)	667,029.93	0.00	139,627.16
9) Fees Paid by Participants	(13,169.03)	(1,016.81)	0.00	(14,185.84)
10) Gain/Loss & Loan Interest	<u>10,028,885.47</u>	<u>85,730.13</u>	<u>34,677.51</u>	<u>10,149,293.11</u>
11) September 30, 2007 Balances	\$ 464,638,683.99	\$ 6,283,463.16	\$ 1,973,268.28	\$ 472,895,415.43

¹ Adjustments for rounding

Municipal Employees' Benefit Trust

Change in Participant Accounts for the Quarter Ended September 30, 2007
Balanced Unitized Fund by City

	City of Bellevue	City of Edmonds	City of Federal Way	City of Kirkland	City of Mill Creek	City of Redmond	City of Woodinville	Total
1) July 1, 2007 Balances	\$ 241,670,548.30	\$ 40,882,033.96	\$ 23,157,527.09	\$ 53,770,991.16	\$ 4,040,999.63	\$ 86,020,162.86	\$ 3,247,738.44	\$ 452,790,001.44
Adjustments ¹	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Adjusted Balances	\$ 241,670,548.30	\$ 40,882,033.96	\$ 23,157,527.09	\$ 53,770,991.16	\$ 4,040,999.63	\$ 86,020,162.86	\$ 3,247,738.44	\$ 452,790,001.44
2) Contributions								
Salary Deferral / Pickup	2,013,387.75	295,107.18	341,571.70	607,477.65	54,563.73	738,037.51	50,420.01	4,100,565.53
Employer Match	1,471,164.32	278,931.46	294,088.68	383,357.69	32,738.24	527,555.83	51,840.77	3,039,676.99
Basic After-tax	29,678.60	0.00	0.00	18,902.18	0.00	62,092.41	0.00	110,673.19
Extra After-tax	13,433.61	34,598.26	5,647.19	3,102.08	12,417.67	11,942.21	0.00	81,141.02
Employee Mandatory	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Employer Mandatory	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rollovers	0.00	0.00	0.00	5,280.08	0.00	0.00	0.00	5,280.08
Total Contributions	3,527,664.28	608,636.90	641,307.57	1,018,119.68	99,719.64	1,339,627.96	102,260.78	7,337,336.81
3) Loan Payments	0.00	0.00	88,162.79	0.00	0.00	98,011.01	0.00	186,173.80
4) New Loans	0.00	0.00	(173,749.28)	0.00	0.00	(211,300.00)	0.00	(385,049.28)
5) Distributions	(1,882,899.87)	(755,285.62)	(645,523.39)	(468,323.04)	(20,453.37)	(865,883.62)	0.00	(4,638,368.91)
6) City to City Transfers	0.00	0.00	0.00	110,049.00	0.00	0.00	(110,049.00)	0.00
7) Forfeitures	(64,055.30)	(10,191.19)	(7,958.83)	(22,125.33)	(9,008.42)	(26,384.47)	0.00	(139,723.54)
8) Transfers	(124,918.39)	0.00	0.00	0.00	0.00	(402,484.38)	0.00	(527,402.77)
9) Fees Paid by Participants	(5,246.03)	(2,644.00)	(3,275.00)	(612.00)	(100.00)	(1,232.00)	(60.00)	(13,169.03)
10) Investment Income	5,377,340.32	894,756.45	494,016.78	1,204,361.68	90,849.91	1,895,350.54	72,209.79	10,028,885.47
11) September 30, 2007 Balances	\$ 248,498,433.31	\$ 41,617,306.50	\$ 23,550,507.73	\$ 55,612,461.15	\$ 4,202,007.39	\$ 87,845,867.90	\$ 3,312,100.01	\$ 464,638,683.99
12) September 30, 2007 Unit Balances	16,644,012.375	2,787,458.077	1,577,373.900	3,724,831.284	281,443.472	5,883,770.351	221,838.960	31,120,728.419

¹ None

Municipal Employees' Benefit Trust

Change in Participant Accounts for the Quarter Ended September 30, 2007
MEBT II/Retirees' Money Market Unitized Fund by City

	City of Bellevue	City of Edmonds	City of Federal Way	City of Kirkland	City of Mill Creek	City of Redmond	City of Woodinville	Total
1) July 1, 2007 Balances	\$ 3,600,832.18	\$ 1,163,968.31	\$ 2,600.88	\$ 354,971.16	\$ 30,704.52	\$ 728,176.88	\$ 56,277.56	\$ 5,937,531.49
Adjustments ¹	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Adjusted Balances	\$ 3,600,832.18	\$ 1,163,968.31	\$ 2,600.88	\$ 354,971.16	\$ 30,704.52	\$ 728,176.88	\$ 56,277.56	\$ 5,937,531.49
2) Contributions								
Salary Deferral	2,432.27	978.00	0.00	498.30	0.00	2,512.72	0.00	6,421.29
Employer	(63,003.96)	(9,764.63)	(7,911.10)	96,568.48	6,561.73	37,912.62	(266.41)	60,096.73
Basic After-tax	2,000.64	0.00	0.00	0.00	0.00	0.00	0.00	2,000.64
Extra After-tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Employee Mandatory	46,707.88	1,891.70	0.00	24,476.97	208.49	28,280.01	7,442.55	109,007.60
Employer Mandatory	9,825.79	0.00	0.00	0.00	0.00	5,929.98	0.00	15,755.77
Rollovers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Contributions	(2,037.38)	(6,894.93)	(7,911.10)	121,543.75	6,770.22	74,635.33	7,176.14	193,282.03
3) Loan Payments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4) New Loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5) Distributions	(59,480.86)	(510,311.77)	(451.20)	(932.08)	(223.14)	(25,374.37)	(2,320.19)	(599,093.61)
6) City to City Transfers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7) Forfeitures	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8) Transfers	188,973.69	10,191.19	7,958.83	22,082.17	9,008.42	428,815.63	0.00	667,029.93
9) Fees Paid by Participants	(646.81)	(66.00)	0.00	(136.00)	0.00	(168.00)	0.00	(1,016.81)
10) Investment Income	50,144.96	13,518.58	2,278.26	5,513.52	498.63	12,726.40	1,049.78	85,730.13
11) September 30, 2007 Balances	\$ 3,777,785.78	\$ 670,405.38	\$ 4,475.67	\$ 503,042.52	\$ 46,758.65	\$ 1,218,811.87	\$ 62,183.29	\$ 6,283,463.16
12) September 30, 2007 Unit Balances	354,515.296	62,912.240	420.006	47,206.553	4,387.930	114,375.846	5,835.410	589,653.281

¹ None

Municipal Employees' Benefit Trust

Change in Participant Accounts for the Quarter Ended September 30, 2007
 Loan Fund by City

	City of Bellevue	City of Edmonds	City of Federal Way	City of Kirkland	City of Mill Creek	City of Redmond	City of Woodinville	Total
1) July 1, 2007 Balances	\$ 0.00	\$ 0.00	\$ 950,247.01	\$ 0.00	\$ 0.00	\$ 806,034.51	\$ 0.00	\$ 1,756,281.52
Adjustments ¹	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Adjusted Balances	\$ 0.00	\$ 0.00	\$ 950,247.01	\$ 0.00	\$ 0.00	\$ 806,034.51	\$ 0.00	\$ 1,756,281.52
2) Contributions								
Salary Deferral	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Employer Basic After-tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Employer Voluntary After-tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Employee Mandatory Rollovers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Contributions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3) Loan Payments	0.00	0.00	(88,162.79)	0.00	0.00	(98,011.01)	0.00	(186,173.80)
4) New Loans	0.00	0.00	173,749.28	0.00	0.00	211,300.00	0.00	385,049.28
5) Distributions	0.00	0.00	(3,438.63)	0.00	0.00	(13,127.60)	0.00	(16,566.23)
6) City to City Transfers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7) Forfeitures	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8) Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9) Fees Paid by Participants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10) Pre-Retirement Transfers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11) Investment Income	0.00	0.00	17,677.13	0.00	0.00	17,000.38	0.00	34,677.51
12) September 30, 2007 Balances	\$ 0.00	\$ 0.00	\$ 1,050,072.00	\$ 0.00	\$ 0.00	\$ 923,196.28	\$ 0.00	\$ 1,973,268.28

¹ None

Municipal Employees' Benefit Trust

Receivables/(Payables) Detail as of September 30, 2007

	Member Cities Distribution Account #a3177x	City of Bellevue Account #n3177a	City of Edmonds Account #n3177b	City of Federal Way Account #n3177c	City of Kirkland Account #n3177d	City of Mill Creek Account #n3177e	City of Redmond Account #n3177f	City of Woodinville Account #n3177g	Total
1) TM&A Schedules 2-A & 2-B									
Total Value of Participant Accounts (incl. loans)	\$ 0.00	\$ 252,276,219.09	\$ 42,287,711.88	\$ 24,605,055.40	\$ 56,115,503.67	\$ 4,248,766.04	\$ 89,987,876.05	\$ 3,374,283.30	\$ 472,895,415.43
Total Market Value per AST Trust Co.	14,148.57	252,362,810.72	42,295,188.23	24,504,470.63	56,118,420.90	4,248,914.75	90,065,301.45	3,374,927.50	472,984,182.75
Difference - Receivables & Market Adj.	(14,148.57)	(86,591.63)	(7,476.35)	100,584.77	(2,917.23)	(148.71)	(77,425.40)	(644.20)	(88,767.32)
2) Receivables/(Payables)									
<i>Deposits Receivable:</i>									
Final September Payroll Deposit Pending	0.00	0.00	0.00	119,045.72	0.00	0.00	1,042.00	0.00	120,087.72
Pending Transfer From Cities' Account for Fees	2,678.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,678.00
Subtotal	2,678.00	0.00	0.00	119,045.72	0.00	0.00	1,042.00	0.00	122,765.72
Distributions Pending	(5,928.41)	(86,591.00)	(7,470.70)	(1,422.00)	(2,917.22)	0.00	(26,763.72)	0.00	(131,093.05)
New Loans Pending Payout	0.00	0.00	0.00	0.00	0.00	0.00	(51,700.00)	0.00	(51,700.00)
Transfers Pending:									
Pending Transfer from "P" Accounts for Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Commission Recapture to be used to Offset Fees	(10,897.24)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(10,897.24)
Subtotal	(10,897.24)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(10,897.24)
Receivables/(Payables) at September 30, 2007	(14,147.65)	(86,591.00)	(7,470.70)	117,623.72	(2,917.22)	0.00	(77,421.72)	0.00	(70,924.57)
3) Market Value Adjustments									
Market Value Variance of Receivables	0.00	(0.04)	0.00	(5,711.11)	0.00	(148.70)	(3.70)	(644.22)	(6,507.77)
Fund Allocation Rounding	(0.92)	(0.59)	(5.65)	(8.24)	(0.01)	(0.01)	0.02	0.02	(15.38)
Rounding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loan Principal Adjustment	0.00	0.00	0.00	(11,319.60)	0.00	0.00	0.00	0.00	(11,319.60)
Market Value Adj. at September 30, 2007	(0.92)	(0.63)	(5.65)	(17,038.95)	(0.01)	(148.71)	(3.68)	(644.20)	(17,842.75)
4) Grand Total Rec'v. & Market Adj.	\$ (14,148.57)	\$ (86,591.63)	\$ (7,476.35)	\$ 100,584.77	\$ (2,917.23)	\$ (148.71)	\$ (77,425.40)	\$ (644.20)	\$ (88,767.32)

Municipal Employees' Benefit Trust

Rates of Return Credited to Participant Accounts

Quarter Ended	Balanced Unit Fund	MEBT II/Retirees' Money Market Fund
June 30, 2002	-6.13%	0.44%
September 30, 2002	-9.92%	0.43%
December 31, 2002	3.94%	0.37%
1/1/02 - 12/31/02	-12.11%	1.25%
March 31, 2003	-1.47%	0.27%
June 30, 2003	10.83%	0.23%
September 30, 2003	2.93%	0.20%
December 31, 2003	8.04%	0.19%
1/1/03 - 12/31/03	21.44%	0.89%
March 31, 2004	2.90%	0.19%
June 30, 2004	-0.32%	0.19%
September 30, 2004	0.31%	0.30%
December 31, 2004	7.95%	0.42%
1/1/04 - 12/31/04	11.07%	1.10%
March 31, 2005	-2.25%	0.55%
June 30, 2005	2.00%	0.67%
September 30, 2005	3.70%	0.80%
December 31, 2005	2.27%	0.94%
1/1/05-12/31/05	5.74%	3.00%
March 31, 2006	4.07%	1.05%
June 30, 2006	-1.76%	1.15%
September 30, 2006	3.66%	1.27%
December 31, 2006	5.14%	1.28%
1/1/06-12/31/06	11.43%	4.83%
March 31, 2007	1.33%	1.28%
June 30, 2007	4.12%	1.32%
September 30, 2007	2.20%	1.24%

Municipal Employees' Benefit Trust

Expenses for the Quarter Ended September 30, 2007

	City of Bellevue	City of Edmonds	City of Federal Way	City of Kirkland	City of Mill Creek	City of Redmond	City of Woodinville	Total
1) Administrative Expenses (Paid from City Accounts)								
AST Trust Company	\$ 1,347.00	\$ 145.00	\$ 328.00	\$ 157.00	\$ 90.00	\$ 704.00	\$ 20.00	\$ 2,791.00
Birmingham, Thorson & Barnett	15,590.56	3,016.88	531.99	1,449.97	279.00	5,363.67	103.93	26,336.00
Clark Nuber	8,342.23	1,497.13	1,133.13	2,590.00	372.75	3,343.38	221.38	17,500.00
Gretchen's Shoebox Express	685.53	0.00	0.00	0.00	0.00	0.00	0.00	685.53
IAC	132.59	23.79	18.01	41.16	5.92	53.14	3.52	278.13
Ingallina's Box Lunch	145.94	0.00	0.00	0.00	0.00	0.00	0.00	145.94
Lakemont Business Services	1,696.78	161.00	121.86	278.53	40.09	359.55	23.81	2,681.62
Prime Asset/UBS Financial Services, Inc.	863.89	155.04	117.34	268.21	38.60	346.22	22.92	1,812.22
Trautmann, Maher & Associates	8,421.50	1,987.70	3,100.67	4,137.84	1,435.34	7,769.96	1,156.00	28,009.01
Commission Recapture Credits	(5,810.16)	(1,042.71)	(789.20)	(1,803.87)	(259.61)	(2,328.58)	(154.18)	(12,188.31)
Revenue Sharing Credits	(3,342.44)	(788.91)	(908.10)	(1,642.29)	(569.68)	(1,719.09)	(458.81)	(9,429.32)
Total	\$ 28,073.42	\$ 5,154.92	\$ 3,653.70	\$ 5,476.55	\$ 1,432.41	\$ 13,892.25	\$ 938.57	\$ 58,621.82
2) Investment Management Expenses (Paid from "P" Accounts)								
Alliance/Bernstein L.P.	\$ 31,013.99	\$ 5,246.46	\$ 2,971.85	\$ 6,900.52	\$ 518.59	\$ 11,039.12	\$ 416.79	\$ 58,107.32
AST Trust Company	21,863.86	3,698.58	2,095.05	4,864.64	365.59	7,782.21	293.82	40,963.75
Baron Capital Management	14,073.83	2,380.79	1,348.59	3,131.39	235.33	5,009.44	189.13	26,368.50
Calamos Advisors LLC	29,705.64	5,025.13	2,846.47	6,609.42	496.71	10,573.42	399.21	55,656.00
Columbia Management-Fixed	33,648.87	5,692.19	3,224.33	7,486.78	562.65	11,976.98	452.20	63,044.00
State Street Global Advisors	5,056.78	855.43	484.55	1,125.12	84.56	1,799.91	67.96	9,474.31
TCW Investment Co.	45,646.08	7,721.69	4,373.93	10,156.12	763.25	16,247.25	613.42	85,521.74
Wells Fargo Bank	14,712.84	2,488.89	1,409.82	3,273.57	246.02	5,236.89	197.72	27,565.75
William Blair	32,432.49	5,486.42	3,107.77	7,216.14	542.31	11,544.02	435.85	60,765.00
Total	\$ 228,154.38	\$ 38,595.58	\$ 21,862.36	\$ 50,763.70	\$ 3,815.01	\$ 81,209.24	\$ 3,066.10	\$ 427,466.37
3) Investment Management Expenses (Paid from Money Market Fund)								
Miscellaneous Expenses	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Total	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
4) Grand Total	\$ 256,227.80	\$ 43,750.50	\$ 25,516.06	\$ 56,240.25	\$ 5,247.42	\$ 95,101.49	\$ 4,004.67	\$ 486,088.19