Twin Cities Bakery Drivers

HEALTH AND WELFARE & PENSION FUNDS
2919 Eagandale Boulevard, Suite 120
Eagan, MN 55121-1464
(651) 686-7705 ext. 113 or 1(800) 689-7713
Fax (651) 686-0513

Richard L. (Jay) Johnson
Contract Administrator

Julie J. IntVeld
Plan Administrator

Twin Cities Bakery Drivers Pension Plan

EIN/PN: 41-6172265/001

Notice of Election of Funding Relief

April 25, 2011

To All Participants and Beneficiaries of the Twin Cities Bakery Drivers Pension Plan:

Last June, Congress passed a law that provides relief from certain funding requirements for eligible multiemployer plans, if their trustees choose to follow the new rules. The relief gives plans a longer period to overcome the investment losses that they suffered in 2008 and early 2009. For a plan to qualify for the relief, its actuary has to certify that the plan is projected to have enough funds to cover all benefit payments and expenses for the extended funding period.

We are pleased to report that, based on our actuary's report, our plan qualifies for the relief. We have decided to use the new funding relief as follows:

1. The Plan will adjust the asset value that is used for funding purposes as of January 1, 2009, to recognize the investment losses for the 2008 Plan Year over a 10-year period to smooth out the immediate effect on the assets, rather than using the plan's regular smoothing policy, which calls for 5-year recognition.

2. The Plan will recognize an actuarial value of assets amount of up to 130% of the market value of assets for 2009 and 2010. Current law limits the actuarial value of assets to be no more than 120% of the market value of assets.

By choosing to use this funding relief, the annual minimum required contribution is lower than what it would otherwise have been and we were able to increase the likelihood of recovering from critical ("Red Zone") status. The decision to use the relief means that, for the next year, the plan cannot be amended to increase benefits unless there are new additional contributions to pay for that increase.

If you have questions about this or any other aspect of the Pension Plan, please contact Mr. Richard L. Johnson, (651) 686-7705, 2919 Eagandale Blvd., Suite 120, Eagan, MN 55121.

cc: PBGC (Mailing address: Pension Benefit Guaranty Corporation, ATTN: Multiemployer Data Coordinator, 1200 K Street, NW, Suite 930, Washington, DC 20005-4026

Notice of Critical Status

for

Twin Cities Bakery Drivers Pension Plan

This is to inform you that on March 31, 2011 the Plan actuary certified to the U.S. Department of the Treasury, and also to the Trustees, that the Plan is in critical status for the plan year beginning January 1, 2011. Federal law requires that you receive this notice.

Critical Status

The Plan is considered to be in critical status, because it has funding problems. More specifically, the Plan was in critical status for the prior Plan Year and the Plan's actuary has determined that the Plan is projected to have an accumulated funding deficiency for the plan year ending December 31, 2017.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. This is the second year the Plan has been in critical status. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a Rehabilitation Plan. On April 30, 2010, you were notified that a Rehabilitation Plan would need to be developed that would combine benefit reductions with contribution increases intended to make the Plan financially sound in accordance with federal law. Also, you were notified that as of May 1, 2010, the Plan is not permitted to pay lump sum benefits (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical status. On November 3, 2010, the Trustees adopted a Rehabilitation Plan which includes a Preferred Schedule, under which supplemental contribution increases are required and some "adjustable benefits" are reduced or eliminated, and a Default Schedule, under which no contribution increases are required but all "adjustable benefits" are eliminated. These reductions first applied to participants (or their beneficiaries) with a benefit commencement (annuity starting) date beginning after April 30, 2010. Any reduction of adjustable benefits will not reduce the level of a participant's basic benefit payable at normal retirement age. You may obtain a copy of the Plan's Rehabilitation Plan by contacting the Plan Administrator.

Adjustable Benefits

The law permits pension plans in critical status to eliminate or change benefits called "adjustable benefits" as part of a Rehabilitation Plan. These include:

Sixty-month payment guarantees;

Disability benefits (if not yet in pay status);

Early retirement benefit or retirement-type subsidy;

Benefit payment options other than a qualified joint-and survivor annuity (QJSA); and

Unreduced early retirement benefit for retirees meeting certain age and service requirements.