NOTICE TO INTERESTED PERSONS

1) You are hereby notified that a written submission (E-00769) has been filed on behalf of The Electrical Trades Center (the Plan) with the United States Department of Labor (the Department), seeking Final Authorization, pursuant to Prohibited Transaction Exemption (PTE) 96-62 (61 FR 39988 (July 31, 1996), as amended at 67 FR 44622 (July 3, 2002)). If approved by the Department, the Final Authorization would permit the cash sale, by the Plan, of certain improved real property (the Property) to the International Brotherhood of Electrical Workers, Local Union 683 (the Union). A further description of the proposed transaction is set forth below in this Notice to Interested Persons (the Notice).

2) The submission has met the requirements for Tentative Authorization under PTE 96-62.

3) If Final Authorization is granted by the Department pursuant to PTE 96-62, the restrictions of section 406(a)(1)(A) of the Employee Retirement Income Security Act of 1974, as amended (ERISA), will not apply to the proposed sale. In this regard, the proposed transaction, would constitute a prohibited transaction under section 406(a)(1)(A) and 406(a)(1)(D) of ERISA because a fiduciary with respect to a plan would be causing the plan to engage in a sale of property between a plan and a party in interest, or causing the assets of a plan to be transferred to or used by or for the benefit of a party in interest. Section 3(14)(A) of ERISA defines the term "party in interest" to include fiduciaries of a plan, such as the Plan's Board of Trustees (the Trustees). Section 3(14)(D) of ERISA also defines the term "party in interest" to include an employee organization any of whose members are covered by the plan, such as the Union.

   The proposed sale would not violate section 406(b) of ERISA because the Union Trustees, who are fiduciaries with respect to the Plan, have recused themselves from the decision and voting on the proposed sale of the Property. Also, the Union Trustees will not exercise any control or direction on the ultimate sale of the Property to the Union.

4) If approved by the Department, the Final Authorization would be subject to the following conditions:

   a) The sale is a one-time transaction for cash;
   b) The Plan receives the *greatest of*:

      i. The sale price negotiated by the parties: $2,200,000;
      ii. The fair market value as identified in the appraisal conducted by a qualified independent appraiser (QIA) as of March 6, 2015; or
      iii. The updated appraised value of the Property to be determined by the QIA on the date of the sale.

   c) The terms and conditions of the sale are at least as favorable to the Plan as those obtainable in an arm's length transaction with an unrelated third party;
   d) The Plan does not pay any real estate fees, commissions, costs, or other expenses in connection with the sale;

e) The Trustees have determined that the sale of the Property is in the interest of participants and beneficiaries of the Plan as the sale proceeds can be used to pay the Plan's expenses or invested in a fashion that would permit greater rates of return than those realized through retention of the Property; and

f) The sale is not part of an agreement, arrangement or understanding that is designed to benefit the Union.

BACKGROUND

5) The Plan is an apprenticeship and training fund that trains apprentices and journeymen electricians. The Plan is funded by a trust fund established through collective bargaining and is administered by a six member Board of Trustees. Three of the Trustees are appointed by the Union, and three Trustees are appointed by the Columbus Division of Central Ohio Chapter, National Electrical Contractors Association, an employer association, representing contributing employers to the Plan. As of July 24, 2015, the Plan had 1,200 participants. As of June 30, 2014, the Plan had total assets of $4,021,064.

6) The Union is a labor union that is located in Columbus, Ohio and chartered in 1924. The Union provides skilled electricians and technicians serving the Central Ohio region, including all of Columbus, Ohio. The Union currently maintains its headquarters at 23 West 2nd Avenue, Columbus, Ohio.

7) Among the assets of the Plan is the Property, which consists of a 1.08+/- acre tract of land that is located at 939 Goodale Boulevard, Columbus, Ohio, adjacent to other property occupied by the Plan. The Property is improved by a two-story building of about 38,608 square feet with an adjacent parking lot. About 14,376 square feet of the Property is leased to six unrelated tenants, with the remainder of the space consisting of common areas or space utilized by the Plan.

8) On December 14, 2004, the Plan purchased the Property from 939 Goodale Company, an unrelated party. The Plan paid $1.7 million for the Property and intended to hold it as an investment and to use it for storage purposes. The Plan financed the purchase price for the Property through a mortgage loan in the original principal amount of $1,700,000. The lender, J.P. Morgan Chase Bank, N.A., was an unrelated party. In March 2012, the mortgage loan owed on the Property and the amounts owed with respect to certain bond payments of the Plan were consolidated into a single loan with Merchants Bank, N.A., an unrelated party, for a five year term. At present, the outstanding amount owed by the Plan on this loan is $1,479,661.52. Of this amount, $811,791.14 is attributed to the Property mortgage.

9) Since the Plan has owned the Property, it has incurred holding costs totaling $261,299.88 through June 30, 2015. Of the expenses, the Plan has paid $61,643.67 in insurance premiums, $24,478.00 for water, $16,108.00 for gas, $73,984.00 for electricity, and $85,086.21 in building maintenance. With respect to mortgage payments paid by the Plan to both lenders since the time the Property was acquired, the Plan has incurred total

principal and interest payments of $1,649,082. Therefore, the Plan's total acquisition and holding costs with respect to the Property are approximately $1,910,381.88.

10) On behalf of the Plan, the Trustees propose to sell the Property to the Union. The Plan has not attempted to sell the Property to an unrelated party because the Union wishes to sell its current headquarters that are located approximately two miles from the Property. In addition, the Union has expressed a strong interest in acquiring the Property because of its location and appreciated value. The Trustees believes it is optimal to sell the Property and they do not want to risk the diminution in the value of the Property because of a downturn in the local real estate market or the negative impact on its fair market value if one or more tenants vacate the location. Further, because the Union proposes to use the Property as its new headquarters, this, according to the Trustees, would be a significant benefit and convenience to Plan participants receiving training and education from the Plan. It is not anticipated that the Plan will lease space in the Property for training and educational purposes from the Union, but it will remain at 947 Goodale Boulevard, Columbus, Ohio, which is its present location, to provide these services.

11) The Trustees will use the sale proceeds to pay off all of the Plan's debt related to the Property and use the remaining proceeds to fund the educational and training activities of the Plan. The Union will acquire the Property from the Plan within 90 days following receipt of Final Authorization of the proposed sale from the Department. The Trustees have determined that it is in the best interest of the Plan and the apprentices and journeymen electricians that participate in the Plan. Therefore, the Trustees and the Union have negotiated a tentative sale price of $2,200,000.

12) The Property was appraised on March 6, 2015 by Joseph A. Zavac of The William Fall Group of Toledo, Ohio, in an appraisal report dated May 15, 2015. Mr. Zavac, who was selected by Mr. Stephen Lipster, the current Director of the Electrical Trades Center, is a Member of the Appraisal Institute. He is also a General Appraiser with certifications in Ohio, Michigan, Illinois, and Indiana. Mr. Zavac represents that he derived less than 1% of his 2015 gross revenues from parties in interest with respect to the Plan.

13) Mr. Zavac valued the Property using the Sales Comparison and the Direct Capitalization Approaches to valuation. Under the Sales Comparison Approach, he surveyed the market for properties that were most applicable to the subject for price per acre. The comparable sales were analyzed and adjusted for time of sale, location, and characteristics. Mr. Zavac determined that the Property had a fair market value of $2,125,000 under this approach. Using the Income Approach to valuation, Mr. Zavac reviewed the net earning power of the Property using a capitalization for net income. He considered the Income Approach a reliable value indicator due to the leases currently in place on the Property. Under this approach, Mr. Zavac also determined a fair market value for the Property of $2,125,000. Therefore, after careful analysis of all factors affecting the Property, Mr. Zavac concluded that the fair market value of a leased fee interest in the Property on March 6, 2015 was $2,125,000.

14) The Employer Trustees of the Plan will hire the qualified independent appraiser to conduct the updated appraisal of the Property on the date of the sale. The hiring of the qualified independent appraiser will be determined solely by the Employer Trustees,

without any input or involvement from the Union, the Union Trustees, and/or any individual who is an officer, member or employee of the Union, including Mr. Stephen Lipster. In retaining a qualified independent real estate appraiser to conduct the updated valuation of the Property, the Employer Trustees will consider several factors, including the qualifications, education and reputation of the qualified independent real estate appraiser, and the proposed costs of conducting the updated Property appraisal.

15) It is represented that the proposed transaction poses little, if any, risk of abuse or loss to the Plan or to any participant of the Plan, as the proposed transaction will enable the Plan to dispose of the Property at a price at least equal to its fair market value at the time of the transaction, as determined by a QIA.

SUBSTANTIALLY-SIMILAR CASES

The applicant has identified the following individual exemption granted by the DOL within the past 120 months and Authorized Transaction granted by the DOL within the past 60 months as substantially-similar to the proposed transaction:

- FAN 2014-06E; Pipefitters Local Union No. 533 Education Training Program, 76 Fed. Reg. 77266 (December 12, 2011). This transaction involved the sale of unimproved real property by a qualified apprenticeship plan to a party in interest, specifically a labor organization.

- PTE 2011-24; Oregon-Washington Carpenters Employers Apprenticeship and Training Trust Fund, 76 FR 77266 (December 12, 2011. The proposed transaction involved the sale of unimproved real property by a qualified apprenticeship plan to a party-in-interest.

RIGHT TO COMMENT

As a person who may be affected by the proposed transaction, you have the right to comment on the Notice. Written comments should refer to EXPRO Submission E-00769 and should be sent to:

Office of Exemption Determinations
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Ave., NW, Suite 400
Washington, DC 20210
Attention: Blessed Chuksorji-Keefe

Comments may also be submitted by fax or by email to the attention of Blessed Chuksorji-Keefe by fax at: (202) 219-0204; or email at: chuksorji.blessed@dol.gov. Furthermore, if you have any questions regarding the contents of this notice, you may contact Mrs. Chuksorji-Keefe by phone at 202-693-8567 (this is not a toll-free number) or at the email address listed above.

Warning: Do not include any personally-identifiable information (such as name, address, or other contact information) or confidential business information that you do not want publicly disclosed.

Comments must be received by the Department no later than November 8, 2015. Final Authorization of this transaction will occur within 5 days after the expiration of the comment period, unless the Department notifies the applicant otherwise.

Please note: In the original Notice that was sent to interested persons, the paragraph above stated: “Comments must be received by the Department no later than November 21, 2015. Final Authorization of this transaction will occur within 90 days after the expiration of the comment period, unless the Department notifies the applicant otherwise.” The Department has revised the preceding paragraph of the Notice to conform to the case processing timeline set forth in PTE 96-62. The applicant has approved this revision.