

NOTICE TO INTERESTED PERSONS

You are hereby notified that a written submission has been filed on behalf of the Masters, Mates & Pilots Maritime Advancement, Training, Education and Safety Program ("MATES Program") with the United States Department of Labor ("Department") seeking authorization to enter into the proposed transaction described below, pursuant to class exemption 96-62, 61 Fed. Reg. 39988 (July 31, 1996), as amended ("PTCE 96-62"). If the proposed transaction is authorized by the Department, pursuant to PTCE 96-62, the transaction will be exempt from the restrictions described in section 406(a) and sections 406(b)(1)-(2) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and the taxes imposed by sections 4975(a) and (b) of the Internal Revenue Code of 1986, as amended ("Code"), by reason of parallel provisions described in section 4975(c)(1)(A) through (E) of the Code.

I. BACKGROUND AND DESCRIPTION OF TRANSACTION

1. The MATES Program is an ERISA employee welfare benefit plan established under a Declaration of Trust between the Union and several contributing employers.
2. The MATES Program is managed and administered by a Board of Trustees ("Trustees") half of whom are appointed by the International Organization of Masters, Mates and Pilots, AFL/CIO (the "Union") and half of whom are appointed by the contributing employers.
3. The MATES Program proposes to sell to Union approximately 6.848 partially improved acres at Linthicum Heights, Maryland (the "Property"). The Property was part of a 50.988 acre parcel that the MATES Program purchased from members of the Sachs family in 1970. The purchase price for that parcel was \$487,415.00 (or \$9559.41 an acre). At \$9559.41 an acre, the purchase price allocable to the Property's 6.848 acres was \$65,462.84. The MATES Program acquired the Property for its training operations.
4. Improvements on the Property consist of a one-story office building with 49,172 square feet of net rentable space and a 24,000 square foot unfinished, below grade basement space ("Building"). The MATES Program constructed the Building in the early 1980s to provide office space for itself, the Union, and other affiliated employee benefit plans. Those plans include the M.M. & P. Pension Plan, M.M. & P. Health and Benefit Plan, M.M. & P. Vacation Plan, and M.M. & P. Individual Retirement Account Plan. These entities required new office space because rents in New York City, where their offices had been located, were becoming prohibitively expensive.
5. Currently, the MATES Program leases approximately 42,400 square feet of office space in the Building to these plans, of which approximately 30,000 square feet is reserved to the plans, with approximately 12,400 square feet sub-leased to the Union, an affiliated Joint Employment Committee and an affiliated credit union. The current annual rent paid to the MATES Program is approximately \$698,000.
6. As of August 13, 2004, the Property had an appraised "as is" fair market value of \$5.9 million. The appraised value reflected that the roof of the Building was in below-average

condition. The appraisal was performed for the MATES Program by Gregory D. Jones, MAI of Colliers Pinkard, a large real estate consulting firm.

7. During a Board meeting on September 28-29, 2004, the Trustees voted to sell the Property to the Union to raise needed cash for the MATES Program's operations and programs. At the beginning of 2004, the MATES Program had \$3.1 million in cash and cash equivalents but only \$1.4 million as of September 10, 2004.

8. The Trustees approved a sales price of the greater of \$6.2 million or fair market value as established by an independent appraisal. The \$6.2 million minimum sales price approved by the Trustees exceeded the \$5.9 million appraised value to reflect the replacement of the roof, which the MATES Program expected to substantially complete before the sale.

9. The Trustees have determined that the sale of the Property is in the best interests of the MATES Program's participants. The Union is the most suitable purchaser of the Property because the Union has been a sub-lessee since the early 1980s, the Union wishes to maintain its offices at the Building, and the Union is willing to pay all transaction costs of the sale. By selling the Property to the Union, the MATES Program will avoid paying the significant real estate commissions (each percentage point of commission would equal a minimum of \$62,000) that would be incurred if the MATES Program were to market the Property to unrelated buyers.

10. Consistent with the Trustees' approval, in January 2005, the MATES Program entered into an agreement to sell the Property in fee simple to the Union (the "Sales Agreement"). The Sales Agreement will not become effective and no sale will occur unless and until the Department grants the exemptive relief requested hereunder. The Agreement provides that the Union will pay, in cash, the greater of \$6.2 million or the fair market value of the Property on the closing date, as established by an independent appraisal. The MATES Program will pay no commissions or other transactional expenses in connection with the sale.

11. Authorization for the sale is subject to the following conditions: (1) The sale will occur at a price that is the greater of \$6.2 million or the fair market value of the Property as of the sale date, as determined by a qualified independent appraiser; (2) the sale is a one-time transaction for cash; (3) the MATES Program will pay no fees or commissions in connection with the sale; and (4) the Trustees acknowledge that, as fiduciaries, they are responsible for, among other things, determining whether it is prudent to go forward with the sale of the Property, and reviewing and approving the methodology, as well as the application of the methodology, used in the August 13, 2004, appraisal, as updated, of the Property located at 692 Maritime Boulevard, Linthicum Heights, Maryland.

12. The Trustees represent that, because of the conditions stated in paragraph 11 above, the proposed sale satisfies the exemption requirements of section 408(a) of ERISA.

II. APPROXIMATE DATE OF TRANSACTION

The sale will occur within ninety (90) days of the date you receive this notice, provided that the sale receives final authorization from the Department.

III. TENTATIVE AUTHORIZATION

The proposed sale meets the requirements for tentative authorization under PTCE 96-62.

IV. RIGHT TO COMMENT

You have a right to comment on the proposed sale. Your comments should refer to Submission No. E-00442 and be sent to:

Office of Exemption Determinations
U.S. Department of Labor
200 Constitution Ave, N.W.
Room N-5649
Washington, D.C. 20210
ATTN: Submission No. E-00442

Comments may also be sent by e-mail or fax to Karin Weng:

Email: Weng.Karin@dol.gov
Fax: 202-219-0204

The Department will make no final decision until it reviews all comments received in response to the enclosed notice.

V. EXPIRATION OF COMMENT PERIOD

The comment period will begin on June 17, 2005 and will end on July 12, 2005.

VI. SIMILAR TRANSACTIONS

Applicant has identified as substantially similar to the proposed sale described above the following individual exemption granted by the Department within the last 120 months and the following transaction, which received final authorization from the Department under PTCE 96-62 within the past 60 months:

(a) Prohibited Transaction Exemption 2000-18 for the Rhode Island Carpenters Apprenticeship Fund and Carpenters Local No. 94, 65 Fed. Reg. 25949 (May 4, 2000). This exemption permitted the one-time cash sale of real property owned by a plan to a union whose members were covered under the plan.

(b) Operating Engineers Local No. 17 – Training Fund, Final Authorization 2002-01E (Jan. 11, 2002). This authorization permitted the one-time cash sale of real property owned by a plan to a union whose members were covered under the plan.