THE NETWORK FUNDING CORPORATION
EMPLOYEES WELFARE BENEFIT PLAN

NOTICE TO INTERESTED PERSONS

You are hereby notified that a written submission has been filed on behalf of the Network Funding Corporation Employees Welfare Benefit Plan (the Plan) and Network Funding, LP, the Plan sponsor, with the United States Department of Labor (the Department), seeking authorization, pursuant to Prohibited Transaction Class Exemption 96-62 (PTE 96-62), 61 FR 39988, July 31, 1996, as amended by 67 FR 44622, July 3, 2002, that the sanctions resulting from the application of the prohibited transaction restrictions under section 406 of the Employee Retirement Income Security Act of 1974 (ERISA), do not apply to the proposed transaction described below (the Proposed Transaction).

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

If the Proposed Transaction is authorized by the Department pursuant to PTE 96-62, the restrictions of section 406(a)(1)(A) and (a)(1)(D), and section 406(b)(1) and (b)(2) of ERISA shall not apply to the proposed sale of a 2.1783% Class A limited partnership interest in Buffington Homebuilding Group, Ltd., (the Buffington Interest) by the Plan to the Plan Sponsor, Network Funding, LP, a "party in interest" with respect to the Plan under ERISA section 3(14).

The authorization is subject to the following conditions:

- The terms and conditions of the sale are at least as favorable to the Plan as those that the Plan could obtain in and arm's-length transaction with an unrelated third party.
- The sale is a one-time transaction for cash.
- As a result of the Sale, the Plan receives the greater of: (i) $282,000; (ii) the fair market value of the Buffington Interest as determined on the date of the sale, by the qualified independent appraisers (the QIAs); (iii) the value of the Partnership Interests, as determined by Buffington Homebuilding Group Management, LLC the general partner (the GP) of the Partnership and reported on the most recent Schedule K-1; or (iv) the total amount of the Plan's contributions to the Partnership made on or after April 16, 2008 plus imputed earnings (calculated based upon the applicable one-month Treasury bill rates) from the date of the Plan's acquisition of the Partnership Interests to the date of the Sale ($268,256 through 2/28/13).
- The Plan pays no commissions, costs, or other expenses in connection with the sale.
- A qualified, independent fiduciary (QIF), has reviewed and approved the methodology used by Smith Valuation Services, and determined that such methodology has been properly applied in determining the fair market value of the Buffington Interests, and the QIF will determine, immediately prior to the sale, that it is prudent to go forward with the Proposed Transaction.

General Background

Network Funding, LP is the Plan sponsor. Network Partners a Texas common law general partnership holds a 99.9% limited partnership interest in Network Funding, L.P. Rex Chamberlain and Gregory N. Baker are the sole partners of Network Partners, and Trustees of the Plan. The Trustees and Sponsor are Parties in Interest with respect to the Plan. On April 16, 2008 the Trustees acquired a limited partnership interest in Buffington Classic Homes as part of the Plan's investment portfolio, with an initial investment of $100,000. In November 2009, Buffington Classic Homes was merged with another entity to form Buffington Homebuilding Group, Ltd. (Buffington Homebuilders), a Texas limited partnership that builds a wide range of single family homes in the Austin, Texas metropolitan area. The partnership acquires developed and undeveloped lots for its homebuilding operations, builds model homes and markets homes. On October 7, 2010 the Trustees invested another $167,000 as part of the recapitalization of the entities, so that the Plan holds a 2.783% Class A limited partnership interest in Buffington Homebuilders

In 2009 the benefits provided under the Plan were changed to add current healthcare benefits in addition to post retirement medical benefits. Because of this change, the Plan requires liquidity to meet the current benefit obligations. In order to provide the necessary liquidity, the Plan desires to sell the Buffington Interest, which is illiquid and represents approximately 28.5% of the assets of the Plan as of October 31, 2012, and for which there is no readily available market, to the Plan sponsor.

The Buffington Interest was valued by the QIAs, Thomas B. Smith, ASA and Lorraine M. Smith, ASA, of Smith Valuation Services. Smith Valuation Services is a professional business valuation firm specializing in the appraisal of closely held securities. Smith Valuation Services is located at 190 Baker Drive, Pittsburgh, PA 15237. Mr. Smith, one of the principals of Smith Valuation Services, is an Accredited Senior Appraiser with the American Society of Appraisers, with over 38 years of experience in the valuation of closely held business interests. Mrs. Smith, also an Accredited Senior Appraiser with the American Society of Appraisers, has over 21 years of business valuation experience and has appraised more than 1,000 closely held business interests.

In a report dated June 29, 2012 (the Appraisal Report), the QIAs valued the Buffington Interests at $282,000, as of May 31, 2012. In arriving at this valuation, the QIAs did not use the asset-based approach (which recognizes the value of the entity on the immediate sale of all of its assets) because the QIAs determined that it is inappropriate for valuation of an ongoing business, and in the case of Buffington Homebuilders, would result in a lower valuation because the major asset, homes under construction, would be worth less than fully constructed homes. Further, using an asset-based approach would result in a lower valuation since a higher valuation is achieved, not in selling off individual assets of Buffington Homebuilders, but rather in Buffington Homebuilders continuing to build out the homes. The market approach to valuation also was not used because the QIAs determined that there is no readily available market for the Interests, and there have been no recent sales. The QIAs determined that a discounted future economic income method to valuation of the Buffington Interest (which was done on a nonmarketable minority interest basis to account for the lack of control and lack of marketability associated with the Buffington Interest) is the appropriate valuation methodology, given that Buffington Homebuilders is an ongoing business. Using the future economic income of Buffington Homebuilders fully realizes the worth of all of the company's assets, including its work force, labor agreements, and vendor relationships, among other things, to generate future income, and therefore results in a higher valuation. The future earnings are discounted using present value tables to derive a valuation in today's dollars.

The QIF is John Holt of RC Holsinger Associates, P.C. (Holsinger). Holsinger is a CPA firm located at 117 VIP Drive, Suite 220, Wexford, PA 15090 that has a significant valuation practice. Mr. Holt is the Partner in charge of the audit practice of the firm, and has over 28 years of audit experience. Mr. Holt has some experience with respect to ERISA fiduciary duties and has extensive experience as a fiduciary. To provide direct knowledge with respect to the duties and responsibilities of an ERISA fiduciary, Mr. Holt has engaged and consulted with attorney Gary Gunnett, a Director of the Pittsburgh law firm of Houston Harbaugh, regarding the duties, responsibilities, and liabilities imposed by ERISA on plan fiduciaries. Mr. Gunnet is an experienced ERISA counsel with more than 20 years of experience.

The QIF has reviewed the methodologies applied by Smith Valuation Services in its valuation, and approved such methodologies for the reasons stated above by the QIA. In addition, the QIF has reviewed the Plan documents, the November 30, 2012 internally prepared balance sheet of the Plan, the audited financial statements of the Plan for the years ended December 31, 2011 and 2010, and the health insurance premium invoices, and has determined that the Proposed Transaction is in the best interests and protective of the Plan and its participants and beneficiaries, and that it is prudent for the Plan to go forward with the transaction, because it will allow the Plan to sell partnership interests that are not readily marketable for the highest value to create necessary operational liquidity.

The Plan sponsor is bearing the costs of the request for authorization, the appraisal, and notification of interested parties.

PTCE 96-62 Submission Requirements

The Plan will incur no fees, commissions or other costs in connection with the sale of the Buffington Interest. Thus it is represented the Proposed Transaction will pose little if any, risk of abuse or loss to the participants and beneficiaries of the Plan.

The applicant has identified the following individual Prohibited Transaction Exemptions granted by the Department within the past 60 months as substantially similar to the Proposed Transaction:

- PTE 2009-04 – Heico Holding Inc. Pension Plan, 74 FR 8570, (February 25, 2009).
- PTE 2010-23 – Carle Foundation Hospital & Affiliates Pension Plan, 75 FR 47637, (August 6, 2010).

As a person that may be affected by the Proposed Transaction you have the right to comment on the Proposed Transaction if you wish. Written comments should be addressed to:

Office of Exemption Determinations
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue, N.W.,
Room N-5700
Washington, D.C. 20210
Attention: Anna Vaughan

You should refer to submission number E-00726. Comments must be received by the Department no later than May 6, 2013.

Comments may also be submitted by facsimile to 202-219-0204, and or by email to vaughan.anna@dol.gov.

The Proposed Transaction will be consummated within 30 days following the date of Final Authorization by the Department of Labor.