

**Application for Recognition of Exemption
 Under Section 501(c)(3) of the Internal Revenue Code**

Use the instructions to complete this application and for a definition of all **bold** items. For additional help, call IRS Exempt Organizations Customer Account Services toll-free at 1-877-829-5500. Visit our website at www.irs.gov for forms and publications. If the required information and documents are not submitted with payment of the appropriate user fee, the application may be returned to you.

Attach additional sheets to this application if you need more space to answer fully. Put your name and EIN on each sheet and identify each answer by Part and line number. Complete Parts I - XI of Form 1023 and submit only those Schedules (A through H) that apply to you.

Part I Identification of Applicant

1 Full name of organization (exactly as it appears in your organizing document)		2 c/o Name (if applicable)	
3 Mailing address (Number and street) (see instructions)	Room/Suite	4 Employer Identification Number (EIN)	
City or town, state or country, and ZIP + 4		5 Month the annual accounting period ends (01 - 12)	
6 Primary contact (officer, director, trustee, or authorized representative) a Name:		b Phone:	
		c Fax: (optional)	
7 Are you represented by an authorized representative, such as an attorney or accountant? If "Yes," provide the authorized representative's name, and the name and address of the authorized representative's firm. Include a completed Form 2848, <i>Power of Attorney and Declaration of Representative</i> , with your application if you would like us to communicate with your representative.		<input type="checkbox"/> Yes <input type="checkbox"/> No	
8 Was a person who is not one of your officers, directors, trustees, employees, or an authorized representative listed in line 7, paid, or promised payment, to help plan, manage, or advise you about the structure or activities of your organization, or about your financial or tax matters? If "Yes," provide the person's name, the name and address of the person's firm, the amounts paid or promised to be paid, and describe that person's role.		<input type="checkbox"/> Yes <input type="checkbox"/> No	
9a Organization's website:			
b Organization's email: (optional)			
10 Certain organizations are not required to file an information return (Form 990 or Form 990-EZ). If you are granted tax-exemption, are you claiming to be excused from filing Form 990 or Form 990-EZ? If "Yes," explain. See the instructions for a description of organizations not required to file Form 990 or Form 990-EZ.		<input type="checkbox"/> Yes <input type="checkbox"/> No	
11 Date incorporated if a corporation, or formed, if other than a corporation. (MM/DD/YYYY) / /			
12 Were you formed under the laws of a foreign country ? If "Yes," state the country.		<input type="checkbox"/> Yes <input type="checkbox"/> No	

Part II Organizational Structure

You must be a corporation (including a limited liability company), an unincorporated association, or a trust to be tax exempt. (See instructions.) **DO NOT file this form unless you can check "Yes" on lines 1, 2, 3, or 4.**

- 1 Are you a **corporation**? If "Yes," attach a copy of your articles of incorporation showing **certification of filing** with the appropriate state agency. Include copies of any amendments to your articles and be sure they also show state filing certification. **Yes** **No**

- 2 Are you a **limited liability company (LLC)**? If "Yes," attach a copy of your articles of organization showing certification of filing with the appropriate state agency. Also, if you adopted an operating agreement, attach a copy. Include copies of any amendments to your articles and be sure they show state filing certification. Refer to the instructions for circumstances when an LLC should not file its own exemption application. **Yes** **No**

- 3 Are you an **unincorporated association**? If "Yes," attach a copy of your articles of association, constitution, or other similar organizing document that is dated and includes at least two signatures. Include signed and dated copies of any amendments. **Yes** **No**

- 4a Are you a **trust**? If "Yes," attach a signed and dated copy of your trust agreement. Include signed and dated copies of any amendments. **Yes** **No**
- b Have you been funded? If "No," explain how you are formed without anything of value placed in trust. **Yes** **No**

- 5 Have you adopted **bylaws**? If "Yes," attach a current copy showing date of adoption. If "No," explain how your officers, directors, or trustees are selected. **Yes** **No**

Part III Required Provisions in Your Organizing Document

The following questions are designed to ensure that when you file this application, your organizing document contains the required provisions to meet the organizational test under section 501(c)(3). Unless you can check the boxes in both lines 1 and 2, your organizing document does not meet the organizational test. **DO NOT file this application until you have amended your organizing document.** Submit your original and amended organizing documents (showing state filing certification if you are a corporation or an LLC) with your application.

- 1 Section 501(c)(3) requires that your organizing document state your exempt purpose(s), such as charitable, religious, educational, and/or scientific purposes. Check the box to confirm that your organizing document meets this requirement. Describe specifically where your organizing document meets this requirement, such as a reference to a particular article or section in your organizing document. Refer to the instructions for exempt purpose language. Location of Purpose Clause (Page, Article, and Paragraph): _____

- 2a Section 501(c)(3) requires that upon dissolution of your organization, your remaining assets must be used exclusively for exempt purposes, such as charitable, religious, educational, and/or scientific purposes. Check the box on line 2a to confirm that your organizing document meets this requirement by express provision for the distribution of assets upon dissolution. If you rely on state law for your dissolution provision, do not check the box on line 2a and go to line 2c.
- 2b If you checked the box on line 2a, specify the location of your dissolution clause (Page, Article, and Paragraph). Do not complete line 2c if you checked box 2a. _____
- 2c See the instructions for information about the operation of state law in your particular state. Check this box if you rely on operation of state law for your dissolution provision and indicate the state: _____

Part IV Narrative Description of Your Activities

Using an attachment, describe your *past*, *present*, and *planned* activities in a narrative. If you believe that you have already provided some of this information in response to other parts of this application, you may summarize that information here and refer to the specific parts of the application for supporting details. You may also attach representative copies of newsletters, brochures, or similar documents for supporting details to this narrative. Remember that if this application is approved, it will be open for public inspection. Therefore, your narrative description of activities should be thorough and accurate. Refer to the instructions for information that must be included in your description.

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors

1a List the names, titles, and mailing addresses of all of your officers, directors, and trustees. For each person listed, state their total annual **compensation**, or proposed compensation, for all services to the organization, whether as an officer, employee, or other position. Use actual figures, if available. Enter "none" if no compensation is or will be paid. If additional space is needed, attach a separate sheet. Refer to the instructions for information on what to include as compensation.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

b List the names, titles, and mailing addresses of each of your five highest compensated employees who receive or will receive compensation of more than \$50,000 per year. Use the actual figure, if available. Refer to the instructions for information on what to include as compensation. Do not include officers, directors, or trustees listed in line 1a.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)

c List the names, names of businesses, and mailing addresses of your five highest compensated **independent contractors** that receive or will receive compensation of more than \$50,000 per year. Use the actual figure, if available. Refer to the instructions for information on what to include as compensation.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)

The following "Yes" or "No" questions relate to *past, present, or planned* relationships, transactions, or agreements with your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in lines 1a, 1b, and 1c.

2a Are any of your officers, directors, or trustees **related** to each other through **family or business relationships**? If "Yes," identify the individuals and explain the relationship. **Yes** **No**

b Do you have a business relationship with any of your officers, directors, or trustees other than through their position as an officer, director, or trustee? If "Yes," identify the individuals and describe the business relationship with each of your officers, directors, or trustees. **Yes** **No**

c Are any of your officers, directors, or trustees related to your highest compensated employees or highest compensated independent contractors listed on lines 1b or 1c through family or business relationships? If "Yes," identify the individuals and explain the relationship. **Yes** **No**

3a For each of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c, attach a list showing their name, qualifications, average hours worked, and duties.

b Do any of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c receive compensation from any other organizations, whether tax exempt or taxable, that are related to you through **common control**? If "Yes," identify the individuals, explain the relationship between you and the other organization, and describe the compensation arrangement. **Yes** **No**

4 In establishing the compensation for your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, and 1c, the following practices are recommended, although they are not required to obtain exemption. Answer "Yes" to all the practices you use.

a Do you or will the individuals that approve compensation arrangements follow a conflict of interest policy? **Yes** **No**

b Do you or will you approve compensation arrangements in advance of paying compensation? **Yes** **No**

c Do you or will you document in writing the date and terms of approved compensation arrangements? **Yes** **No**

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

- d** Do you or will you record in writing the decision made by each individual who decided or voted on compensation arrangements? Yes No
- e** Do you or will you approve compensation arrangements based on information about compensation paid by **similarly situated** taxable or tax-exempt organizations for similar services, current compensation surveys compiled by independent firms, or actual written offers from similarly situated organizations? Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation. Yes No
- f** Do you or will you record in writing both the information on which you relied to base your decision and its source? Yes No
- g** If you answered "No" to any item on lines 4a through 4f, describe how you set compensation that is **reasonable** for your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in Part V, lines 1a, 1b, and 1c.
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- 5a** Have you adopted a **conflict of interest policy** consistent with the sample conflict of interest policy in Appendix A to the instructions? If "Yes," provide a copy of the policy and explain how the policy has been adopted, such as by resolution of your governing board. If "No," answer lines 5b and 5c. Yes No
- b** What procedures will you follow to assure that persons who have a conflict of interest will not have influence over you for setting their own compensation?
- c** What procedures will you follow to assure that persons who have a conflict of interest will not have influence over you regarding business deals with themselves?
- Note:** A conflict of interest policy is recommended though it is not required to obtain exemption. Hospitals, see Schedule C, Section I, line 14.
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- 6a** Do you or will you compensate any of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in lines 1a, 1b, or 1c through **non-fixed payments**, such as discretionary bonuses or revenue-based payments? If "Yes," describe all non-fixed compensation arrangements, including how the amounts are determined, who is eligible for such arrangements, whether you place a limitation on total compensation, and how you determine or will determine that you pay no more than reasonable compensation for services. Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation. Yes No
- b** Do you or will you compensate any of your employees, other than your officers, directors, trustees, or your five highest compensated employees who receive or will receive compensation of more than \$50,000 per year, through non-fixed payments, such as discretionary bonuses or revenue-based payments? If "Yes," describe all non-fixed compensation arrangements, including how the amounts are or will be determined, who is or will be eligible for such arrangements, whether you place or will place a limitation on total compensation, and how you determine or will determine that you pay no more than reasonable compensation for services. Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation. Yes No
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- 7a** Do you or will you purchase any goods, services, or assets from any of your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," describe any such purchase that you made or intend to make, from whom you make or will make such purchases, how the terms are or will be negotiated at **arm's length**, and explain how you determine or will determine that you pay no more than **fair market value**. Attach copies of any written contracts or other agreements relating to such purchases. Yes No
- b** Do you or will you sell any goods, services, or assets to any of your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," describe any such sales that you made or intend to make, to whom you make or will make such sales, how the terms are or will be negotiated at arm's length, and explain how you determine or will determine you are or will be paid at least fair market value. Attach copies of any written contracts or other agreements relating to such sales. Yes No
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- 8a** Do you or will you have any leases, contracts, loans, or other agreements with your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," provide the information requested in lines 8b through 8f. Yes No
- b** Describe any written or oral arrangements that you made or intend to make.
- c** Identify with whom you have or will have such arrangements.
- d** Explain how the terms are or will be negotiated at arm's length.
- e** Explain how you determine you pay no more than fair market value or you are paid at least fair market value.
- f** Attach copies of any signed leases, contracts, loans, or other agreements relating to such arrangements.
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- 9a** Do you or will you have any leases, contracts, loans, or other agreements with any organization in which any of your officers, directors, or trustees are also officers, directors, or trustees, or in which any individual officer, director, or trustee owns more than a 35% interest? If "Yes," provide the information requested in lines 9b through 9f. Yes No

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors *(Continued)*

- b** Describe any written or oral arrangements you made or intend to make.
- c** Identify with whom you have or will have such arrangements.
- d** Explain how the terms are or will be negotiated at arm's length.
- e** Explain how you determine or will determine you pay no more than fair market value or that you are paid at least fair market value.
- f** Attach a copy of any signed leases, contracts, loans, or other agreements relating to such arrangements.

Part VI Your Members and Other Individuals and Organizations That Receive Benefits From You

The following "Yes" or "No" questions relate to goods, services, and funds you provide to individuals and organizations as part of your activities. Your answers should pertain to *past*, *present*, and *planned* activities. (See instructions.)

- 1a** In carrying out your exempt purposes, do you provide goods, services, or funds to individuals? If "Yes," describe each program that provides goods, services, or funds to individuals. **Yes** **No**
- b** In carrying out your exempt purposes, do you provide goods, services, or funds to organizations? If "Yes," describe each program that provides goods, services, or funds to organizations. **Yes** **No**
- 2** Do any of your programs limit the provision of goods, services, or funds to a specific individual or group of specific individuals? For example, answer "Yes," if goods, services, or funds are provided only for a particular individual, your members, individuals who work for a particular employer, or graduates of a particular school. If "Yes," explain the limitation and how recipients are selected for each program. **Yes** **No**
- 3** Do any individuals who receive goods, services, or funds through your programs have a family or business relationship with any officer, director, trustee, or with any of your highest compensated employees or highest compensated independent contractors listed in Part V, lines 1a, 1b, and 1c? If "Yes," explain how these related individuals are eligible for goods, services, or funds. **Yes** **No**

Part VII Your History

The following "Yes" or "No" questions relate to your history. (See instructions.)

- 1** Are you a **successor** to another organization? Answer "Yes," if you have taken or will take over the activities of another organization; you took over 25% or more of the fair market value of the net assets of another organization; or you were established upon the conversion of an organization from for-profit to non-profit status. If "Yes," complete Schedule G. **Yes** **No**
- 2** Are you submitting this application more than 27 months after the end of the month in which you were legally formed? If "Yes," complete Schedule E. **Yes** **No**

Part VIII Your Specific Activities

The following "Yes" or "No" questions relate to specific activities that you may conduct. Check the appropriate box. Your answers should pertain to *past*, *present*, and *planned* activities. (See instructions.)

- 1** Do you support or oppose candidates in **political campaigns** in any way? If "Yes," explain. **Yes** **No**
- 2a** Do you attempt to **influence legislation**? If "Yes," explain how you attempt to influence legislation and complete line 2b. If "No," go to line 3a. **Yes** **No**
- b** Have you made or are you making an **election** to have your legislative activities measured by expenditures by filing Form 5768? If "Yes," attach a copy of the Form 5768 that was already filed or attach a completed Form 5768 that you are filing with this application. If "No," describe whether your attempts to influence legislation are a substantial part of your activities. Include the time and money spent on your attempts to influence legislation as compared to your total activities. **Yes** **No**
- 3a** Do you or will you operate bingo or **gaming** activities? If "Yes," describe who conducts them, and list all revenue received or expected to be received and expenses paid or expected to be paid in operating these activities. **Revenue and expenses** should be provided for the time periods specified in Part IX, Financial Data. **Yes** **No**
- b** Do you or will you enter into contracts or other agreements with individuals or organizations to conduct bingo or gaming for you? If "Yes," describe any written or oral arrangements that you made or intend to make, identify with whom you have or will have such arrangements, explain how the terms are or will be negotiated at arm's length, and explain how you determine or will determine you pay no more than fair market value or you will be paid at least fair market value. Attach copies or any written contracts or other agreements relating to such arrangements. **Yes** **No**
- c** List the states and local jurisdictions, including Indian Reservations, in which you conduct or will conduct gaming or bingo.

Part VIII Your Specific Activities (Continued)

- 4a** Do you or will you undertake **fundraising**? If "Yes," check all the fundraising programs you do or will conduct. (See instructions.) **Yes** **No**
- | | |
|---|--|
| <input type="checkbox"/> mail solicitations | <input type="checkbox"/> phone solicitations |
| <input type="checkbox"/> email solicitations | <input type="checkbox"/> accept donations on your website |
| <input type="checkbox"/> personal solicitations | <input type="checkbox"/> receive donations from another organization's website |
| <input type="checkbox"/> vehicle, boat, plane, or similar donations | <input type="checkbox"/> government grant solicitations |
| <input type="checkbox"/> foundation grant solicitations | <input type="checkbox"/> Other |
- Attach a description of each fundraising program.
- b** Do you or will you have written or oral contracts with any individuals or organizations to raise funds for you? If "Yes," describe these activities. Include all revenue and expenses from these activities and state who conducts them. Revenue and expenses should be provided for the time periods specified in Part IX, Financial Data. Also, attach a copy of any contracts or agreements. **Yes** **No**
- c** Do you or will you engage in fundraising activities for other organizations? If "Yes," describe these arrangements. Include a description of the organizations for which you raise funds and attach copies of all contracts or agreements. **Yes** **No**
- d** List all states and local jurisdictions in which you conduct fundraising. For each state or local jurisdiction listed, specify whether you fundraise for your own organization, you fundraise for another organization, or another organization fundraises for you.
- e** Do you or will you maintain separate accounts for any contributor under which the contributor has the right to advise on the use or distribution of funds? Answer "Yes" if the donor may provide advice on the types of investments, distributions from the types of investments, or the distribution from the donor's contribution account. If "Yes," describe this program, including the type of advice that may be provided and submit copies of any written materials provided to donors. **Yes** **No**
-
- 5** Are you **affiliated** with a governmental unit? If "Yes," explain. **Yes** **No**
- 6a** Do you or will you engage in **economic development**? If "Yes," describe your program. **Yes** **No**
- b** Describe in full who benefits from your economic development activities and how the activities promote exempt purposes.
-
- 7a** Do or will persons other than your employees or volunteers **develop** your facilities? If "Yes," describe each facility, the role of the developer, and any business or family relationship(s) between the developer and your officers, directors, or trustees. **Yes** **No**
- b** Do or will persons other than your employees or volunteers **manage** your activities or facilities? If "Yes," describe each activity and facility, the role of the manager, and any business or family relationship(s) between the manager and your officers, directors, or trustees. **Yes** **No**
- c** If there is a business or family relationship between any manager or developer and your officers, directors, or trustees, identify the individuals, explain the relationship, describe how contracts are negotiated at arm's length so that you pay no more than fair market value, and submit a copy of any contracts or other agreements.
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- 8** Do you or will you enter into **joint ventures**, including partnerships or **limited liability companies** treated as partnerships, in which you share profits and losses with partners other than section 501(c)(3) organizations? If "Yes," describe the activities of these joint ventures in which you participate. **Yes** **No**
-
- 9a** Are you applying for exemption as a childcare organization under section 501(k)? If "Yes," answer lines 9b through 9d. If "No," go to line 10. **Yes** **No**
- b** Do you provide child care so that parents or caretakers of children you care for can be **gainfully employed** (see instructions)? If "No," explain how you qualify as a childcare organization described in section 501(k). **Yes** **No**
- c** Of the children for whom you provide child care, are 85% or more of them cared for by you to enable their parents or caretakers to be gainfully employed (see instructions)? If "No," explain how you qualify as a childcare organization described in section 501(k). **Yes** **No**
- d** Are your services available to the general public? If "No," describe the specific group of people for whom your activities are available. Also, see the instructions and explain how you qualify as a childcare organization described in section 501(k). **Yes** **No**
-
- 10** Do you or will you publish, own, or have rights in music, literature, tapes, artworks, choreography, scientific discoveries, or other **intellectual property**? If "Yes," explain. Describe who owns or will own any copyrights, patents, or trademarks, whether fees are or will be charged, how the fees are determined, and how any items are or will be produced, distributed, and marketed. **Yes** **No**

Part VIII Your Specific Activities (Continued)

- 11** Do you or will you accept contributions of: real property; conservation easements; closely held securities; intellectual property such as patents, trademarks, and copyrights; works of music or art; licenses; royalties; automobiles, boats, planes, or other vehicles; or collectibles of any type? If "Yes," describe each type of contribution, any conditions imposed by the donor on the contribution, and any agreements with the donor regarding the contribution. **Yes** **No**
-
- 12a** Do you or will you operate in a **foreign country or countries**? If "Yes," answer lines 12b through 12d. If "No," go to line 13a. **Yes** **No**
- b** Name the foreign countries and regions within the countries in which you operate.
- c** Describe your operations in each country and region in which you operate.
- d** Describe how your operations in each country and region further your exempt purposes.
-
- 13a** Do you or will you make grants, loans, or other distributions to organization(s)? If "Yes," answer lines 13b through 13g. If "No," go to line 14a. **Yes** **No**
- b** Describe how your grants, loans, or other distributions to organizations further your exempt purposes.
- c** Do you have written contracts with each of these organizations? If "Yes," attach a copy of each contract. **Yes** **No**
- d** Identify each recipient organization and any **relationship** between you and the recipient organization.
- e** Describe the records you keep with respect to the grants, loans, or other distributions you make.
- f** Describe your selection process, including whether you do any of the following:
- (i)** Do you require an application form? If "Yes," attach a copy of the form. **Yes** **No**
- (ii)** Do you require a grant proposal? If "Yes," describe whether the grant proposal specifies your responsibilities and those of the grantee, obligates the grantee to use the grant funds only for the purposes for which the grant was made, provides for periodic written reports concerning the use of grant funds, requires a final written report and an accounting of how grant funds were used, and acknowledges your authority to withhold and/or recover grant funds in case such funds are, or appear to be, misused. **Yes** **No**
- g** Describe your procedures for oversight of distributions that assure you the resources are used to further your exempt purposes, including whether you require periodic and final reports on the use of resources.
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- 14a** Do you or will you make grants, loans, or other distributions to foreign organizations? If "Yes," answer lines 14b through 14f. If "No," go to line 15. **Yes** **No**
- b** Provide the name of each foreign organization, the country and regions within a country in which each foreign organization operates, and describe any relationship you have with each foreign organization.
- c** Does any foreign organization listed in line 14b accept contributions earmarked for a specific country or specific organization? If "Yes," list all earmarked organizations or countries. **Yes** **No**
- d** Do your contributors know that you have ultimate authority to use contributions made to you at your discretion for purposes consistent with your exempt purposes? If "Yes," describe how you relay this information to contributors. **Yes** **No**
- e** Do you or will you make pre-grant inquiries about the recipient organization? If "Yes," describe these inquiries, including whether you inquire about the recipient's financial status, its tax-exempt status under the Internal Revenue Code, its ability to accomplish the purpose for which the resources are provided, and other relevant information. **Yes** **No**
- f** Do you or will you use any additional procedures to ensure that your distributions to foreign organizations are used in furtherance of your exempt purposes? If "Yes," describe these procedures, including site visits by your employees or compliance checks by impartial experts, to verify that grant funds are being used appropriately. **Yes** **No**

Part VIII Your Specific Activities *(Continued)*

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|-----------|--|-------------------------------------|------------------------------------|
| 15 | Do you have a close connection with any organizations? If "Yes," explain. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 16 | Are you applying for exemption as a cooperative hospital service organization under section 501(e)? If "Yes," explain. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 17 | Are you applying for exemption as a cooperative service organization of operating educational organizations under section 501(f)? If "Yes," explain. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 18 | Are you applying for exemption as a charitable risk pool under section 501(n)? If "Yes," explain. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 19 | Do you or will you operate a school ? If "Yes," complete Schedule B. Answer "Yes," whether you operate a school as your main function or as a secondary activity. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 20 | Is your main function to provide hospital or medical care ? If "Yes," complete Schedule C. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 21 | Do you or will you provide low-income housing or housing for the elderly or handicapped ? If "Yes," complete Schedule F. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 22 | Do you or will you provide scholarships, fellowships, educational loans, or other educational grants to individuals, including grants for travel, study, or other similar purposes? If "Yes," complete Schedule H. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

Note: Private foundations may use Schedule H to request advance approval of individual grant procedures.

Part IX Financial Data

For purposes of this schedule, years in existence refer to completed tax years. If in existence 4 or more years, complete the schedule for the most recent 4 tax years. If in existence more than 1 year but less than 4 years, complete the statements for each year in existence and provide projections of your likely revenues and expenses based on a reasonable and good faith estimate of your future finances for a total of 3 years of financial information. If in existence less than 1 year, provide projections of your likely revenues and expenses for the current year and the 2 following years, based on a reasonable and good faith estimate of your future finances for a total of 3 years of financial information. (See instructions.)

A. Statement of Revenues and Expenses

	Type of revenue or expense	Current tax year	3 prior tax years or 2 succeeding tax years			(e) Provide Total for (a) through (d)
		(a) From To	(b) From To	(c) From To	(d) From To	
Revenues	1 Gifts, grants, and contributions received (do not include unusual grants)					
	2 Membership fees received					
	3 Gross investment income					
	4 Net unrelated business income					
	5 Taxes levied for your benefit					
	6 Value of services or facilities furnished by a governmental unit without charge (not including the value of services generally furnished to the public without charge)					
	7 Any revenue not otherwise listed above or in lines 9-12 below (attach an itemized list)					
	8 Total of lines 1 through 7					
	9 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to your exempt purposes (attach itemized list)					
	10 Total of lines 8 and 9					
	11 Net gain or loss on sale of capital assets (attach schedule and see instructions)					
	12 Unusual grants					
	13 Total Revenue Add lines 10 through 12					
Expenses	14 Fundraising expenses					
	15 Contributions, gifts, grants, and similar amounts paid out (attach an itemized list)					
	16 Disbursements to or for the benefit of members (attach an itemized list)					
	17 Compensation of officers, directors, and trustees					
	18 Other salaries and wages					
	19 Interest expense					
	20 Occupancy (rent, utilities, etc.)					
	21 Depreciation and depletion					
	22 Professional fees					
	23 Any expense not otherwise classified, such as program services (attach itemized list)					
	24 Total Expenses Add lines 14 through 23					

Part IX Financial Data (Continued)

B. Balance Sheet (for your most recently completed tax year)

Year End:

(Whole dollars)

Assets		1	
1	Cash	1	
2	Accounts receivable, net	2	
3	Inventories	3	
4	Bonds and notes receivable (attach an itemized list)	4	
5	Corporate stocks (attach an itemized list)	5	
6	Loans receivable (attach an itemized list)	6	
7	Other investments (attach an itemized list)	7	
8	Depreciable and depletable assets (attach an itemized list)	8	
9	Land	9	
10	Other assets (attach an itemized list)	10	
11	Total Assets (add lines 1 through 10)	11	
Liabilities		12	
12	Accounts payable	12	
13	Contributions, gifts, grants, etc. payable	13	
14	Mortgages and notes payable (attach an itemized list)	14	
15	Other liabilities (attach an itemized list)	15	
16	Total Liabilities (add lines 12 through 15)	16	
Fund Balances or Net Assets		17	
17	Total fund balances or net assets	17	
18	Total Liabilities and Fund Balances or Net Assets (add lines 16 and 17)	18	
19	Have there been any substantial changes in your assets or liabilities since the end of the period shown above? If "Yes," explain.	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Part X Public Charity Status

Part X is designed to classify you as an organization that is either a **private foundation** or a **public charity**. Public charity status is a more favorable tax status than private foundation status. If you are a private foundation, Part X is designed to further determine whether you are a **private operating foundation**. (See instructions.)

- 1a Are you a private foundation? If "Yes," go to line 1b. If "No," go to line 5 and proceed as instructed. If you are unsure, see the instructions. Yes No
- b As a private foundation, section 508(e) requires special provisions in your organizing document in addition to those that apply to all organizations described in section 501(c)(3). Check the box to confirm that your organizing document meets this requirement, whether by express provision or by reliance on operation of state law. Attach a statement that describes specifically where your organizing document meets this requirement, such as a reference to a particular article or section in your organizing document or by operation of state law. See the instructions, including Appendix B, for information about the special provisions that need to be contained in your organizing document. Go to line 2.
- 2 Are you a private operating foundation? To be a private operating foundation you must engage directly in the active conduct of charitable, religious, educational, and similar activities, as opposed to indirectly carrying out these activities by providing grants to individuals or other organizations. If "Yes," go to line 3. If "No," go to the signature section of Part XI. Yes No
- 3 Have you existed for one or more years? If "Yes," attach financial information showing that you are a private operating foundation; go to the signature section of Part XI. If "No," continue to line 4. Yes No
- 4 Have you attached either (1) an affidavit or opinion of counsel, (including a written affidavit or opinion from a certified public accountant or accounting firm with expertise regarding this tax law matter), that sets forth facts concerning your operations and support to demonstrate that you are likely to satisfy the requirements to be classified as a private operating foundation; or (2) a statement describing your proposed operations as a private operating foundation? Yes No
- 5 If you answered "No" to line 1a, indicate the type of public charity status you are requesting by checking one of the choices below. You may check only one box.
- The organization is not a private foundation because it is:
- a 509(a)(1) and 170(b)(1)(A)(i)—a church or a convention or association of churches. Complete and attach Schedule A.
 - b 509(a)(1) and 170(b)(1)(A)(ii)—a **school**. Complete and attach Schedule B.
 - c 509(a)(1) and 170(b)(1)(A)(iii)—a **hospital**, a cooperative hospital service organization, or a medical research organization operated in conjunction with a hospital. Complete and attach Schedule C.
 - d 509(a)(3)—an organization supporting either one or more organizations described in line 5a through c, f, g, or h or a publicly supported section 501(c)(4), (5), or (6) organization. Complete and attach Schedule D.

Part X Public Charity Status (Continued)

- e 509(a)(4)—an organization organized and operated exclusively for testing for public safety.
- f 509(a)(1) and 170(b)(1)(A)(iv)—an organization operated for the benefit of a college or university that is owned or operated by a governmental unit.
- g 509(a)(1) and 170(b)(1)(A)(vi)—an organization that receives a substantial part of its financial support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public.
- h 509(a)(2)—an organization that normally receives not more than one-third of its financial support from gross **investment income** and receives more than one-third of its financial support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions).
- i A publicly supported organization, but unsure if it is described in 5g or 5h. The organization would like the IRS to decide the correct status.

6 If you checked box g, h, or i in question 5 above, you must request either an **advance** or a **definitive ruling** by selecting one of the boxes below. Refer to the instructions to determine which type of ruling you are eligible to receive.

- a **Request for Advance Ruling:** By checking this box and signing the consent, pursuant to section 6501(c)(4) of the Code you request an advance ruling and agree to extend the statute of limitations on the assessment of excise tax under section 4940 of the Code. The tax will apply only if you do not establish public support status at the end of the 5-year advance ruling period. The assessment period will be extended for the 5 advance ruling years to 8 years, 4 months, and 15 days beyond the end of the first year. You have the right to refuse or limit the extension to a mutually agreed-upon period of time or issue(s). Publication 1035, *Extending the Tax Assessment Period*, provides a more detailed explanation of your rights and the consequences of the choices you make. You may obtain Publication 1035 free of charge from the IRS web site at www.irs.gov or by calling toll-free 1-800-829-3676. Signing this consent will not deprive you of any appeal rights to which you would otherwise be entitled. If you decide not to extend the statute of limitations, you are not eligible for an advance ruling.

Consent Fixing Period of Limitations Upon Assessment of Tax Under Section 4940 of the Internal Revenue Code

For Organization

.....
(Signature of Officer, Director, Trustee, or other authorized official)

.....
(Type or print name of signer)

.....
(Date)

.....
(Type or print title or authority of signer)

For Director, Exempt Organizations

By Date

- b **Request for Definitive Ruling:** Check this box if you have completed one tax year of at least 8 full months and you are requesting a definitive ruling. To confirm your public support status, answer line 6b(i) if you checked box g in line 5 above. Answer line 6b(ii) if you checked box h in line 5 above. If you checked box i in line 5 above, answer both lines 6b(i) and (ii).

(i) (a) Enter 2% of line 8, column (e) on Part IX-A. Statement of Revenues and Expenses. _____

(b) Attach a list showing the name and amount contributed by each person, company, or organization whose gifts totaled more than the 2% amount. If the answer is "None," check this box.

(ii) (a) For each year amounts are included on lines 1, 2, and 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each **disqualified person**. If the answer is "None," check this box.

(b) For each year amounts are included on line 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each payer, other than a disqualified person, whose payments were more than the larger of (1) 1% of line 10, Part IX-A. Statement of Revenues and Expenses, or (2) \$5,000. If the answer is "None," check this box.

7 Did you receive any unusual grants during any of the years shown on Part IX-A. Statement of Revenues and Expenses? If "Yes," attach a list including the name of the contributor, the date and amount of the grant, a brief description of the grant, and explain why it is unusual. Yes No

Part XI User Fee Information

You must include a user fee payment with this application. It will not be processed without your paid user fee. If your average annual gross receipts have exceeded or will exceed \$10,000 annually over a 4-year period, you must submit payment of \$500. If your gross receipts have not exceeded or will not exceed \$10,000 annually over a 4-year period, the required user fee payment is \$150. See instructions for Part XI, for a definition of **gross receipts** over a 4-year period. Your check or money order must be made payable to the United States Treasury. *User fees are subject to change. Check our website at www.irs.gov and type "User Fee" in the keyword box, or call Customer Account Services at 1-877-829-5500 for current information.*

- 1** Have your annual gross receipts averaged or are they expected to average not more than \$10,000? **Yes** **No**
 If "Yes," check the box on line 2 and enclose a user fee payment of \$150 (Subject to change—see above).
 If "No," check the box on line 3 and enclose a user fee payment of \$500 (Subject to change—see above).
- 2** Check the box if you have enclosed the reduced user fee payment of \$150 (Subject to change).
- 3** Check the box if you have enclosed the user fee payment of \$500 (Subject to change).

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

**Please
Sign
Here**



.....
 (Signature of Officer, Director, Trustee, or other
 authorized official)

.....
 (Type or print name of signer)

.....
 (Date)

.....
 (Type or print title or authority of signer)

Reminder: Send the completed Form 1023 Checklist with your filled-in-application.

Form **1023** (Rev. 10-2004)

ARTICLES OF INCORPORATION OF
Ars Hermeneutica, Limited
A TAX-EXEMPT NONSTOCK CORPORATION

FIRST: The undersigned, Jeffrey N. Shaumeyer, whose address is

6505 Alexis Drive
Bowie, MD 20720,

and S. J. Isaac Borocz, whose address is

6505 Alexis Drive
Bowie, MD 20720,

being at least eighteen years of age, do hereby form a corporation under the laws of the State of Maryland.

SECOND: The name of the corporation is

Ars Hermeneutica, Limited

THIRD: The purposes for which the corporation is formed are as follows:

- (a) To gain expertise, build research capacity, and maintain laboratories and libraries to support learning, understanding, and research in the physical sciences, earth sciences, space sciences, information sciences, social sciences, and mathematics and statistics;
- (b) To apply its research capacity to theoretical, practical, and applied research related to any problem amenable to illuminating study or solution by the corporation's expertise;
- (c) To use its expertise in pursuit of providing independent, objective, authoritative, and accurate analysis, assessment, advice, guidance, and leadership on scientific and technical matters; and
- (d) To discover, comprehend, and disseminate knowledge and understanding concerning the goals, methods, practices, and results of the scientific and mathematical disciplines; to increase awareness and appreciation of said knowledge and understanding; and to encourage and facilitate the practical utility of said knowledge and understanding in industry, commerce, and daily life.
- (e) The corporation is organized exclusively for charitable, educational, and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

FOURTH: The street address of the principal office of the corporation in Maryland is

6505 Alexis Drive
Bowie, MD 20720.

FIFTH: The name of the resident agent of the corporation in Maryland is Jeffrey N. Shaumeyer, whose address is 6505 Alexis Drive, Bowie, MD 20720.

SIXTH: The corporation has no authority to issue capital stock.

SEVENTH: The number of directors of the corporation shall be two, which number may be increased or decreased pursuant to the bylaws of the corporation. The names of the directors who shall act until the first meeting, or until their successors are duly chosen and qualified, are Jeffrey N. Shaumeyer and S. J. Isaac Borocz.

EIGHTH: The duration of the corporation shall be perpetual.

NINTH: The Board of Directors shall have the power to adopt, amend, or repeal, in whole or in part, bylaws for the governance of the corporation.

TENTH: No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article Third hereof. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

Upon the dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

ELEVENTH: The corporation shall indemnify its directors, officers, employees, and agents to the fullest extent provided by the laws of the State of Maryland now or hereafter in force, including the advance of expenses under the procedures provided by such laws.

IN WITNESS WHEREOF, We have signed these articles and acknowledge the same to be our act.

SIGNATURES OF INCORPORATORS:

I hereby consent to my designation in this document as resident agent for this corporation.

SIGNATURE OF RESIDENT AGENT LISTED IN FIFTH:

Filing party's return address:

Jeffrey N. Shaumeyer
6505 Alexis Drive
Bowie, MD 20720

Ars Hermeneutica, Limited Bylaws of the Corporation

Adopted 15 September 2005

Article I. The Organization

Section 1. Name

The name of the corporation is "Ars Hermeneutica, Limited" (hereinafter also the "Corporation").

Section 2. Status

Ars Hermeneutica, Limited is a nonprofit corporation organized and existing under the laws of the state of Maryland.

Article II. Membership

Section 1. No Members

The Corporation shall have no members.

Article III. Board of Directors

Section 1. Election

Directors shall be elected by the Board of Directors at the Annual Meeting of the Board of Directors, except as otherwise provided in this article. Each Director shall serve until that Director's successor is elected and qualified, unless that Director's position shall be vacated by resignation, death, removal, or otherwise.

Section 2. Number

The number of Directors constituting the entire Board of Directors shall be not less than two (2) nor more than forty-eight (48), and shall be fixed by resolution of the Board of Directors. The Board of Directors, by at least a two-thirds (2/3) vote of all members of the Board (or unanimously if the number be less than 3), may amend this section to change the minimum or maximum allowed number of Directors, provided that no such change shall shorten the term of any incumbent Director.

Section 3. Term

Each Director shall serve a term of three (3) years, except as provided elsewhere in this Article. There is no limit to the number of terms a Director may serve. For the purpose of staggering their terms of office, the Directors shall be divided into three (3) classes, as nearly equal in numbers as may be, and the term of office of each class shall expire each year in regular rotation.

Section 4. Officers of the Board

The Officers of the Board shall be a Chair and a Secretary. The Chair shall serve a term of one (1) year, and shall be elected at each Annual Meeting following the election of Directors. There is no limit to the number of successive terms the Chair may serve. The Chair of the Board shall preside at all meetings of the Board of Directors, or the Chair shall designate another Director to preside in the absence of the Chair, and perform such other functions as shall be determined by the Board from time to time. The Secretary of the Corporation shall serve as the Secretary of the Board.

Section 5. Resignation

Resignations of Directors are effective upon receipt of a written notification by the Secretary or the President of the Corporation.

Section 6. Vacancies

In case of any vacancy in the Board of Directors, a majority of the remaining Directors may elect a successor to fill the unexpired term, and to serve until that Director's successor shall have been duly elected and qualified. In the event of increase in the number of Directors, additional Directors may be elected to terms of one, two, or three years as may be necessary to maintain equality in numbers among the classes of Directors. Additional Directors so elected shall serve until their successors shall have been duly elected and qualified.

Section 7. Absences

If any Director shall fail to attend three (3) consecutive meetings of the Board of Directors without excuse accepted as satisfactory by the Board, such Director shall be deemed to have resigned and the resulting vacancy shall be filled.

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Section 8. Removal

At any meeting of the Board of Directors duly called, any Director may, by vote of two-thirds (2/3) of the entire Board, be removed from office and the resulting vacancy shall be filled.

Section 9. Meetings

A meeting of the Board of Directors shall be held once in each calendar year and designated as the Annual Meeting on such date and at such time and place as may be fixed by the Board of Directors and named in the notice. Regular Meetings of the Board of Directors shall be held at such times as the board may from time to time determine. Special Meetings of the Board of Directors shall be held at any time, on call by the President of the Corporation, the Chair of the Board of Directors, or by the Secretary of the Corporation after a request in writing from any three (3) members of the Board.

Section 10. Notice of Meetings

Notice of the time and place of every meeting of the Board of Directors shall be transmitted not less than ten (10) days before the meeting to each Director at the Director's address as set forth in the records of the Corporation. The method of transmitting notice of meetings shall be determined by resolution of the Board. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 11. Waiver of Notice

Notice of a meeting need not be given to any Director who submits a signed written waiver thereof, whether before or after the meeting, nor to any Director who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice.

Section 12. Quorum

A majority of the entire Board of Directors shall constitute a quorum for the transaction of business, and except as otherwise provided by law or in these Bylaws, a majority in number of such quorum shall decide any question that may come before the meeting. If less than a majority of the Directors is present at said meeting, a majority of the Directors present may adjourn the meeting on occasion without further notice.

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Section 13. Action Without a Meeting

Any action required or permitted to be taken at a meeting of the Board of Directors (including amendment of these Bylaws) or of any committee may be taken without a meeting if all the members of the Board or committee consent in writing to taking the action without a meeting and to approving the specific action. Such consents shall have the same force and effect as a unanimous vote of the Board or of the committee as the case may be. Such resolution and the written consents thereto by the members of the Board of Directors shall be filed with the minutes of the proceedings of the Board.

Section 14. Personal Attendance by Conference Communication Equipment

Any one or more members of the Board of Directors or any committee thereof may participate in a meeting of such Board or committee, with the consent of all the members of such Board or committee present in person at such meeting, by means of a conference telephone, personal-computer teleconferencing software, or similar communications equipment, as permitted by law, that allows all persons participating in the meeting to hear each other or to read each other's written communications at the same time. Participation by such means shall constitute presence in person at the meeting.

Section 15. Compensation

Directors shall not receive any compensation for their services, except that each Director is entitled to receive from the Corporation reimbursement of expenses incurred by the Director in the furtherance of the Corporation's business. Nothing contained in this Section shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation for that service.

Section 16. Executive Committee

By resolution of a majority of the entire Board of Directors, the Board may appoint an Executive Committee consisting of two or more Directors. The Executive Committee may exercise all of the powers and authority of the Board of Directors between meetings of the Board, except the power or authority to alter or amend these Bylaws, or to fill vacancies in the Board of Directors or in the Executive Committee's own membership. The Executive Committee shall fix its own rules of procedure, except that the number of votes needed to transact business shall be fixed by the entire Board of Directors. The Executive Committee

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shall keep regular minutes of its proceedings and report those proceedings to the Board of Directors.

Section 17. Additional Committees.

By resolution of a majority of the entire Board of Directors, the Board may designate one or more additional committees, each committee to consist of two or more Directors. The Board may make such provisions for appointment of the chair of such committees, establish such procedures to govern their activities, and delegate thereto such authority as may be necessary or desirable for the efficient management of the property, affairs, business, activities of the Corporation, except the power or authority to alter or amend these Bylaws, or to fill vacancies in the Board of Directors or in the committee's own membership.

Article IV. Officers

Section 1. Number

The Officers of the Corporation shall be a President, a Secretary, and a Treasurer. The Corporation shall have such other Officers, e.g., one or more Vice Presidents and one or more Assistant Secretaries or Assistant Treasurers, as the Board of Directors from time to time considers necessary for the proper conduct of the business of the Corporation. Any two or more offices, except those of President and Vice President, or President and Secretary, may be held by the same person; however, no Officer may execute, acknowledge, or verify any instrument in more than one capacity if that instrument is required by law or by these Bylaws to be executed, acknowledged, or verified by two or more Officers.

Section 2. Election, Status, & Tenure

The Officers shall be elected by the Board of Directors and shall serve at the pleasure of the Board. The President shall be a Director; the other Officers may, but need not, be Directors. Except where otherwise expressly provided in a contract duly authorized by the Board of Directors, all Officers, agents, and employees of the Corporation are subject to removal at any time by the Board of Directors and shall hold office at the discretion of the Board of Directors or of the Officers appointing them.

Section 3. Powers & Duties

The powers and duties of the several Officers shall be as provided from time to time by resolution or other directive of the Board of Directors. In the absence of such provisions, the respective Officers shall have the

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powers and shall discharge the duties associated with such offices. The Secretary shall prepare minutes of all meetings of the Board, and shall authenticate the records of the Corporation upon request.

Section 4. Resignation

Resignations of Officers are effective upon receipt of a written notification by the Secretary of the Corporation.

Section 5. Removal

Any Officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an Officer shall not of itself create contract rights.

Section 6. Salaries

The salaries of the Officers may be fixed from time to time by the Board of Directors. No Officer shall be prevented from receiving such salary by reason of the fact that said Officer is also a Director of the Corporation.

Article V. Finances

Section 1. Contracts

The Board of Directors may authorize any Officer or Officers of the Corporation, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific business.

Section 2. Loans

No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. Checks, Drafts, or Orders

All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness shall be signed by such Officer or Officers, agent or agents of the Corporation and in such manner as from time to time shall be determined by resolution of the Board of Directors or of any committee to which such authority has been delegated by the Board.

Section 4. Deposits

All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors or any committee to which such authority has been delegated by the Board shall select. For the purpose of deposit and for the purpose of collection for that account of the Corporation, checks, drafts, and other orders of the Corporation may be endorsed, assigned, and delivered on behalf of the Corporation by an Officer or agent of the Corporation.

Article VI. Indemnification

Section 1. Extent

The Corporation shall indemnify (a) any person made or threatened to be made a party to any action or proceeding by reason of the fact that such a person, or such person's testator or intestate, is or was a Director or Officer of the Corporation and (b) any Director or Officer of the Corporation who served any other corporation of any type or kind, or any partnership, joint venture, trust, employee benefit plan, or other enterprise, association, or entity in any capacity at the request of the Corporation, in the manner and to the maximum extent permitted by the Maryland General Corporation Law, as amended from time to time; and the Corporation may, in the discretion of the Board of Directors, purchase and maintain insurance pursuant to such indemnification and indemnify all other corporate personnel to the extent permitted by law.

Article VII. Sundry Provisions

Section 1. Fiscal Year

The fiscal year of the Corporation shall end on the thirty-first day of December of each year.

Section 2. Seal

The Board of Directors may provide a suitable seal, bearing the name of the Corporation, which shall be in the charge of the Secretary. The Board of Directors may authorize one or more duplicate seals and provide for their custody.

Section 3. Books & Records

The Corporation shall keep correct and complete books and records of its accounts and transactions and minutes of the proceedings of its Board of Directors and of any executive committee or other committee when

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exercising any of the powers or authority of the Board of Directors. The books and records of the Corporation may be in written form or in any other form that can be converted within a reasonable time into written form for visual inspection. Minutes shall be recorded in written form, but may be maintained in the form of a reproduction.

Section 4. Conduct of Meetings

Except as otherwise provided in these Bylaws, by applicable law or by resolution of the Board of Directors, all meetings of the Board or of any Committee designated by the Board shall be conducted in conformity with Robert's Rules of Order, Revised, as amended from time to time.

Section 5. Conflict of Interest

Each Director and Officer of the Corporation shall be governed by a Conflict of Interest Policy, which shall be separately adopted by the Board of Directors.

Article VIII. Dissolution

Section 1. Distribution of Assets

Upon the dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

Article IX. Amendments

Section 1. Process

These Bylaws may be adopted, amended or repealed in whole or in part by the affirmative vote of a majority in number of the entire Board of Directors, except where otherwise specified by these Bylaws, provided that at least ten (10) days before the meeting at which any amendment shall be voted upon, written notice of the proposed amendment shall be transmitted to each member of the Board, together with a concise statement of the changes proposed to be made.

Ars Hermeneutica, Limited
Form 1023, Part IV:
Narrative Description of Company Activities

1. Introduction

Ars Hermeneutica, Limited is a Maryland nonprofit corporation, created to engage in scientific research and public education as a tax-exempt, scientific-research organization within the prescribed limits of §501(c)(3) of the Internal Revenue Code.

Condensing and paraphrasing the corporate purposes as stated in our Articles of Incorporation, the mission of Ars Hermeneutica is three-fold:

1. To conduct interdisciplinary scientific research and engineering design across multiple technical disciplines;
2. To educate the public, both children and adults, about the goals, methods, and results of science, mathematics, and engineering; and
3. To uphold, by example and by activity, the highest levels of scientific integrity.

Item #3 is a guiding, philosophical umbrella for our activities rather than an activity in itself, but its importance is primary. The public's respect for the findings of science is a public trust,¹ one that must be maintained and nurtured by steadfast adherence the highest levels of scientific integrity and honesty in our goals and operations. This guiding principle will shape our choice of research activities, our operations, and the reporting of our results to our clients and to the public.

The "technical disciplines" in #1 specifically include the physical sciences, earth sciences, space sciences, information sciences, social sciences, mathematics and statistics, and the allied engineering disciplines. Although not specifically excluded by our organizing documents, we have no strategic plans to engage in research related to medicine, health, or the life sciences.

¹ When asked whom they trust as a reliable source of information about the environment and the natural world, the public overwhelmingly (64%) looks to scientists for a reliable perspective. A scant 3% trust government officials to provide reliable scientific information. [From a 2001 National survey conducted by the California Academy of Sciences & Harris interactive.]

Ars Hermeneutica, as a research organization, will be structured to support those goals in creative ways that stimulate technical cross-fertilization. We intend a relatively unhierarchical organization that functions as a consortium of researcher peers who team in arrangements that may change depending on the shifting demands of unique research opportunities. For that reason, we expect that the research direction and specific activities of the company will largely be determined by the team of researchers, who will chart their own research course within the mission guidelines of the company, broadly steered by the Board of Directors and subject to available funding from research sponsors.

As a tax-exempt scientific-research organization (SRO), Ars Hermeneutica is fundamentally directed towards advancing science in the public interest, and the majority of our activities will be devoted to scientific research. The tax-exempt tests we expect to meet as an SRO advancing science through research in the public interest include timely publication of the lessons and results of our research, making them freely accessible to the interested public, and performing research for government agencies, thereby relieving the burdens of government.

The balance of our activities will be directed towards science education: informing the public, both children and adults, about science: how it works, and what it has learned. Our tax-exempt activities related to education will include casual science education itself ("casual" education through non-traditional methods and channels, in contrast to "formal" education through classroom instruction and curriculum development), as well as sponsored research on questions dealing with methods, approaches, and evaluation of casual science education. Therefore, there will be some overlap between our research and our educational activities.

As an ever-present, adjunct project to our research proper, science itself will be the subject of our research. Our corporate mission includes the goal of analyzing our own research methods and techniques, and researching the fundamentals of scientific and engineering methods, then sharing that knowledge with the public and using that knowledge to inform and improve our approaches to casual science education.

Financially, Ars Hermeneutica will operate as a public charity, drawing from a broad base of income sources to pay for our scientific research (60% of total activity) and educational projects (40% of total activity), including contract-sponsored research for federal and local government, as well as research sponsored by private industrial sources, in addition to grants from government and private foundations. Donations by individuals is expected to be an insignificant source of income, at least in the near term.

Based on our current plans, the expected sources of income for our first 5 years break down approximately as:

Funding Source	Research (% of total income)	Education (% of total income)
Government Contracts	40%	
Private Contracts	10%	
Government Grants	10%	20%
Foundation Grants		20%

2. Scientific Research

Our stated objective as an SRO is to develop the capacity to undertake research projects that draw expertise and apply technical knowledge from a number of physical-science and engineering disciplines, mathematics, and statistics. More explicitly, the first three subsections of the statement of purpose in the articles of Incorporation for Ars Hermeneutica put it this way:

- (a) To gain expertise, build research capacity, and maintain laboratories and libraries to support learning, understanding, and research in the physical sciences, earth sciences, space sciences, information sciences, social sciences, and mathematics and statistics;
- (b) To apply its research capacity to theoretical, practical, and applied research related to any problem amenable to illuminating study or solution by the corporation's expertise; and,
- (c) To use its expertise in pursuit of providing independent, objective, authoritative, and accurate analysis, assessment, advice, guidance, and leadership on scientific and technical matters.

Strategically, we plan to develop and grow laboratory facilities and other infrastructure that will support our pure and applied research on most scientific and engineering questions. In the earliest stages, our tactical approach is to undertake research projects that do not rely on specialized laboratory facilities, but where the research work relies more on our diversity of analytical experience and our expertise in its systems-level applications, in areas such as technical assessment, policy analysis,

statistic applications, conceptual design, and strategic technical advising.

As mentioned in the previous section, we plan to provide contract-research services for both government agencies and private industry, in a roughly 4 to 1 ratio. All contracted research will be roughly half of our total activity. Additionally, we expect another ten per-cent of our scientific research activity to be internally directed (research projects developed and advocated by our own researchers) and supported by grants from government sources.

In the case of contracted research, Ars Hermeneutica will generally not retain rights to any intellectual property that we create or discover on behalf of our customers. Our industrial customers will typically retain control of those intellectual property rights (patents, processes, designs, copyrighted work), and Ars Hermeneutica will publish its research findings as timely and widely as permitted by due consideration for trade-secret protection. In similar fashion, research we perform on behalf of the US Government or state governments is performed in the public interest, with intellectual property generally reverting to the public domain or held in a public trust, subject to disclosure limits imposed by national security considerations.

The nature of our research is pure and applied: using analytical scientific and engineering techniques to uncover new scientific principles and develop novel engineering designs. We recognize that there can be some dispute about whether "research" (regardless of whether it is "pure" or "applied") is "scientific", and the concepts are not legally clear. Science and engineering professionals generally agree that there are discriminating features, but don't universally agree on what they are.

There are two applicable quotations from court decisions to be found in the IRS publication "Scientific Research Under IRC 501(c)(3)" that address these issues rather succinctly:

"The terms 'science' and 'scientific' are not defined in the Internal Revenue Code, Congress apparently having chosen to rely on the commonly understood meaning of the term. The McGraw-Hill Dictionary of Science and Technical Terms, (Lapedes ed., 2d ed., 1978), p. 1414, defines 'science' as a branch of study in which facts are observed, classified, and verified; [or] involves the application of mathematical reasoning and data analysis to natural phenomenon.' . [p. 2, § 2.a: "The Meaning of the Term "Scientific" as Used in Section 1.501(c)(3)-1(d)(5)".]

and

The court recognized that while projects may vary in terms of degree of sophistication, "if professional skill is involved in the design and supervision of a project intended to solve a problem through the search for a demonstrable truth, the project would appear to be scientific research" and not ordinary testing [p. 4-5, § 2.b: "Meaning of the Term "Research" as Used in Section 1.501(c)(3)-1(d)(5)".]

Both of these are acceptable when it comes to describing the "scientific research" to be performed by Ars Hermeneutica. As will be seen when we discuss more specific examples below, bringing the analytical techniques of science, particularly mathematical and statistical methods, to bear on questions in fields where their application has not been widespread, in an effort to discover scientific truths, is a significant theme in our proposed research program.

That our work will be scientific will, in one sense, be largely demonstrated by the application of familiar analytical techniques by our staff of professional scientists and engineers as they attempt to solve research questions. Likewise, it will overtly be "research" as the staff look for demonstrable truth through the application of their professional expertise as scientists and engineers.

We expect our research projects to be unique in nature, and involve questions and solutions recognized as "scientific". Indeed, the nature of "scientific research" is itself a subject of our research interest. The quest for solutions may involve the development of conceptual system designs and the creation of unique prototype systems (in software or hardware), by which point the research will have moved properly into a manufacturing and production sphere and continued development would be returned to the client.

One additional way to draw some boundaries around the nature of the research and development that Ars Hermeneutica intends to undertake, in an engineering context (the GSA schedules do not address the idea of scientific research as such), is to use the nomenclature of the US General Services Administration schedule of services. The GSA offers these schedules to describe and provide services for the beginning phases of the engineering process in a project, part of its schedule number 871, "Professional Engineering Services":

- ♦ 871-1: Strategic Planning for Technology Programs/Activities;
- ♦ 871-2: Concept Development and Requirements Analysis; and
- ♦ 871-3: System Design, Engineering and Integration.

When applied to unique engineering R&D projects, these phases all involve a significant element of research activity to accomplish, and complement our goal of undertaking a broad range of interdisciplinary pure and applied research projects for our clients.

Ars Hermeneutica is in the early stages of developing specific research plans. A list of such plans will be necessarily tentative and changeable, but will indicate in more detail the nature of research that we are undertaking. The research topics can be broadly grouped into five general categories, which we discuss in the next sections.

*The remaining pages of this narrative are labelled with the inscription "**NOT SUBJECT TO PUBLIC INSPECTION**". These pages of the narrative describe in some detail the research and education-program of Ars Hermeneutica, information that we treat as trade secret. Releasing this information could adversely affect our operations.*



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Part IV: Narrative Description of Company Activities

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Ars Hermeneutica, Limited
Form 1023, Part V:
Compensation and Other Financial Arrangements

V-1a: Officers, Directors, and Trustees

Ars Hermeneutica has, as yet, no income, so these are the proposed figures for total annual compensation, estimated as proposed annual salary + 30% fringe benefits.

These are officers of the Corporation; directors will serve without compensation.

V-1b: Highest Compensated Employees

These strategic positions are expected to be filled early, as the Company becomes operational. These are the proposed figures for total annual compensation, estimated as proposed annual salary + 30% fringe benefits.

V-2a: Relationships among Directors

Although it is not currently recognized as a "family relationship", the persons named as President and Secretary-Treasurer of the Corporation are domestic partners.

V-3a: Information About Highest-Compensated Positions**President**

Name: Jeffrey N. Shaumeyer

Average Hours Worked: 40 / week (full time)

Qualifications: Career scientist, engineer, or mathematician with advanced degree; research experience in academia and industry; committed to casual education of the public about science

Duties: The President, with executive responsibilities defined in the Company's Bylaws, oversees the day-to-day activities of the Company. The President holds signatory and fiscal responsibility for operations and management of the company and is responsible for keeping the Board of Directors informed about the work of the Company, including its income-generating, fundraising, and budgeting activities, as well as its research and educational priorities, problems, and accomplishments.

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Secretary-Treasurer

Name: S.J. Isaac Borocz

Average Hours Worked: 40 / week (full time)

Qualifications: Experience in communications and management

Duties: The Secretary-Treasurer is an executive of the Company with responsibilities defined in the Company's Bylaws, also serving the Company as the Director of Communications. Communicating the activities of the Company to the public, particularly the results of its scientific research, is the responsibility of the Director of Communications. The Director also coordinates and manages the communication aspects of the Company's education and outreach projects.

Executive Vice-President

Name: (not yet named)

Average Hours Worked: 40 / week (full time)

Qualifications: Experienced executive with background in nonprofit development

Duties: The Executive Vice-President also serves the Company as the Director of Development, and has executive powers in order to assist the President in daily operations. The Director of Development manages the work of the Company to locate potential donors for its educational activities, coordinates the activities (presentations, documentation, and proposals) associated with that fundraising, and manages the development budget and staff (as the company grows).

Research Director

Name: (not yet named)

Average Hours Worked: 40 / week (full time)

Qualifications: A background in science, math, or engineering, with advanced degree and significant management experience.

Duties: The activities of Ars Hermeneutica are organized as a federation of Research Projects and Educational Programs; each research project is under the supervision of a Research Director. Initially, the first-appointed Research Director, along with the President, will be responsible for business development and oversight of the sponsored research of the Company. As the Company grows, we expect to appoint multiple Research Directors, each responsible for major divisions in the Company's sponsored research, with research operations then overseen by an executive-level Vice-President for Research.

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Program Director

Name: (not yet named)

Average Hours Worked: 40 / week (full time)

Qualifications: A background in science, math, or engineering, with advanced degree and significant management experience.

Duties: The activities of Ars Hermeneutica are organized as a federation of Research Projects and Educational Programs; educational programs are under the supervision of a Research Director. Initially, the first appointed Program Director, along with the President and the Director of Development, will be responsible for the educational programs of the Company and for developing sources of funding for those programs.

Director of Information Technology

Name: (not yet named)

Average Hours Worked: 40 / week (full time)

Qualifications: Advanced degree and experience in Information Technology

Duties: The Director of Information Technology will manage all technical, personnel, and budgetary aspects of designing, implementing, and maintaining the computer and network infrastructure of the Company, for both internal use and external application. As the company grows and these responsibilities expand, this position will likely become an executive-level Vice-President for Information Technology.

Comptroller

Name: (not yet named)

Average Hours Worked: 40 / week (full time)

Qualifications: Expected to be a Certified Public Accountant

Duties: The Comptroller is responsible for all of the usual financial (recording, reporting, accounts payable and receivable) tasks of the Company associated with the position, initially including contract management.

V-5a: Conflict of Interest Policy

The Company's Conflict of Interest Policy was based on the model suggested by the IRS and adopted by resolution of the Board of Directors. The Policy is attached separately.

Ars Hermeneutica, Limited Conflict-of-Interest Policy

Adopted by the Board of Directors
15 September 2005

1. Article I: Purpose

The purpose of this Conflict-of-Interest Policy is to protect the interest of Ars Hermeneutica (the Organization) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or that might result in a possible excess-benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

2. Article II: Definitions

2.1. Interested Person

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2.2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a.** An ownership interest or investment interest in any entity with which the Organization has a transaction or arrangement,
- b.** A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- c.** A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 3.2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

3. Article III: Procedures

3.1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

3.2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person (or persons), said person (or persons) shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3.3. Procedures for Addressing the Conflict of Interest

- a.** An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b.** The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c.** After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d.** If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

3.4. Violations of the Conflicts of Interest Policy

- a.** If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

4. Article IV: Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:

a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

5. Article V: Compensation

a. A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

6. Article VI: Annual Statements

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms that such person:

a. Has received a copy of the conflicts of interest policy,

b. Has read and understands the policy,

- c. Has agreed to comply with the policy, and
- d. Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

7. Article VII: Periodic Reviews

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

7.1. Article VIII: Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

Ars Hermeneutica, Limited
Form 1023, Part VI:
Individuals and Organizations that Receive Services

VI-1. Goods, Services, or Funds

a. To Individuals?

Our various casual science-education programs are directed at educating the public at large about the goals, methods, and results of science. Because of that, some of our programs may provide educational goods or services directly to individuals, although providing goods and services is not a direct goal of our programs.

b. To Organizations?

As with individuals, our educational programs may partner at times with other organizations to further the program goals, for instance with selected schools to test a pilot program in science curriculum; however, providing goods and services to other organizations is not a direct goal of our educational activities.

To the extent that we perform sponsored scientific research for government agencies and private corporations, we do offer a service to other organizations.

VI-2. Limits on Provision of Services, Goods, or Funds

The limitations imposed on the provision of the services mentioned above would come about through such things as geographic or demographic limitations on an educational or outreach program, which would vary from program to program, or limitations imposed by our own scientific-research expertise or commitments to research directions in accepting particular research contracts.

Ars Hermeneutica, Limited
Form 1023, Part VIII:
Specific Activities

VIII-4a: Fundraising Activities

Financially, Ars Hermeneutica will operate as a public charity, drawing from a broad base of income sources to pay for our scientific research (60% of total activity) and educational projects (40% of total activity), including contract-sponsored research for federal and local government, as well as research sponsored by private industrial sources, in addition to grants from government and private foundations. Donations by individuals is expected to be an insignificant source of income, at least in the near term. [This paragraph is quoted from our "Narrative of Company Activities", which responded to the question in Form 1023, Part IV.]

Our current budget estimates that 50% of our income will be in the form of grants from government source and foundations, largely directed towards our casual science-education programs, with some directed towards research into science-education itself. For some of these education programs, we plan to solicit major grants from private corporations, particularly where in-kind donations (for instance, electronic equipment for mobile science exhibits) would be appropriate for our educational mission.

Even though we believe that donations from individuals will be an insignificant source of income for our operations, we do plan to accept contributions, particularly through our website, that support our tax-exempt goals. However, we have no plans to undertake any major fundraising activities aimed at individual contributions.

VIII-10. Intellectual Property

The activities of Ars Hermeneutica fall into two major categories: scientific research and science education. Both categories involve the creation of some intellectual properties.

In the case of contracted research, Ars Hermeneutica will generally not retain rights to any intellectual property that we create or discover on behalf of our customers. Our industrial customers will typically retain control of those intellectual property rights (patents, processes, designs, copyrighted work), and Ars Hermeneutica will publish its research findings as timely and widely as permitted by due consideration for trade-secret protection. In similar fashion, research we perform on behalf of the US Government or state governments is performed in the public interest, with intellectual property generally reverting to the public

domain or held in a public trust, subject to disclosure limits imposed by national security considerations. [This paragraph is quoted from our "Narrative of Company Activities", which responded to the question in Form 1023, Part IV.]

We expect that our Science Education and Outreach programs will see the creation and publication of intellectual properties, typically in the form of brochures, booklets, and other informative materials. Our intention would be to retain copyright on these materials created by Ars, except where the materials may have been produced, for example, with funding from a foundation or government grant that might require release into the public domain. It is possible that we will produce some educational products, such as games or videos, which will be sold to recover costs and provide income to further our tax-exempt activities, but income from such activity will be a small part of our revenues.

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THIS PAGE NOT SUBJECT TO PUBLIC INSPECTION**Ars Hermeneutica, Limited**
Form 1023, Part IX:
Financial Data

*The pages of this attachment are labelled with the inscription "**NOT SUBJECT TO PUBLIC INSPECTION**". These pages contain sensitive financial and organizational information about Ars Hermeneutica, strategic information that we treat as trade secret. Releasing this information could adversely affect our operations.*

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