



Department of the Treasury
Internal Revenue Service

P.O. Box 2508, Room 4010
Cincinnati OH 45201

In reply refer to: 4077555433
Dec. 03, 2015 LTR 4168C 0
20-5806345 000000 00

00028018
80DC: TE

NEW VENTURE FUND
1201 CONNECTICUT AVE NW STE 300
WASHINGTON DC 20036-2656

35899

Employer ID Number: 20-5806345
Form 990 required: Yes

Dear Taxpayer:

This is in response to your request dated Nov. 04, 2015, regarding your tax-exempt status.

We issued you a determination letter in January 2007, recognizing you as tax-exempt under Internal Revenue Code (IRC) Section 501(c) 3.

Our records also indicate you're not a private foundation as defined under IRC Section 509(a) because you're described in IRC Sections 509(a)(1) and 170(b)(1)(A)(vi).

Donors can deduct contributions they make to you as provided in IRC Section 170. You're also qualified to receive tax deductible bequests, legacies, devises, transfers, or gifts under IRC Sections 2055, 2106, and 2522.

In the heading of this letter, we indicated whether you must file an annual information return. If a return is required, you must file Form 990, 990-EZ, 990-N, or 990-PF by the 15th day of the fifth month after the end of your annual accounting period. IRC Section 6033(j) provides that, if you don't file a required annual information return or notice for three consecutive years, your exempt status will be automatically revoked on the filing due date of the third required return or notice.

For tax forms, instructions, and publications, visit www.irs.gov or call 1-800-TAX-FORM (1-800-829-3676).

If you have questions, call 1-877-829-5500 between 8 a.m. and 5 p.m., local time, Monday through Friday (Alaska and Hawaii follow Pacific Time).

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NEW VENTURE FUND
1201 CONNECTICUT AVE NW STE 300
WASHINGTON DC 20036-2656

Sincerely yours,



Jeffrey I. Cooper
Director, EO Rulings & Agreement

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

OMB No. 1545-0056

Note: If exempt status is approved, this application will be open for public inspection.

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)	
Arabella Legacy Fund		Eric Kessler, President	
3 Mailing address (Number and street) (see instructions)		Room/Suite	4 Employer Identification Number (EIN)
1816 Jefferson Place, N.W.			20-5806345
City or town, state or country, and ZIP + 4		5 Month the annual accounting period ends (01 - 12)	
Washington, DC 20036		12	
6 Primary contact (officer, director, trustee, or authorized representative)		b Phone: 202-942-5839	
a Name: Bridget M. Weiss		c Fax: (optional) 202-942-5999	
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 checked="" 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 checked="" type="checkbox"/> No
9a Organization's website: N/A			
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 checked="" type="checkbox"/> No
11 Date incorporated if a corporation, or formed, if other than a corporation. (MM/DD/YYYY) 10/25/06			
12 Were you formed under the laws of a foreign country? If "Yes," state the country.			
			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

For Paperwork Reduction Act Notice, see page 24 of the instructions.

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): p. 1, Art. 3.

- 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. p. 2, Art. 8
- 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)
Eric Kessler	Chairman, President	1816 Jefferson Pl, NW Washington, DC 2003	None
Bruce Boyd	Director, Treasurer	8 S Michigan Ave, Ste 900 Chicago, IL 60603	None
Adam Eichberg	Vice-Chair, Secretary	1536 Wynkoop St, Ste 510 Denver, CO 80202	None

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)
N/A		-----	

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)
N/A		-----	

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.
-
- 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.
-
- 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
-
- 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
-
- 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.
-
- 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**

- mail solicitations
- email solicitations
- personal solicitations
- vehicle, boat, plane, or similar donations
- foundation grant solicitations
- phone solicitations
- accept donations on your website
- receive donations from another organization's website
- government grant solicitations
- 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.

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.
-
- 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)

- 15** Do you have a **close connection** with any organizations? If "Yes," explain. Yes No
- 16** Are you applying for exemption as a **cooperative hospital service organization** under section 501(e)? If "Yes," explain. Yes No
- 17** Are you applying for exemption as a **cooperative service organization of operating educational organizations** under section 501(f)? If "Yes," explain. Yes No
- 18** Are you applying for exemption as a **charitable risk pool** under section 501(n)? If "Yes," explain. Yes 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. Yes No
- 20** Is your main function to provide **hospital or medical care**? If "Yes," complete Schedule C. Yes No
- 21** Do you or will you provide **low-income housing** or housing for the **elderly or handicapped**? If "Yes," complete Schedule F. Yes 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. Yes 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 10/2006 To 12/2006	(b) From 1/2007 To 12/2007	(c) From 1/2008 To 12/2008	(d) From N/A To _____	
Revenues	1 Gifts, grants, and contributions received (do not include unusual grants)	225,000	1,500,000	2,000,000	3,725,000.00
	2 Membership fees received	0	0	0	0.00
	3 Gross investment income	0	0	0	0.00
	4 Net unrelated business income	0	0	0	0.00
	5 Taxes levied for your benefit	0	0	0	0.00
	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)	0	0	0	0.00
	7 Any revenue not otherwise listed above or in lines 9-12 below (attach an itemized list)	0	0	0	0.00
	8 Total of lines 1 through 7	225,000.00	1,500,000.00	2,000,000.00	3,725,000.00
	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)	0	0	0	0.00
	10 Total of lines 8 and 9	225,000.00	1,500,000.00	2,000,000.00	3,725,000.00
	11 Net gain or loss on sale of capital assets (attach schedule and see instructions)	0	0	0	0.00
	12 Unusual grants	0	0	0	0.00
	13 Total Revenue Add lines 10 through 12	225,000.00	1,500,000.00	2,000,000.00	3,725,000.00
Expenses	14 Fundraising expenses	0	25,000	25,000	
	15 Contributions, gifts, grants, and similar amounts paid out (attach an itemized list)	20,500.00	50,000.00	100,000.00	
	16 Disbursements to or for the benefit of members (attach an itemized list)	0	0	0	
	17 Compensation of officers, directors, and trustees	0	0	0	
	18 Other salaries and wages	74,250.00	495,000.00	660,000.00	
	19 Interest expense	0	0	0	
	20 Occupancy (rent, utilities, etc.)	0	0	0	
	21 Depreciation and depletion	0	0	0	
	22 Professional fees	50,000.00	150,000.00	250,000.00	
	23 Any expense not otherwise classified, such as program services (attach itemized list)	80,000.00	780,000.00	965,000.00	
	24 Total Expenses Add lines 14 through 23	224,750.00	1,500,000.00	2,000,000.00	

Part IX Financial Data (Continued)

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

Year End: **11/3/06**

(Whole dollars)

Assets			
1	Cash	1	25
2	Accounts receivable, net	2	0
3	Inventories	3	0
4	Bonds and notes receivable (attach an itemized list)	4	0
5	Corporate stocks (attach an itemized list)	5	0
6	Loans receivable (attach an itemized list)	6	0
7	Other investments (attach an itemized list)	7	0
8	Depreciable and depletable assets (attach an itemized list)	8	0
9	Land	9	0
10	Other assets (attach an itemized list)	10	0
11	Total Assets (add lines 1 through 10)	11	
Liabilities			25
12	Accounts payable	12	0
13	Contributions, gifts, grants, etc. payable	13	0
14	Mortgages and notes payable (attach an itemized list)	14	0
15	Other liabilities (attach an itemized list)	15	0
16	Total Liabilities (add lines 12 through 15)	16	0
Fund Balances or Net Assets			
17	Total fund balances or net assets	17	
18	Total Liabilities and Fund Balances or Net Assets (add lines 16 and 17)	18	0

19 Have there been any substantial changes in your assets or liabilities since the end of the period shown above? If "Yes," explain. Yes 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)

Eric Kessler
(Type or print name of signer)
President, Chairman
(Type or print title or authority of signer)

11/3/06
(Date)

For IRS Use Only

IRS Director, Exempt Organizations

(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

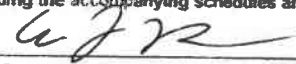
Part XI User Fee Information

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 \$750. 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 \$300. 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 \$300 (Subject to change—see above).
If "No," check the box on line 3 and enclose a user fee payment of \$750 (Subject to change—see above).
- 2 Check the box if you have enclosed the reduced user fee payment of \$300 (Subject to change).
- 3 Check the box if you have enclosed the user fee payment of \$750 (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)

Eric Kessler
(Type or print name of signer)

11/03/06
(Date)

President, Chairman
(Type or print title or authority of signer)

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

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Part IV. Narrative Description of Activities.

Arabella Legacy Fund (the “Legacy Fund” or the “Organization”) was incorporated on October 25, 2006 as a nonprofit corporation under the District of Columbia Non-Profit Corporation Act. The Legacy Fund has been organized to operate exclusively for charitable, scientific and educational purposes, including, but not limited to, the protection and preservation of the environment for the benefit of the public, and research on and public education regarding environmental preservation and protection. In its initial phases, the Legacy Fund will focus on two projects: first, it will engage in a program dedicated to protecting and preserving the environment from the detrimental effects of off-road vehicle use; second, it will engage in a program dedicated to the American Christian Evangelical environmental community, building a grassroots movement of Evangelicals and educating the American public regarding the Evangelical environmental message.

A. Exempt Purposes

The Legacy Fund qualifies as an organization exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”).¹ An organization is exempt from taxation under section 501(c)(3) if it is organized and operated for charitable, scientific or educational purposes.

The term “charitable” is used in its “generally accepted legal sense and is, therefore, not to be construed as limited by the separate enumeration in section 501(c)(3) of other tax-exempt

¹ Hereinafter, all references to sections are to the Code unless otherwise specified.

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purposes which may fall within the broad outlines of ‘charity’...” Treas. Reg. § 1.501(c)(3)-1(d)(2). The Internal Revenue Service (the “Service”) has explicitly recognized environmental preservation as a charitable purpose. For example, in Revenue Ruling 76-204, the Service stated that it “is generally recognized that efforts to preserve and protect the natural environment for the benefit of the public serve a charitable purpose.” A 1994 Exempt Organizations Continuing Professional Education text summarized this as follows:

It is generally recognized that efforts to preserve and protect the nature environment for the benefit of the public serve a charitable purpose under IRC 501(c)(3). While not explicitly mentioned in IRC 501(c)(3), this activity would fall under the “generally accepted legal sense” of charitable described in Reg. 1.501(c)(3)-1(d)(2).

Sadie Copeland and James Bloom, *Environmental Preservation Issues*, IRS EO CPE Text (1994). The text went on to later state that

...the Service position evolved to embrace organizations dedicated to preserving natural habitats against the hazards of industrial blight as a matter of safeguarding the health of the planet and its animal and human inhabitants. This later aspect, which includes preservation of species and maintaining the delicate ecological balance, has become the central focus of exempt organizations that deal with environmental issues.

Thus, the Legacy Fund’s efforts to protect and preserve the environment – including its efforts to safeguard fragile lands from the harmful effects of human activity and unite Evangelical Christian groups to further the cause of environmental protection – are “charitable” within the meaning of section 501(c)(3) of the Code.

An organization is also considered a section 501(c)(3) organization if it is organized and operated for “educational” purposes. Section 1.501(c)(3)-1(d)(3) of the regulations provides that the term “educational,” as used in section 501(c)(3) of the Code, includes the instruction of the

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public on subjects useful to the individual and beneficial to the community. Organizations that provide these types of educational services to the public include: educational organizations that organize public discussions, forums, lectures, panels, and other similar programs,² organizations that conduct research and make research results available to the public,³ and organizations that publish educational materials in manner distinguishable from ordinary commercial publishing practices.⁴ The Legacy Fund will seek to educate the American public as a whole on issues of environmental importance, beginning with effects of off-road vehicles on the environment and the religious basis for environmental protection.

Finally, an organization is considered a section 501(c)(3) organization if it is organized and operated for “scientific” purposes. Section 1.501(c)(3)-1(d)(5) of the regulations provides that the term “scientific,” as used in section 501(c)(3) of the Code, includes scientific research carried on in the public interest. Scientific research is carried on in the public interest where it is “directed toward benefiting the public,” including research “carried on for the purpose of obtaining scientific information which is published in a treatise, thesis, trade publication, or in any other form that is available to the interested public.” Any scientific research conducted by the Legacy Fund will be directed at benefiting the American public by understanding the causes

² Treas. Reg. 1.501(c)(3)-1(d)(3)(ii), Example (2); *see* Rev. Rul. 66-256 (organization that conducted public forums, lectures and debates on controversial social, political and international questions held to be educational where adopted an unbiased position).

³ *See* Internal Revenue Manual 7.25.3.7.11.2.2. (“Organizations that devote most of their effort to research and development of a new body of knowledge may be educational. The results of the study and research must be available to the public...”); Rev. Rul. 65-60 (social science research organization that made research available to public through seminars, lectures and placement in libraries held to be exempt).

⁴ *See* Rev. Rul. 67-4 (publishing educational if content and preparation of materials is “educational” in character, distribution of materials necessary or valuable to achieving the organization’s educational purpose and manner of distribution distinguishable from ordinary commercial publishing practices).

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of, among other things, environmental damage caused by off-road vehicles, and presenting information in a publicly-available format.

B. Description of Activities

In its initial phases, the Legacy Fund will focus on two environmentally-related projects: first, the off-road vehicle project; and second, the Evangelical environmentalism project.

1. Off-Road Vehicle Project

The Legacy Fund's Off-Road Vehicle Project will be dedicated to protecting and preserving the environment from the detrimental effects of off-road vehicle and snowmobile use. In April 2005, U.S. Forest Service Chief Dale Bosworth described off-road vehicles ("ORVs"), in particular, as one of the top four threats to the national forest system:

I could show you slide after slide – tire tracks running through wetlands; riparian areas churned into mud; banks collapsed and bleeding into streams; ruts in trails so deep you can literally fall in; sensitive meadows turned into dustbowls. Water quality deteriorates, soil erodes and native plant communities decline, partly because invasive weeds are spread by tires going where they shouldn't be going. Such use also threatens habitat for threatened, endangered and sensitive species...

Forest Service Chief Dale Bosworth, Forging a Sustainable System of Routes and Areas for Motorized Use, OHV Collaborative Summit San Diego, CA (April 12, 2005).⁵ ORVs are widely-acknowledged to have a harmful effect on the natural environment, including destruction of vegetation and protected species, impairment to water and air quality, noise pollution and even

⁵ Copy attached as Exhibit 3.

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damage to protected archaeological sites – thus harming future generations of the American public.⁶

The impact on the American public becomes apparent when considering the *scope* of current ORV use in the United States. According to the U.S. Forest Service (“USFS”), about 274,000 miles of roads and other routes across America’s National Forests are legally open to dirt bikes, ORVs and/or four-wheel drive trucks. This network is six times longer than the Interstate Highway System, and does not account for the thousands of miles of user created routes that have yet to be identified. For example, land managers at the Humbolt-Toiyabe National Forest revealed that there are 8,000 miles of trails with 15,000 miles of user created trails. Forest Service staff shared that at the Salmon-Challis there are 6,000 miles of system routes with 6,000 miles of user created routes. Furthermore, the Agency suggests ORV use has increased seven-fold on public lands over the past 20 years. Based on statistics from the Bureau of Land Management (“BLM”) for 2004, nearly 94 percent of all BLM land in the lower 48 states – more than 169 million acres – is open in some form to off-road vehicle use. In Nevada, 98 percent of BLM land – or 48 million acres – is open to this use. In California, off-road vehicle use is allowed on more than 12 million acres of BLM land – or about 74 percent of the total. About 90 percent of all BLM land in Utah – more than 21 million acres – is available to ORVs, dirt bikes and Jeeps.

The Legacy Fund believes that the government alone is not doing enough to monitor and address the ORV problem. For example, the USFS was asked in a 1999 Freedom of Information

⁶ See, e.g., *Big Cyprus National Forest Preserve Recreational Off-Road Vehicle Management Plan and Supplemental Environmental Impact Statement*, National Park Service (2000); *Off-the-Track: America’s National Parks Under Siege*, Bluewater Network (1999). Copies attached as Exhibit 4.

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Act request to send any monitoring data or annual monitoring reports on the impacts off-road vehicles from 1987 to 1998. Out of the 128 Forest Service units that responded, only eight answered with complete data. An August 1995 United States General Accounting Office (“GAO”) report examined off-road management at eight BLM Districts and National Forests. All units failed to meet systematic monitoring requirements, and adverse impacts were rarely documented. While governmental entities are beginning to realize the severity of the situation, it appears clear that far more BLM and USFS units are allowing ORV use without adequate Environmental Impact Studies documentation that are required under the National Environmental Policy Act. Government inaction regarding ORV use and its damage to our nation’s public lands is likely to cause irreparable harm to our natural resources.

The Legacy Fund will seek to address the gap between ORV environmental impact and governmental inaction by performing research regarding the impact of ORV use on our public lands, provide public education regarding the environmental impact of ORVs, and will explore options to solve this environmental dilemma which is critical to our nation’s future environmental health. The Legacy Fund plans to undertake the following specific activities:

- *ORV environmental impact studies.* The Legacy Fund will study the impact of ORV use on America’s public lands, documenting the adverse consequences on our natural resources and monitoring the effectiveness of governmental regulations to safeguard against continuing harm.
- *Public education regarding the effect of ORVs on the environment.* The Legacy Fund will educate the public about ORVs’ true cost to society in a variety of formats, including the publication of studies and articles, public seminars and

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events, public service announcements and letters to editors. In addition, the Organization will seek to educate public officials, legislators and staffers in a non-lobbying context.

- *Submission of public comments on agency action.* The Legacy Fund will submit comments to state and federal agencies regarding the adverse impact of ORV use, as well as drafting and commenting on proposed regulations.
- *Limited grassroots lobbying.* To a limited extent, the Legacy Fund will engage in grassroots lobbying, encouraging interested Americans to impress upon their legislators the importance of protecting and preserving our natural environment against the harm caused by ORVs. Such lobbying will never constitute a substantial part of the Organization's activities.

2. Evangelical Environmentalism Project

The Legacy Fund's Evangelical Environmentalism Project will be dedicated to exploring the religious basis for environmental protection within the American Christian Evangelical community, and seek to unite various religious groups to serve this important cause.⁷ Religious groups, in particular Christian Evangelicals, are becoming an increasingly strong voice in support of the protection and preservation of America's natural environment – and, indeed, the future of our entire planet.⁸

⁷ The Christian Evangelical church comprises 45,000 churches and 30 million parishioners. Encompassing a range of denominations, Evangelical Christians believe that the word of God is the only basis for faith and Christian living. Represented within the National Council of Churches, Evangelicals see faith in Jesus Christ as the sole source of salvation and are committed to biblical preaching and evangelism that brings others to faith in Him.

⁸ See, e.g., Ana Hontz-Ward, *U.S. Evangelicals Speak Out on Climate Change*, Voice of America News (Aug. 15, 2006); *Climate Change: An Evangelical Call to Action* (Feb. 2006); Suzy Richardson, [Footnote continued on next page]

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Care for the environment is a Christian duty with a strong basis in religious texts.

Scripture teaches Christians that humanity and “nature” are both part of God’s creation and linked to one another. For example, the Twenty-fourth Psalm makes clear that the earth belongs to God, not to humankind:

The earth is the LORD'S and all that it holds,
the world and its inhabitants.
For He founded it upon the ocean,
set it on the nether-streams.

Psalm 24:1-2. And God delights in the diversity of His creation:

You make springs gush forth in the valleys;
they flow between the hills,
giving drink to every wild animal;
the wild asses quench their thirst.

By the streams the birds of the air have their habitation;
they sing among the branches.
From your lofty abode you water the mountains;
the earth is satisfied with the fruit of your work.

You cause the grass to grow for the cattle,
and plants for people to use,
to bring forth food from the earth,
and wine to gladden the human heart,
oil to make the face shine,
and bread to strengthen the human heart.
The trees of the Lord are watered abundantly,
the cedars of Lebanon that he planted.
In them the birds build their nests;
the stork has its home in the fir trees.
The high mountains are for the wild goats;
the rocks are a refuge for the coney.
You have made the moon to mark the seasons;

[Footnote continued from previous page]

Foursquare Minster Seeks to Raise Awareness of Environmental Issues, Charisma Magazine (July 2005); Laurie Goodstein, *Evangelical Leaders Swing Influence Behind Effort to Combat Global Warming*, The New York Times (Mar. 10, 2005); Howard A. Snyder, *Why We Love the Earth*, Christianity Today Magazine (June 2001). Copies attached as Exhibit 5.

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the sun knows its time for setting,
You make darkness, and it is night,
when all the animals of the forest come creeping out.
The young lions roar for their prey,
seeking their food from God.
When the sun rises, they withdraw
and lie down in their dens.
People go out to their work
and to their labour until the evening.

O Lord, how manifold are your works!
In wisdom you have made them all;
the earth is full of your creatures.
Yonder is the sea, great and wide,
creeping things innumerable are there,
living things both small and great.
There go the ships,
and Leviathan that you formed to sport in it.
These all look to you
to give them their food in due season;
when you give to them, they gather it up;
when you open your hand, they are filled with good things.

Psalm 104:10-32. Thus, the Evangelical movement to protect all of His creation –both humankind and nature – has become known as “creation care.”⁹

The Legacy Fund will seek to building a grassroots movement of Evangelicals, increasing the impact of various groups currently operating within the Evangelical environmental sphere and educating the American public – both Evangelical and non-Evangelical – regarding the environmental message. The Legacy Fund envisions that its activities in the initial phase of the Evangelical Environmentalism project will include the following:

- *Network existing efforts to build groups of church leaders, and faculty and student advocates at Evangelical institutions of higher learning.* The Legacy Fund will form

⁹ For additional selected Scripture passages demonstrating the basis for the Evangelical environmental movement, see Exhibit 6.

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a network between these groups to reduce the duplicated effort that exists today and, with attention from national leaders and the American public, enable to movement to spread its powerful environmental message.

- *Expand the reach of existing efforts to attract the broader demographic of emerging Evangelicals predisposed to supporting creation-care issues.* To facilitate growth in the size and breadth of the Evangelical environmental movement, the Legacy Fund will conduct opinion polling, message development and outreach strategies through church networks and targeted media.
- *Engage the Evangelical environmental movement in coordinated national campaigns.* By turning attention to national issues with the wide appeal, the Legacy Fund and its partners will bring a uniquely powerful voice to environmental advocacy, making concern for creation a differentiator amongst churches and campuses trying to expand their followers.

The Legacy Fund will foster the grassroots creation-care movement, building the movement's capacity, community and concentration through the following activities:

- *Develop resources and tools to enable national creation-care leaders to build strategic campaign plans and mobilize a collaborative grassroots movement.* The Legacy Fund will create an Evangelical environmental "toolkit" by building a speakers bureau, disseminating "sermon seeds," syndicating columns in new media targeting this demographic, providing basic materials to organizers to spread the creation-care message and providing grassroots organizers with a range of substantive resources.

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- *Network development and capacity to support grassroots creation-care leaders in linking existing disparate efforts.* The Legacy Fund's on-the-ground organizers will network with existing advocates to share effective strategies while generating ideas for needed resources. Network meetings, training sessions, new campus ministries and other tactics will create opportunities for disseminating the message of the movement's national leaders and a mechanism for engaging individual activists.

Both the Legacy Fund's Off-Road Project and Christian Environmentalism Project will be conducted by the Legacy Fund staff in conjunction with the nonprofit partners in the Christian Evangelical and environmental communities. These activities will be conducted year-round at the Legacy Fund's headquarters in Washington, D.C., by employees in the field, as well as at nonprofit partner sites around the country. Approximately 45% of the Legacy Fund's time will be devoted to the Off-Road Project, while 55% will be devoted to the Christian Environmentalism Project. These activities will be funded through the support of major and other individual donors and charitable organizations, including environmental foundations and religious organizations.

Part V. Compensation. Question 1b. Highest Compensated Employees.

The Organization does not currently have any employees, but will begin to hire employees as soon as the Organization becomes operational. At this time, the Organization does not anticipate compensating any such employees more than \$50,000 per year.

Part V. Compensation. Question 1c. Highest Compensated Independent Contractors.

The Organization does not currently have any independent contractors, but may hire independent contractors as soon as the Organization becomes operational.

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Part V. Compensation. Question 2b. Business Relationships.

The Organization has a business relationship with a company operated by Eric Kessler, the Legacy Fund's Chairman and President, as described in Response to Part V, Question 9, below.

Part V. Compensation. Question 3a.

1. **Eric Kessler**

- a.) **Qualifications:** Eric Kessler has worked in the nonprofit and philanthropy community for over fifteen years, including managing and advising nonprofit organizations and donors in the United States and 23 other countries around the world. Eric served as the National Field Director for the non-partisan League of Conservation Voters Education Fund and then as a Senior Advisor to President Bill Clinton and Interior Secretary Bruce Babbitt deepen their connections with community organizations across the country. He spent six years working in the former Soviet Union, Southeast Asia and throughout the Middle East to train and advise local nonprofit organizations and assist international donors. Eric serves on the Board of the Relations Foundation, on the Selection Committee of the Brower Youth Awards, is a member of the International Association of Advisors in Philanthropy and is a principal advisor with Arabella Philanthropic Investment Advisors in Washington, D.C. He studied at the University of Colorado and earned an MBA from Georgetown University.
- b.) **Average hours worked:** 5 hours per week.
- c.) **Duties:** Mr. Kessler serves as Chair of the Board of Directors and President. In the former role, Mr. Kessler presides over meetings over the Board of Directors, in addition to other Board activities, including policy-setting, financial oversight, fundraising, and outreach to nonprofit organizations. In the latter role, Mr. Kessler's specific responsibilities include execution of organizational activities and goals; development of Board of Directors and maintenance of communications and relations with Directors regarding major policy setting, fundraising, and fiduciary board responsibilities; strategic planning; budget development and monitoring; hiring and management of staff to execute programs and activities; fundraising programs targeted as trustees, individuals, foundations and other institutions; trustee and major donor development.

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2. Bruce Boyd

- a.) Qualifications: Bruce W. Boyd has been the Executive Director of The Nature Conservancy in Illinois, the leading private conservation organization in the state, since 1994. The mission of the Conservancy is to preserve plants, animals and natural communities that represent the diversity of life on Earth by protecting the lands and waters they need to survive. Mr. Boyd is Vice Chairman of Chicago Wilderness, a consortium of over 170 organizations dedicated to preserving the rich natural history of the Chicago region. Chicago Wilderness, which Mr. Boyd helped found, is recognized worldwide as a model of collaborative action. In addition, Mr. Boyd serves on several boards including: Opportunity International which makes micro-enterprise loans in the developing world, the Merit School of Music which builds young peoples' lives through music, the David K. Hardin Generativity Trust, a foundation based in Chicago, and Running With Scissors, an award-winning theatre group in Chicago. Mr. Boyd is the retired Chairman of Sustain, an environmental communications group. Mr. Boyd received his B.A. magna cum laude from Middlebury College in Middlebury, Vermont, his law degree from the University of Chicago, and studied business at Northwestern's Kellogg School of Management. Prior to joining The Nature Conservancy, Mr. Boyd practiced law for seven years at Sachnoff & Weaver in Chicago and operated a Chicago-based manufacturing company.
- b.) Average hours worked: 3 hours per week.
- c.) Duties: Mr. Boyd serves as Director and as the Secretary, and assumes appropriate responsibilities to his roles as Officer and Board member, including policy-setting, financial oversight, fundraising and outreach to other nonprofit organizations.

3. Adam Eichberg

- a.) Qualifications: Adam Eichberg is the Executive Director of the Western Conservation Foundation, a foundation dedicated to work with conservation groups across the West as they explore new strategies to protect the West's land, air and water. From 1999 until March 2005, Mr. Eichberg served as the Associate National Director of the Trust for Public Land's ("TPL") Conservation Finance Program, TPL's National Campaigns Director, and as a Vice-President of TPL's The Conservation Campaign. Prior to his appointment with TPL, Mr. Eichberg was a strategic communications consultant with a private Denver-based firm and also served as the Rocky Mountain Regional Director of the League of

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Conservation Voters Education Fund. Mr. Eichberg is a graduate of the University of Colorado.

- b.) Average hours worked: 3 hours per week.
- c.) Duties: Mr. Eichberg serves as Vice-Chairman of the Board of Directors and as the Treasurer, and assumes appropriate responsibilities to his roles as Officer and Board member, including policy-setting, financial oversight, fundraising and outreach to other nonprofit organizations.

Part V. Compensation. Question 5a.

The Organization has adopted a conflict of interest policy consistent with the sample conflict of interest policy in Appendix A to the Instructions for Form 1023. This policy was adopted by resolution of the Organization's Board of Directors. A copy of this policy is attached as part of Exhibit 2.

Part V. Compensation. Question 7a.

The Organization does not have any current intention to purchase goods, services or assets from any officers, directors, trustees, highest compensated employees or highest compensated independent contractors, other than as described in response to Part V, Question 9, below.

Part V. Compensation. Question 8a.

The Organization does not expect to have any leases, contracts, loans or other agreements with officers, directors, trustees, highest compensated employees or highest compensated independent contractors, other than as described in response to Part V, Question 9, below.

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Part V. Compensation. Question 9.

The Organization will enter into an administrative support agreement with Arabella Philanthropic Investment Advisors, Inc. (the “Advisors”), a District of Columbia Limited Liability Company with Eric Kessler as its sole member.¹⁰ Mr. Kessler serves as the Legacy Fund’s Chairman and President. The terms of this administrative support agreement are subject to approval by a majority of disinterested members of the Board of Directors in accordance with the conflict of interest policy attached in response to Part V, Question 5a, above. Under this administrative support agreement, the Advisors will provide the Organization with financial management and administrative support services. Until such time as the Legacy Fund has sufficient financial resources to make the operation of its own back office cost-efficient, the Advisors will administer payroll and benefits on behalf of the Legacy Fund’s employees. To Legacy will pay for these services on a “cost-plus” basis – reimbursing Advisors for actual costs (based on staff time and out-of-pocket expenses), in addition to a 5% surcharge.

Part VI. Receipt of Benefits. Question 1.

In carrying out its exempt charitable, scientific and educational purposes, including, but not limited to, the protection and preservation of the environment, the Legacy Fund may in the future provide goods and services (either without charge or for a fee that is substantially below commercial rates) for such goods or services to individuals and/or organizations, including scientific and educational materials relating to the Legacy Fund’s exempt purposes or educational programs relating to climate change or environmental preservation. In connection

¹⁰ The administrative support agreement will be in substantially the same format as the draft agreement attached as Exhibit 7.

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with the fulfillment of its exempt purposes, the Legacy Fund may provide funds to a variety of individuals and/or organizations, such as research grants to scientists to study the environmental impact of human activity and grants to promote community-building among religious groups seeking to protect the environment.

Part VIII. Specific Activities. Question 2.

As part of the Legacy Fund's exempt purpose of protecting and preserving the environment for the benefit of the public, the organization hopes to facilitate dialogue between itself, its volunteers and interested members of the community with elected officials of all political parties by holding nonpartisan luncheons, conference calls and panels with officials to discuss various initiatives and publicize the Legacy Funds' future research on environmental issues. In fulfilling this mission, the Legacy Fund may occasionally engage in activities that may constitute attempts to "influence legislation" when specific legislation directly impacts the environmental issues of importance to the Legacy – either by engaging in direct contact with legislators regarding specific legislation or encouraging its volunteers or interested members of the community to engage in direct contact with legislators regarding specific legislation.

However, these activities will never constitute a substantial portion of the Legacy Fund's activities, as prohibited by section 501(c)(3). At this time, the Legacy Fund anticipates that no more than 5% of its time or budget will be spent on attempts to influence legislation as compared to the organization's total activities.

Part VIII. Specific Activities. Question 4a.

The Legacy Fund plans to conduct fundraising activities which may include, without limitation, solicitations in person, written proposal via mail or email, phone solicitations,

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solicitations on the Organization's future website (if created), as well as solicitation of grants from other nonprofit organizations or the government. Currently, the Legacy Fund's fundraising efforts are conducted by members of the Board of Directors who, through personal visits and other outreach activities, are focusing on major and other individual donors and charitable organizations, including environmental foundations and religious organizations.

Part VIII. Specific Activities. Question 4d.

The Legacy Fund currently conducts fundraising activities on behalf of itself in California, Colorado, Maryland and New York, and eventually plans to conduct fundraising on a nationwide basis.

Part VIII. Specific Activities. Question 10.

The Legacy Fund does not currently possess any intellectual property, but may eventually seek copyright or trademark protection over its own logo or published materials. The Legacy Fund will own the intellectual property and does not have any current plans to either allow others to use its intellectual property or charge fees for such use. Should the Legacy Fund, acting through its Board of Directors, decide to allow others to use its intellectual property or charge fees for such use, the Board will adopt appropriate policies in accordance with applicable law.

Part VIII. Specific Activities. Question 11.

The Legacy Fund does not currently accept any contributions of real property, conservation easements, closely held securities, intellectual property, works of music or art, licenses, royalties, vehicles or collectibles. Should the Legacy Fund, acting through the Board of Directors, make a decision to accept any of these types of property, the Board of Directors will adopt appropriate policies in accordance with applicable law.

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Part VIII. Specific Activities. Question 13.

The Legacy Fund does not currently make any grants, loans or other distribution to other organizations. However the Legacy Fund, acting through the Board of Directors, will likely decide to make any grants, loans or other distributions to other public charities in the future to serve the exempt purposes described in Part IV, above. As this program has not yet been initiated, the Legacy Fund does not yet have any future recipients or contracts with future recipients. Any such funds will be distributed in accordance with a policy adopted by the Board of Directors which conforms with applicable law. The Legacy Fund will require than applicants submit an application form and/or grant proposal, require that grantees provide periodic and final financial reports regarding the use of funds, and the Legacy Fund will retain all documentation associated with the grant, including proposals, correspondence and financial reports.

Part VIII. Specific Activities. Question 14.

The Legacy Fund does not currently make any grants, loans or other distribution to foreign organizations. Should the Organization, acting through the Board of Directors, decide to make any grants, loans or other distributions to any foreign organization, it will do so in accordance with a policy adopted by the Board of Directors which conforms to applicable law.

Part IX. Financial Data. A. Statement of Revenue and Expenses

Line 15: Grants

	2006	2007	2008
SUBTOTAL	\$20,5000	\$50,000	\$100,000

Although the Legacy Fund does not yet award grants, it will likely do so in the future. See description in Part VIII, Question 13, above.

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Line 22: Professional Fees

	2006	2007	2008
Advisor Administrative Support	11,250	75,000	100,000
Legal Fees	20,000	10,000	10,000
Independent Contractors, Including Programmatic Activities	18,750	65,000	140,000
SUBTOTAL	\$50,000	\$150,000	\$250,000

Line 23: Unclassified Expenses

	2006	2007	2008
Board Meetings and Travel	2,000	12,000	12,000
Supplies	5,000	15,000	20,000
Other Travel	4,000	24,000	24,000
Computer and Equipment	15,000	10,000	10,000
ORV Environmental Impact Studies	10,800	143,800	179,800
ORV Education and Organizing Activities	10,800	143,800	179,800
Evangelical Network Development	13,500	179,750	224,750
Evangelical Environmental Toolkit	13,500	179,750	224,750
Evangelical Research and Focus Groups	5,400	71,900	89,900
SUBTOTAL	\$80,000	\$780,000	\$965,000

ARNOLD & PORTER LLP

Bridget M. Weiss
Bridget.Weiss@aporter.com
202.942.5839
202.942.5999 Fax
555 Twelfth Street, NW
Washington, DC 20004-1206

December 21, 2006

Attn: Mrs. Kim Nguyen
Internal Revenue Service
Exempt Organizations
550 Main Street, Federal Building
Cincinnati, OH 45202

Re: Arabella Legacy Fund, Form 1023

Dear Mrs. Nguyen:

This letter and the attached Supplement to Form 1023 are in response to your letter dated November 30, 2006 requesting additional information from Arabella Legacy Fund (the "Organization").

We have responded to your questions and request for materials. As you know, a potential donor is considering a grant to the Organization, but will not make a final funding decision until the IRS makes a determination regarding the Organization's tax-exempt status. The Organization respectfully requests that a final determination on its application be completed as quickly as possible.

If you have any additional questions or require additional information, please let me know.

Sincerely,



Bridget M. Weiss

Enclosures

Internal Revenue Service
Director, Exempt Organizations

Department of the Treasury
P.O. Box 2508 - Room 4522
Group 7821
Cincinnati, Ohio 45201

Date: November 30, 2006

Arabella Legacy Fund
c/o Eric Kessler
1816 Jefferson Pl. N.W.
Washington, DC 20036

Employer Identification Number:
20-5806345
Person to Contact - ID#:
Mrs. Kim Nguyễn - 31-08049
Contact Telephone Numbers:
513-263-3423 Phone
513-263-3662 FAX
Response Due Date:
December 21, 2006

Dear Sir or Madam:

Before we can determine whether you are exempt from Federal income tax, we must have enough information to show that you have met all legal requirements. You did not include the information needed to make that determination on your Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code.

To help us determine whether you are exempt from Federal income tax, please send us the requested information by the above date. We can then complete our review of your application.


If we do not hear from you within that time, we will assume you do not want us to consider the matter further and will close your case. In that event, as required by Code section 6104(c), we will notify the appropriate state officials that, based on the information we have, we cannot recognize you as an organization of the kind described in Code section 501(c)(3). As a result, the Internal Revenue Service will treat you as a taxable entity. If we receive the information after the response due date, we may ask you to send us a new Form 1023.

In addition, if you do not provide the requested information in a timely manner, we will consider that you have not taken all reasonable steps to secure the determination you requested. Under Code section 7428(b)(2), your not taking all reasonable steps in a timely manner to secure the determination may be considered as failure to exhaust administrative remedies available to you within the Service. Therefore, you may lose your rights to a declaratory judgment under Code section 7428.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Cc: James P. Joseph
Bridget M. Weiss
Arnold & Porter LLP
555 12th St. N.W.
Washington, DC 20004

Sincerely yours,



Kim Nguyễn
Exempt Organizations Specialist

Letter 1312 (DO)

Arabella Legacy Fund

Note: Your response to this letter must be submitted over the signature of an authorized person with a valid form 2848 or of a governing member, whose name is listed on the application. If your response is more than 10 pages, please do not send it through a facsimile.

PLEASE ATTACH A COPY OF THIS LETTER TO ALL CORRESPONDENCE.

You = Arabella Legacy Fund

1. Section 2.1—compensation of the draft agreement between you and the Arabella Philanthropic Investment Advisors, Inc. (the "Advisors") states that you shall pay the Advisors an amount equal to its direct costs plus 5% administrative surcharge. Section 2.1 states the costs described in this section shall include allocable salaries and wages, incentives, payroll taxes, insurance premiums, retirement benefits and similar expenses incurred by the Advisors in providing the services. Section 2.2—expenses of the draft agreement states that you shall also reimburse the Advisors for any direct, out of pocket expenses and that the Advisors shall receive prior written approval from you for any expenses that individually exceed \$100. Section 2.4 of the draft agreement has a clause for disputes and audits.
 - a. What are the differences between direct costs included in section 2.1—compensation and in section 2.2—expenses? Give examples.
 - b. Which board members will give the approval to expenses that individually exceed \$100? Will Mr. Kessler have the power to approve such expenses on your behalf? Discuss.
 - c. Who will oversee the payments to the Advisors?
 - d. Who will have the responsibility to challenge the dispute and audit of amount invoiced or any expenses in excess of \$100 that has not previously approved by you? What are the qualifications of that individual or individuals in financial aspects?
 - e. If the agreement between you and the Advisors have been finalized, submit a copy of the executed agreement.
2. Your proposed budgets list professional fees payable to the Advisors separated from salaries and wages. Discuss and verify whether salaries and wages in your budgets are different from those direct costs incurred by the Advisors described in section 2 of the draft agreement.
3. It does not appear that services from the Advisors are obtained or will be obtained on a competitive bid. Does this mean that Eric Kessler's business have the exclusive right to the service agreement? If so, how will you, as

Arabella Legacy Fund

a nonprofit organization, determine that you have the best available services at the best available price without a competitive bid? Does Mr. Kessler take part in negotiating the service agreement with his business on your behalf? Discuss.

4. What is evangelical environmental toolkit that you estimated the cost to be \$179,750 and \$224,750 for 2007 and 2008, respectively?
5. You state that you will study the impact of off-road vehicle (ORV) used on America's public lands, documenting the adverse consequences on natural resources and monitoring the effectiveness of governmental regulations to safeguard against continuing harm. You submitted copies of the Final Recreational ORV Management Plan Supplemental Environmental Impact Statement of National Preserve and studies prepared by Bluewater Network 1999 and others. Provide the following information regarding your research and literature:
 - a. What and how will your studies and research projects differ from the ones that have already been studied and researched by the government and other organizations? Discuss and give examples.
 - b. State whether you plan to have contract or sponsored research. If so, furnish names of sponsors or grantors, terms of contracts or grants, and copies of any executed contracts or grants.
 - c. Will you give preference to any organization or individual either as to results or time of release of your research? If so, please explain.
 - d. State whether your literature will be distributed free of charge. If not, discuss what basis will be used in determining the sales price and why such fees are not included in your proposed budgets.
 - e. Describe your method of distributing your literature.
 - f. Discuss whether your seminars or workshops on your study and research findings will be free to the public. If not, discuss what basis will be used in determining the fees and why such fees are not included in your proposed budgets.
 - g. State who will retain ownership or control of any copyrights or results of your research and studies.
6. Your activities include networking evangelical environmental movements or groups. Based on information submitted, such groups appear to be aggressively involved in legislative activities. For example, one of the documents states, "Ultra-conservative Christian groups known as evangelicals have always kept a high profile on the American political

Arabella Legacy Fund

landscape, speaking forcefully on moral and social issues and aggressively lobbying the White House and Congress for policies that conform to their Biblically-inspired religious views." You state that your legislative activities will not be more than 5% of your total activities. Yet you are bringing these Christian environmental groups into your network. How will you strike the balance in section 501(c)(3) in order to limit your activities to an insubstantial part of your overall activities? Discuss.

PLEASE DIRECT ALL CORRESPONDENCE REGARDING YOUR CASE TO:

Mail Box Address:

Internal Revenue Service
Exempt Organizations
P. O. Box 2508
Cincinnati, OH 45201
ATT: Kim Nguyen
Room 4522, Group 7821

Street Address:

Internal Revenue Service
Exempt Organizations
550 Main St, Federal Bldg.
Cincinnati, OH 45202
ATT: Kim Nguyen
Room 4522, Group 7821

FORM 1023 SUPPLEMENTAL QUESTIONS & ANSWERS

Arabella Legacy Fund
c/o Bridget M. Weiss
Arnold & Porter
555 12th Street, N.W.
Washington, D.C. 20004-1206

Question 1: Section 2.1-compensation of the draft agreement between you and the Arabella Philanthropic Investment Advisors, Inc. (the "Advisors") states that you shall pay the Advisors an amount equal to its direct costs plus 5% administrative surcharge. Section 2.1 states the costs described in this section shall include allocable salaries and wages, incentives, payroll taxes, insurance premiums, retirement benefits and similar expenses incurred by the Advisors in providing the services. Section 2.2-expenses of the draft agreement states that you shall also reimburse the Advisors for any direct, out of pocket expenses and that the Advisors shall receive prior written approval from you for any expenses that individually exceed \$100. Section 2.4 of the draft agreement has a clause for disputes and audits.

- a. What are the differences between direct costs included in section 2.1-compensation and in section 2.2-expenses? Give examples.
- b. Which board members will give the approval to expenses that individually exceed \$100? Will Mr. Kessler have the power to approve such expenses on your behalf? Discuss.
- c. Who will oversee the payments to the Advisors?
- d. Who will have the responsibility to challenge the dispute and audit of amount invoiced or any expenses in excess of \$100 that has not previously approved by you? What are the qualifications of that individual or individuals in financial aspects?
- e. If the agreement between you and the Advisors have been finalized, submit a copy of the executed agreement.

Answer Question 1a.

The direct costs included in Section 2.1—Compensation of the agreement between the Advisors and the Organization (the "Agreement") are the direct cost to the Advisors for the allocable salaries and wages, incentives, payroll taxes, insurance premiums, retirement benefits and similar expenses incurred by the Advisors in the

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c/o Bridget M. Weiss
Arnold & Porter
555 12th Street, N.W.
Washington, D.C. 20004-1206

performances of the services for the Organization listed in Section 1.2—Initial Services, which include management and administrative services relating to the following “back office” or administrative functions: accounting and financial reporting; cash management; investment management; payroll; data processing; benefits administration; human resources; risk management and insurance; file and record storage; and information technology.¹ However, as provided in Section 2.1 of the Agreement, as revised, the Organization is only required to pay these allocable salary- and incentive-related costs to extent that the Organization reasonably determines would be considered reasonable were the Organization to provide such compensation to its own employees under the standards set forth in section 4958 of the Internal Revenue Code, as amended (the “Code”).

In contrast, the direct costs included in Section 2.2—Expenses are the out-of-pocket expenses necessary to support the service – not the cost of the service itself. The differences between the two types of “direct costs” are illustrated through the following examples.

- The Advisors provide file and record storage for the Organization. The portion of the Advisors’ staff member’s salary and benefits attributable to organizing and filing the Organization’s files are charged to Organization under Section 2.1. However, the cost of the supplies associated with that

¹ As used in this Form 1023 Supplemental Questions and Answers, the “Advisors” refers to Arabella Philanthropic Investment Advisors, Inc. and the “Organization” refers to the Arabella Legacy Fund.

FORM 1023 SUPPLEMENTAL QUESTIONS & ANSWERS

Arabella Legacy Fund
c/o Bridget M. Weiss
Arnold & Porter
555 12th Street, N.W.
Washington, D.C. 20004-1206

filing – file folders, tabs, paper for copies of materials – are charged to the Organization under Section 2.2.

- The Advisors provide information technology services to the Organization. The portion of Advisors' staff member's salary and benefits attributable to providing information technology support to the Organization – for example, the development of and consultation regarding a future website created for the Organization – would be charged to the Organization under Section 2.1. However the cost of supplies associated with the information technology services – disks or CDs on which the Organization's data is stored or computer equipment purchased for use only by the Organization – would be charged to the Organization under Section 2.2.

A direct cost incurred by the Advisors on behalf of the Organization may only be charged to the Organization under Section 2.1—Compensation *or* under Section 2.1—Expenses, but not under *both* Sections. Out of an abundance of caution and the desire to make this Agreement as clear as possible, Section 2.3—Billings of the Agreement between the Organization and the Advisors has been revised to clarify that double-charging of direct expenses (*i.e.* charging under both Section 2.1 and 2.2) is not permitted.

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Arabella Legacy Fund
c/o Bridget M. Weiss
Arnold & Porter
555 12th Street, N.W.
Washington, D.C. 20004-1206

Answer Question 1b.-1e.

As was stated in its Form 1023, Part V, Questions 5a and 9, the Organization has adopted a Conflict of Interest Policy and the Agreement was subject to approval by a majority of the Organization's disinterested Directors pursuant to this Conflict of Interest Policy. The disinterested members of Board of Directors (Bruce Boyd and Adam Eichberg) have determined that Mr. Kessler is a "Covered Person" who has a "Financial Interest" in the Arabella Philanthropic Investment Advisors, Inc. (the "Advisors"), as the Advisors is entering into a transaction with the Organization. Therefore, pursuant to the determination of the disinterested members of the Board of Directors, Mr. Kessler will not have the authority under the Agreement to approve expenses on behalf of the Organization, challenge the Organization's expenses, or oversee payments from the Organization to the Advisors. Instead, the disinterested members of the Board of Directors alone will give approval to expenses that exceed \$100, have the authority to challenge the Advisors' expenditures, and will also oversee the payments made by the Organization to the Advisors.

Mr. Boyd and Mr. Eichberg, as the disinterested members of the Board of Directors, will have the authority and responsibility to dispute and audit the Advisors' expenditures, as referenced in Section 2.4 of the Agreement. In their respective roles as Executive Directors of other nonprofit organizations, both Mr. Boyd and Mr. Eichberg have had significant experience overseeing the financial expenditures of nonprofit organizations. Therefore, Mr. Boyd and Mr. Eichberg will utilize their own prior

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experience to monitor the Advisors' expenditures, and they also will rely on outside financial experts, including an outside accountant to be retained by the Organization (and unrelated to the Advisors), to conduct an audit of the Advisors' expenditures, should they believe it to be necessary. Further, Mr. Boyd and Mr. Eichberg may request that the Organization's outside accountants conduct "spot" audits on an ongoing basis to ensure that the Advisors' expenditures are accurate.

In addition, out of an abundance of caution, a new Section 5.1—Application of Service Recipient's Conflict of Interest Policy has been added to the Agreement between the Organization and the Advisors to clarify that a Director with a Financial Interest may not exercise powers on behalf of the Organization with respect to the Agreement; this includes the approval of expenses that individually exceed \$100, the power to challenge expenses exceeding \$100 that were not approved in advance, as well as the authority to oversee payments to the Advisors.

The draft Agreement between the Organization and the Advisors has been revised, as described above, but not yet executed. Provided that the IRS does not have additional questions or comments regarding the Agreement, it will be executed by the Organization and the Advisors in form attached hereto as Exhibit 1.

FORM 1023 SUPPLEMENTAL QUESTIONS & ANSWERS

Arabella Legacy Fund
c/o Bridget M. Weiss
Arnold & Porter
555 12th Street, N.W.
Washington, D.C. 20004-1206

Question 2: Your proposed budgets list professional fees payable to the Advisors separated from salaries and wages. Discuss and verify whether salaries and wages in your budgets are different from those direct costs incurred by Advisors described in section 2 of the draft agreement.

Answer Question 2:

The salaries and wages listed in the Organization's budgets are different from the direct costs incurred by Advisors described in Section 2 of the Agreement. The salaries and wages listed in the Organization's budgets are the salaries and wages for the Organization's employees (e.g., program officers working on the Organization's environmental projects), not the employees of the Advisors who are providing back-office and administrative services.² The Advisors' administration of the payroll and benefits for the Organization's employees – along with other service functions listed in Section 1.2 of the Agreement – are included as costs under Section 2 of the Agreement.

Question 3: It does not appear that services from the Advisors are obtained or will be obtained on a competitive bid. Does this mean that Eric Kessler's business have the exclusive right to the service agreement? If so, how will you, as a nonprofit organization, determine that you have the best available services at the best available price without a competitive bid? Does Mr. Kessler take part in negotiating the service agreement with his business on your behalf? Discuss.

Answer Question 3

As was described in the Organization Form 1023, Part V, Question 9, the Advisors are providing management and administrative support services only until such

² As was discussed in the Form 1023, Part V, Question 9, until such time as the Organization has sufficient financial resources to make the operation of its own back office cost-efficient, the Advisors will administer payroll and benefits on behalf of the Organization's employees.

FORM 1023 SUPPLEMENTAL QUESTIONS & ANSWERS

Arabella Legacy Fund
c/o Bridget M. Weiss
Arnold & Porter
555 12th Street, N.W.
Washington, D.C. 20004-1206

time as the Organization has sufficient financial resources to make the operation of its own back office cost-efficient and that it is providing these services on a “cost-plus” basis – the Organization is reimbursing Advisors for actual costs, in addition to a 5% surcharge for overhead. This Agreement must be approved by a majority of disinterested members of the Board of Directors pursuant to Article III, Section 3 of the Conflict of Interest Agreement; the disinterested Directors, who have significant personal knowledge derived from their extensive experience in the nonprofit sector, believe that the “cost-plus” arrangement with the Advisors – with only a 5% charge for overhead – is more advantageous than others reasonably available and that the arrangement is in the Organization’s best interests. Further, the Agreement is anticipated to be temporary and, indeed, only has a one-year term. As soon after this period as the Organization has adequate funding, it will no longer require the services of the Advisors. The disinterested Directors will closely monitor costs and will seek outside bids if they believe they are warranted.

Mr. Kessler did not negotiate the Agreement on behalf of the Organization. He participated in the process on behalf of the Advisors, while the disinterested Directors (Mr. Boyd and Mr. Eichberg) have reviewed the Agreement and their approval is required to accept the terms of the Agreement on behalf of the Organization.

FORM 1023 SUPPLEMENTAL QUESTIONS & ANSWERS

Arabella Legacy Fund
c/o Bridget M. Weiss
Arnold & Porter
555 12th Street, N.W.
Washington, D.C. 20004-1206

Question 4: What is evangelical environmental toolkit that you estimated the cost to be \$179,750 and \$224,750 for 2007 and 2008, respectively?

Answer Question 4

The Evangelical environmental toolkit consists of sets of educational materials regarding creation care.³ The Organization will supply these materials to Pastors, educators at Christian Evangelical institutions of higher education, other members of the Evangelical community, and to the media. The Organization will also create and manager speaker's bureau to provide in-person education to Evangelical groups and comment on environmental issues to the media. The major components of this Evangelical environmental toolkit are as follows:

- **Toolkit for Pastors:** The Environmental Toolkit for Pastors will be designed to enable Pastors to integrate creation-care teaching into their ministry. An important part of Pastor's toolkit will be materials for worship services that will celebrate all of God's creation and explore how mankind can be better stewards of the His creation, including suggestions for hymns (including processional, worship and offertory hymns and hymns of commitment), invocations, New and Old Testament lessons, responsive readings and sermon outlines (or "seeds" whereby Pastors can create their own sermons). Worship materials will be created for various topics, including global

³ As noted in the narrative regarding the Organization's exempt activities in its Form 1023, the Evangelical movement to protect all of God's creation --both humankind and nature -- has become known as "creation care." This movement has a strong foundation in Scripture, which teaches Christians that
[Footnote continued on next page.]

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warming, air and water pollution, endangered species and the environment's effect on human health (including the most vulnerable members of society, such as the elderly, the infirmed, the young and the poor). In addition, the Pastor's toolkit will include materials (in formats such as print or online) to educate Pastors regarding creation care's basis in Scripture, as well as fact sheets for Pastors and their congregations on various environmental topics and suggestions for how congregations can take action to care for God's creation.

- Toolkit for Educators: The Toolkit for Educators will provide resources for professors and other educators at Christian Evangelical institutions of higher education to enable them to teach care for the environment and all of God's creation from a Christian perspective.⁴ Materials will include: suggestions for creation of new courses in creation care, as well as how to incorporate creation care into existing courses; lesson plans and lecture outlines; suggested readings, not only from Scripture, but also modern and ancient Christian scholars. This Educator's Toolkit will help Christian educators provide their students with a strong understanding of the theological basis of creation care, as well as how to apply these teachings into their everyday lives and inspire others around them to do the same.

[Footnote continued from previous page.]

humanity and nature are both part of His creation and linked to one another. See, e.g., Psalms 24:1-2, 104:10-32 (text included Form 1023 narrative).

⁴ At the present time, the Organization does not have any plans to create educational materials for educators providing instruction at the grade school, middle school or high school levels.

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- Toolkit for Evangelical Community Members: The Evangelical Community Member's Toolkit will contain fact sheets on various topics, including global warming, air and water pollution, endangered species and the environment's effect on human health, more information regarding creation care's basis in Scripture, and suggestions for how Christians can take action to take care of the world around them and inspire other members of the Christian Evangelical community.
- Toolkit for the Media: The Media Toolkits will provide a resource for the secular and Christian media to learn more about the Christian Evangelical perspective on creation care, including fact sheets on various environmental topics and access to a speaker's bureau of theologians and Pastors to provide comment on creation care.

The Organization will own the copyrights for the materials created as part of the Evangelical Environmental Toolkits. On occasion, the Organization may coordinate its activities with other section 501(c)(3) public charities in the creation of these materials; under those circumstances, the Organization and its 501(c)(3) partner will likely share the copyright for the materials created.

Question 5: You state that you will study the impact of off-road vehicle (ORV) used on America's public lands, documenting the adverse consequences on natural resources and monitoring the effectiveness of governmental regulations to safeguard against continuing harm. You submitted copies of the Final Recreational ORV Management Plan Supplemental Environmental Impact Statement of National Preserve and studies prepared by Bluewater Network 1999 and others. Provide the following information regarding your research and literature:

- a. What and how will your studies and research projects differ from the ones that have already been studied and researched by the government and other organizations? Discuss and give examples.

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- b. State whether you plan to have contract or sponsored research. If so, furnish names of sponsors or grantors, terms of contracts or grants, and copies of any executed contracts or grants.
- c. Will you give preference to any organization or individual either as to results or time of release of your research? If so, please explain.
- d. State whether your literature will be distributed free of charge. If not, discuss what basis will be used in determining the sales price and why such fees are not included in your proposed budgets.
- e. Describe your method of distributing your literature.
- f. Discuss whether your seminars or workshops on your study and research findings will be free to the public. If not, discuss what basis will be used in determining the fees and why such fees are not included in your proposed budgets.
- g. State who will retain ownership or control of any copyrights or results of your research and studies.

Answer Question 5a.

In its Off-Road Vehicle (“ORV”) Project, the Organization will seek to address the gap between ORV environmental impact and lack of government action to prevent the environmental harm caused by ORVs by performing research regarding the impact of ORV use on our public lands, providing public education regarding the environmental impact of ORVs, and exploring options to solve the ORV environmental dilemma. As the Project’s purpose is to add a new, critical voice to the ORV debate and make a positive impact on our nation’s current and future environment health, the Organization will not “reinvent the wheel” with respect to studies and research projects that have already been performed by the government or other organizations. Rather, the

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Organization will have a two-pronged approach with respect to its studies and research projects: (1) it will perform additional research and analysis on previously examined topics where it believes that other studies and research have not been factually accurate or where prior research is out-of-date; and (2) it will perform research and analysis where there are the “gaps” in other studies and research, such as where certain specific issues and problems have not been addressed. Examples might include the following:

- Analysis of Off-Road Vehicle Management Plans: The ORV Management Plan and Supplemental Environmental Impact Statement for Big Cypress National Preserve in Florida (included with the Organization’s Form 1023) “focuses on the resource protection mandates of the National Park Service while providing reasonable recreational access.” Where the ORV Management Plan for other parks within the National Park Service (or within state park services) focuses on providing recreational access, while neglecting the environmental protection function, the Organization might undertake additional factual research regarding the park at issue – for example, demonstrating the harmful effects of ORV use to surface water flow, soils and vegetation with respect to that particular park. In addition, the Organization could review whether the ORV Management Plans strike the right balance between providing reasonable recreational access and protecting the environment.

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- Update of Previous Studies: The Bluewater Network study, *Off-the-Track: America's National Parks Under Siege*, was written in 1999 and its conclusions were based on factual findings available at that time. The Organization might examine to what extent this study's findings – as well as the studies performed by other organizations – are still accurate or whether additional follow-up research is needed.
- Research "Gaps": The Organization plans to perform research regarding the environmental impact of ORVs for public lands for which no impact studies have been performed, or perform research regarding the effect of ORV use on plant and animal species for which no research has been performed.

Answer Question 5b.

The Organization has no plans to conduct any research sponsored by other organizations or individuals. However, the Organization will likely, in the future, enter into contracts with individual researchers (either as employees or independent contractors) or provide grants to individual researchers to conduct research as part of the ORV Project. To date, the Organization has not entered into any such contracts or provided any such grants, as the ORV Project is not yet fully operational. When the Organization, acting through its Board of Directors, approves the conduct of one or more specific ORV research projects, the Organization will determine whether it wishes to pursue this research by entering into employment or independent contractor agreements with researchers or whether it wishes to provide grants to individual researchers. If the

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Organization determines in the future that it would like to award grants, the Board of Directors will first develop a policy to govern the grant process which will include: the requirement that all grants further the Organization's exempt purposes, a description of the application and selection process, the records that the organization will keep (including recording how the Board of Directors selected individual grantees), and procedures for financial oversight of any grants made (including requirements that grantees provide both periodic and a final accounting of how grant funds were used and an explicit statement in the grant agreement that the Organization may audit these accountings). The terms of any such future agreements or grants with researchers will be approved by the Board of Directors, subject to applicable law and Organization policies.

Answer Question 5c.

The Organization will not give any preference to any organization or individual either as to results or time of release of its research. As was set forth in the Organization's Form 1023, the ORV Project's research program is dedicated to studying the impact of ORV use on America's public lands, documenting the adverse consequences on our natural resources and monitoring the effectiveness of governmental regulations to safeguard against continuing harm. In order to fulfill its charitable mission, the Organization is obligated to provide accurate, unbiased information to the public on a timely basis; this mission requires that the Organization give no organization or individual preference in the conduct or release of its research.

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Answer Question 5d. - 5f.

The Organization will distribute its literature free of charge. The Organization plans to distribute the literature in both print and online formats, and plans make the literature available to the public through any available means, including through its website (if such a website is created), by making the literature available to the public at seminars and workshops held by the Organization, by making the literature available to other nonprofit organizations (including educational institutions), and by publicizing the availability of this literature to the general public.

As with its literature, the Organization's seminars and workshops on its study and research findings will be free and open to the public. The Organization will attempt to make these seminars and workshops known by and available to as many members of the public as possible by publicizing these events in print and online, and by, where feasible, making video recordings of these events available to the public online at no charge.

Answer Question 5g.

The Organization will own the copyrights for the materials created as part of its ORV program, including research by its employees or independent contractors.⁵ On occasion, the Organization may coordinate its activities with other section 501(c)(3)

⁵ As was stated in its Form 1023, Part VIII, Question 10, the Organization "does not currently possess any intellectual property, but may eventually seek copyright or trademark protection over its own logo or published materials. The [Organization] will own the intellectual property and does not have any current plans to either allow others to use its intellectual property or charge fees for such use."

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public charities in the creation of these materials; in that circumstance, the Organization and its 501(c)(3) partner will likely share the copyright for the materials created.

Question 6: Your activities include networking evangelical environmental movements or groups. Based on information submitted, such groups appear to be aggressively involved in legislative activities. For example, one of the documents states, "Ultra-conservative Christian groups known as evangelicals have always kept a high profile on the American political landscape, speaking forcefully on moral and social issues and aggressively lobbying the White House and Congress for policies that conform to their Biblically-inspired religious views:" You state that your legislative activities will not be more than 5% of your total activities. Yet you are bringing these Christian environmental groups into your network. How will you strike the balance in section 501(c)(3) in order to limit your activities to an insubstantial part of your overall activities? Discuss.

Answer Question 6:

The Organization's lobbying activities will never constitute a substantial portion of its activities, as is prohibited by section 501(c)(3). Although some Evangelical environmental groups are involved in legislative activities, the Organization, in interacting with any such group during the course of its networking activities and in furtherance of its charitable and educational goals, will not participate in such lobbying activities and will not provide funds, materials or other support earmarked for use in lobbying activities. In addition, the Organization will take the following steps to ensure that it is not participating in any lobbying activities conducted by other section 501(c)(3) groups:

- The Organization's networking efforts will be focused on charitable and educational organizing. The Organization will seek to work with other Evangelical environmental groups, churches and educational institutions to spread understanding regarding the basis for creation care in the Scripture, as well as how Evangelicals can fulfill their obligation to respect God's creation

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in their everyday lives – such as by lessening their and their family’s negative impact on the earth and by inspiring others to do the same. The Organizing believes that by working with other Evangelical groups, it can fulfill its duty to share this understanding with as many people as possible.

- The Organization will not work on joint lobbying projects with Evangelical environmental groups.
- If the Organization provides funds to other such groups, the funds will be provided pursuant to a grant agreement that will specify the charitable and educational programs or activities for which such funds must be used. The permitted programs or activities will not include lobbying activities.
- The Organization will not prepare materials with the intent that such materials will be used by the Organization or other groups to engage in lobbying activities.

Thus, the Organization is committed not only to its charitable and educational purposes, but also to spreading its charitable and educational message consistent with the section 501(c)(3) requirement that no more than an insubstantial part of its overall activities consist of lobbying.

EXHIBIT 1
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DRAFT 12/20/2006

ADMINISTRATIVE SERVICES AGREEMENT

THIS ADMINISTRATIVE SERVICES AGREEMENT (this “**Agreement**”) dated as of December __, 2006, but effective as of _____ (the “**Effective Date**”), is by and between Arabella Philanthropic Investment Advisors, Inc., a District of Columbia Limited Liability Company (“**Investment Advisors**”), and Arabella Legacy Fund, a District of Columbia Nonprofit Corporation (“**Legacy Fund**”).

WITNESSETH:

WHEREAS, Legacy Fund, is a District of Columbia Nonprofit Corporation and is applying for exemption under section 501(a) of the Internal Revenue Code of 1986, as amended (the “**Code**”), as an organization described in section 501(c)(3) of the Code, and a publicly supported organization described in Section 509(a)(1) and 170(b)(1)(A)(vi), and is organized exclusively for charitable, scientific and educational purposes, including, but not limited to, the protection and preservation of the environment for the benefit of the public, and research on and public education regarding environmental preservation and protection.

WHEREAS, certain managerial and administrative personnel employed by Investment Advisors have the capacity to provide management and administrative services with respect to the exempt purposes of Legacy Fund; and

WHEREAS, Legacy Fund desires to obtain from Investment Advisors and Investment Advisors desires to provide to Legacy Fund certain management and administrative services of the general character previously provided by persons who are and will be employed by Investment Advisors with respect to the exempt purposes of Legacy Fund.

NOW, THEREFORE, in consideration of the premises, the mutual and dependant agreements contained herein and the mutual benefits to be obtained from this Agreement, Legacy Fund and Investment Advisors agree as follows:

Article I

MANAGERIAL AND ADMINISTRATIVE SERVICES

1.1 Agreement to Perform Services. Subject to and on the terms and conditions of this Agreement, Investment Advisors undertakes to perform for Legacy Fund, on an as available basis, such Services (as defined below) as may be required by Legacy Fund in the performance of its exempt purposes. Investment Advisors (the “**Service Provider**”) shall provide the

Services directly to Legacy Fund (the "Service Recipient") under the terms of this Agreement. Service Provider shall perform the Services hereunder within the time period requested by the Service Recipient unless the performance of such Services within the time period requested by the Service Recipient would, in the reasonable opinion of the Service Provider, jeopardize the ability of the Service Provider's personnel to complete in a timely manner tasks for the benefit of the Service Provider within the time period reasonably required for the completion of such tasks. In the event the Service Provider is required to delay the Services, it shall so notify the Service Recipient and provide an estimate of the time by which it expects that the requested Services can be performed. The Service Provider shall have no obligation to hire additional personnel or otherwise acquire additional resources to accommodate requests for the Services, but may do so at any time. Notwithstanding the foregoing, if the Service Recipient hires any employees, the Service Provider shall provide the corresponding Services that relate to such employee at an agreed-upon cost to the Service Recipient.

1.2 Initial Services. The Service Provider shall provide management and administrative services, including consultation, relating to the following functions: accounting and financial reporting; cash management; investment management; payroll; data processing; benefits administration; human resources; risk management and insurance; file and record storage; information technology; and such other functions as may be added by mutual agreement of the parties (the "Services").

1.3 Modification of Services. By mutual agreement of the parties, additional Services may be added to this Agreement or Services may be removed from this Agreement at any time or from time to time. Service Provider may remove a Service from this Agreement, to the extent such Service is provided to the Service Recipient, at any time upon thirty (30) days prior written notice to the Service Recipient. Upon removal of a Service from this Agreement, this Agreement shall continue in effect for all Services that remain under this Agreement, but shall no longer cover the eliminated Service. Prior to such removal of a Service, the parties shall mutually agree upon the cost of such Service and shall reduce the Compensation to reflect the removal of such Service from the Services performed by Service Provider for the Service Recipient.

1.4 Exempt Purpose of Services. All of the Services provided under this Agreement shall be in furtherance of the exempt purposes of the Service Recipient.

Article II

COMPENSATION AND REIMBURSEMENT

2.1 Compensation. As compensation for performing Services (the "Compensation"), Service Provider shall charge the Service Recipient and the Service Recipient shall pay Service Provider an amount equal to Service Provider's direct costs incurred in providing such Services, in addition to a five percent (5%) administrative surcharge. In determining the amount of Compensation due to Service Provider for the Services performed under this Agreement, the costs described in this Section 2.1 shall include allocable salaries and wages, incentives, payroll taxes, insurance premiums, retirement benefits and similar expenses incurred by Service Provider in performing the Services. If the total of such salaries and wages, incentives, payroll taxes, insurance premiums, retirement benefits and similar expenses (an

allocable portion of which is charged to the Service Recipient) exceeds what the Service Recipient reasonably determines would be considered "reasonable" compensation under section 4958 of the Code, then the Service Recipient shall not pay the allocated amount it determines is attributable to the excess portion of such compensation.

2.2 Expenses. The Service Recipient shall also reimburse Service Provider for any direct, out-of-pocket expenses reasonably incurred by Service Provider in the performance of the Services, such expenses being referred to herein as "Expenses." The Service Provider shall receive the prior written approval of the Service Recipient for any expenses that individually exceed \$100.

2.3 Billings. Service Provider shall bill the Service Recipient monthly for incurred Compensation and Expenses. A direct cost incurred by the Service Provider on behalf of the Service Recipient shall be charged to the Service Recipient under either Section 2.1 or Section 2.2, as appropriate; in no event shall the Service Provider bill the Service Recipient more than once for any direct cost incurred.

2.4 Disputes; Audits. If the Service Recipient disputes any amount invoiced, or any Expense in excess of \$100 that has not been previously approved by the Service Recipient, the Service Recipient shall pay the amount of the invoice not disputed and shall give Service Provider a reasonably detailed explanation of any factual and legal bases on which the balance is disputed. The Service Recipient shall be entitled to audit Service Provider's books and records relating to the Compensation and Expenses five (5) business days after Service Provider has received from the Service Recipient written notice of the Service Recipient's intention to conduct such an audit. Any difference in the audited amount as opposed to the amount previously invoiced to the Service Recipient shall result in Service Provider's submission of a new invoice for the correct amount. No invoice may be disputed or audited after eighteen (18) months from the date it was received by the Service Recipient.

Article III

TERM OF AGREEMENT

3.1 Term. With respect to the Service Recipient, the term of this Agreement shall commence on the Effective Date and shall continue for the period ending one year thereafter, unless sooner terminated in accordance with the provisions of this Article III. This Agreement shall renew by agreement between the Service Provider and Service Recipient.

3.2 Transfer of Records. Upon termination of this Agreement for any reason, or upon removal of any Service from this Agreement, Service Provider shall transfer to the Service Recipient all records, accounts, information and files, including those in computer-readable form, that pertain to the Services which Service Provider no longer shall provide. Any out-of-pocket expenses paid or incurred by Service Provider in connection with such transfer shall be reimbursed by the Service Recipient upon receipt of such records. Additionally, Service Provider shall forward any funds held by Service Provider on behalf of the Service Recipient upon the termination of this Agreement or removal of a Service related to the management of such funds.

3.3 Termination. In the event of a material breach of this Agreement by a party hereto, the non-breaching party may terminate this Agreement effective upon delivery to the breaching party of a written termination notice. This Agreement shall also terminate (i) on the sale of substantially all of the assets of Service Provider or the Service Recipient, (ii) upon the insolvency or bankruptcy of Service Provider or the Service Recipient, or (iii) upon the written agreement between Service Provider and the Service Recipient to terminate the Agreement. The Agreement shall also terminate immediately if participation in this Agreement by the Service Recipient jeopardizes its tax-exempt status under Section 501(a) of the Code, as an organization described in Section 501(c)(3) of the Code.

Article IV

CONFIDENTIALITY

4.1 Confidentiality Obligations. Each party hereto (a "Receiving Party") acknowledges that it and its employees or agents may, in the course of performing services or satisfying its obligations hereunder, be exposed to or acquire information which is proprietary to and/or confidential to the other party (a "Disclosing Party"). Any and all information of any form obtained by a Receiving Party or its employees or agents in the performance of services or the satisfaction of such party's obligations hereunder shall be deemed to be the confidential and proprietary information of the Disclosing Party. The financial terms of this Agreement shall be deemed the Confidential Information of both parties. The Receiving Party agrees to hold such information in strict confidence and not to copy, reproduce, sell, assign, license, market, transfer or otherwise dispose of, give or disclose such information to third parties, or to use such information for any purposes whatsoever other than pursuant to the terms and conditions set forth in this Agreement and to advise each of its employees, contractors and agents of their obligations to keep such information confidential. All such confidential and proprietary information described herein, in whatever form, is hereinafter collectively referred to as "Confidential Information." Such information shall be kept strictly confidential, except as required by law or to comply with auditing standards, by each Receiving Party and those of its directors, officers, employees, contractors and advisors to whom disclosure is made for the purposes hereunder (collectively referred to as the "Representatives"), it being understood that these Representatives shall be informed of the confidential nature of such information under this Agreement. Each party shall be responsible for breach of this Agreement by any of such party's Representatives. Notwithstanding anything in this Agreement, the Receiving Party shall not copy, reproduce, sell, assign, license, market, transfer or otherwise dispose of, give or disclose the Disclosing Party's Confidential Information to a competitor of the Disclosing Party without the prior written consent of the Disclosing Party.

4.2 Exclusions. Confidential Information shall exclude all information, which (a) is at the time of disclosure, or thereafter becomes, a part of the public domain through no act or omission of the other party, its employees, contractors or agents; (b) was in the other party's possession as shown by written records prior to the disclosure and had not been obtained by such party either directly or indirectly from the Disclosing Party; (c) is hereafter disclosed to the other party by a third party who did not acquire the information directly or indirectly from the Disclosing Party hereunder; (d) was independently developed by the other party without use of

the Confidential Information, as evidenced by written records; or (e) was required by law to be disclosed, but only to the extent and for the purposes of such required disclosure.

4.3 Notice of Possible Disclosure. The Receiving Party shall promptly advise the Disclosing Party in the event the Receiving Party learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Article IV and the Receiving Party shall at its expense cooperate with the Disclosing Party in seeking injunctive or other equitable relief against any such person.

4.4 Return of Information. Upon the termination or expiration of this Agreement, the Receiving Party shall promptly deliver to the Disclosing Party, or at the Disclosing Party's option, destroy all of the Disclosing Party's Confidential Information in the Receiving Party's possession, whether such Confidential Information is in tangible (hard copy) or intangible (electronic) form. If such Confidential Information is destroyed, the Receiving Party shall promptly provide a written certification of such destruction to the Disclosing Party.

4.5 Enforcement. The parties hereto agree that any breach of this Article IV shall cause irreparable damage to the Disclosing Party, the full extent of the Disclosing Party's damages shall be impossible to ascertain, monetary damages shall not be an adequate remedy for the Disclosing Party, and the Disclosing Party shall be entitled to enforce this Agreement to prevent a breach or threatened breach of this Agreement by a preliminary or permanent injunction or other equitable relief, without the necessity of proving actual damages or of posting bond or security, which the Receiving Party expressly waives.

Article V

MISCELLANEOUS

5.1 Application of Service Recipient's Conflict of Interest Policy. Pursuant to the Service Recipient's Conflict of Interest Policy, if the Board of Directors of the Service Recipient determines that a "Covered Person" has a "Financial Interest" in this Agreement (as those terms are defined in the Conflict of Interest Policy), then such Covered Person shall not be permitted to exercise any of the rights, responsibilities or authority held by the Service Recipient under this Agreement, to include, but not be limited to, the Service Recipient's authority under Section 2.4 to dispute amounts charged to the Service Recipient or to audit the Service Provider.

5.2 Relationship. This Agreement (or any of the arrangements contemplated by it) is not intended to create and shall not be construed to create a partnership, joint venture or similar business relationship among the parties hereto. The respective rights and obligations of the parties hereto shall in all respects be several and not joint or collective.

5.3 Representations. Each party hereto represents and warrants that (a) it is duly organized, validly existing and in good standing under the laws of the District of Columbia, with power and authority to carry on the businesses in which it is engaged and to perform its obligations under this Agreement; (b) the execution and delivery of this Agreement have been duly authorized and approved by all necessary action; (c) it has all requisite power and authority to enter into this Agreement and to perform its obligations hereunder; and (d) the execution and delivery of this Agreement do not, and the performance of this Agreement shall not, violate any

of the provisions of its governing documents or any applicable laws or regulations. Service Provider hereby further represents and warrants that it shall assign only qualified individuals to perform the Services.

5.4 Indemnification.

(a) The Service Recipient shall indemnify, defend and hold harmless Service Provider and Service Provider's affiliates, and their respective officers, directors, managers, employees, agents and representatives (each, a "**Service Provider Indemnitee**") from and against any and all losses, claims, demands, costs, damages, liabilities, joint and several, expenses of any nature (including reasonable attorneys' fees and disbursements), judgments, fines, settlements and other amounts (collectively "**Losses**") arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative (collectively, "**Claims**"), in which a Service Provider Indemnitee was involved or may be involved, or threatened to be involved, as a party or otherwise, arising out of (i) any breach by the Service Recipient of, or act or omission of the Service Recipient relating to this Agreement (except to the extent such Losses are due to the gross negligence or willful misconduct of Service Provider) or (ii) a breach of the Service Recipients's covenants, representations or warranties herein.

(b) Service Provider shall indemnify, defend and hold harmless the Service Recipient and the Service Recipient's affiliates, and their respective officers, directors, managers, employees, agents and representatives (each, a "**Service Recipient Indemnitee**") from and against any and all Losses arising from any and all Claims in which the Service Recipient Indemnitee was involved or may be involved, or threatened to be involved, as a party or otherwise, arising out of (i) any breach by Service Provider of, or act or omission of Service Provider relating to this Agreement (except to the extent such Losses are due to the gross negligence or willful misconduct of the Service Recipient), (ii) any actions by Service Provider, its employees, consultants and representatives, not performed on behalf of or at the direction of Service Recipient, to the fullest extent permitted by all applicable laws, or (iii) a breach of Service Provider's covenants, representations or warranties herein.

5.5 Notices. Any notice, instruction, authorization, request or demand required hereunder shall be in writing, and shall be delivered either by personal delivery, by telegram, telex, telecopy or facsimile, by certified or registered mail, return receipt requested, or by courier or delivery service, addressed to the parties hereto at the principal offices of the parties hereto at the address indicated beneath their respective signatures on the execution page of this Agreement, or at such other address and number as a party shall have previously designated by written notice given to the other party in the manner hereinabove set forth. Notices shall be deemed given when received, if sent by facsimile (confirmation of such receipt by confirmed facsimile transmission being deemed receipt of communications sent by facsimile); and when delivered and receipted for (or upon the date of attempted delivery where delivery is refused), if hand-delivered, sent by express courier or delivery service, or sent by certified or registered mail, return receipt requested.

5.6 Amendment and Waiver. This Agreement may be amended, modified or superseded only by written instrument executed by the parties hereto. Any waiver of the terms, provisions, covenants, representations, warranties, or conditions hereof shall be made only by a written instrument executed and delivered by a duly authorized executive officer of the party waiving compliance. The failure of any party at any time or times to require performance of any provisions hereof, shall in no manner effect the right to enforce the same. No waiver by any party of any condition or provision, or the breach of any term, provision, representation, or warranty contained in this Agreement in one or more instances shall be deemed to be or construed as a further or continuing waiver of any such condition or breach or a waiver of any other condition or the breach of any other term, provision, covenant, representation or warranty.

5.7 Successors and Assigns. All of the terms, provisions, covenants, representations, warranties, and conditions of this Agreement shall bind, be enforceable by, and inure to the benefit of, the parties hereto, but this Agreement and the rights and obligations hereunder shall not be assignable or delegable by any party without the consent of the other party to this Agreement.

5.8 Definitions, Gender and Certain References. As used in this Agreement, each parenthetically or quoted capitalized term in the introduction, recitals and other Sections of this Agreement shall have the meaning so ascribed to it. Whenever the context requires, the gender of all words used herein shall include the masculine, feminine and neuter, and the number of all words shall include the singular and plural. References to Articles or Sections shall be to Articles or Sections of this Agreement unless otherwise specified. The headings and captions used in this Agreement are solely for reference and shall not affect the meaning or interpretation of any article, section or paragraph herein, or this Agreement. The terms "hereof," "herein" or "hereunder" shall refer to this Agreement as a whole and not to any particular Section.

5.9 Governing Law and Severability. The validity, interpretation, construction, and performance of this Agreement shall be governed by the internal law, and not the law of conflicts, applicable in the District of Columbia. The invalidity of any provision of this Agreement shall not affect any other provision of this Agreement, which shall remain in full force and effect, nor shall the invalidity of a portion of any provision of this Agreement affect the balance of such provision.

5.10 Entire Agreement. No agreements or representations, oral or otherwise, express or implied, have been made by any party hereto with respect to the subject matter hereof that are not set forth expressly in this Agreement. This Agreement supersedes and cancels any prior agreement, arrangement or understanding entered into between Service Provider and the Service Recipient relating to the subject matter hereof.

5.11 Counterparts. The parties may execute this Agreement in any manner of counterparts, each of which is an original, but all of which together constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by a duly authorized executive officer as of the date set forth above, but effective as of the Effective Date.

Arabella Legacy Fund

By: _____
Name:
Title:

Arabella Philanthropic Advisors, Inc.

By: _____
Name:
Title:

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date:

ARABELLA LEGACY FUND
C/O JAMES P JOSEPH
ARNOLD & PORTER LLP
555 12TH ST NW
WASHINGTON, DC 20004-0000

Employer Identification Number:
20-5806345
DIN:
17053312019006
Contact Person: KIM NGUYEN ID# 31525
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
December 31
Public Charity Status:
170(b)(1)(A)(vi)
Form 990 Required:
Yes
Effective Date of Exemption:
October 25, 2006
Contribution Deductibility:
Yes
Advance Ruling Ending Date:
December 31, 2010

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. During your advance ruling period, you will be treated as a public charity. Your advance ruling period begins with the effective date of your exemption and ends with advance ruling ending date shown in the heading of the letter.

Shortly before the end of your advance ruling period, we will send you Form 8734, Support Schedule for Advance Ruling Period. You will have 90 days after the end of your advance ruling period to return the completed form. We will then notify you, in writing, about your public charity status.

Please see enclosed Information for Exempt Organizations Under Section 501(c)(3) for some helpful information about your responsibilities as an exempt organization.

Letter 1045 (DO/CG)

ARABELLA LEGACY FUND

We have sent a copy of this letter to your representative as indicated in your power of attorney.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lois G. Lerner".

Lois G. Lerner
Director, Exempt Organizations
Rulings and Agreements

Enclosures: Information for Organizations Exempt Under Section 501(c)(3)
Statute Extension

ARABELLA LEGACY FUND

INFORMATION FOR ORGANIZATIONS EXEMPT UNDER SECTION 501(c)(3)

WHERE TO GET FORMS AND HELP

Forms and instructions may be obtained by calling toll free 1-800-829-3676, through the Internet Web Site at www.irs.gov, and also at local tax assistance centers.

Additional information about any topic discussed below may be obtained through our customer service function by calling toll free 1-877-829-5500.

NOTIFY US ON THESE MATTERS

If you change your name, address, purposes, operations or sources of financial support, please inform our TE/GE EO Determinations Office at the following address: Internal Revenue Service, P.O. Box 2508, Cincinnati, Ohio 45201. If you amend your organizational document or by-laws, or dissolve, provide the EO Determinations Office with a copy of the amended documents. Please use your employer identification number on all returns you file and in all correspondence with the Internal Revenue Service.

FILING REQUIREMENTS

In your exemption letter we indicated whether you must file Form 990, Return of Organization Exempt From Income Tax. Form 990 (or Form 990-EZ) is filed with the Ogden Submission Processing Center, Ogden UT 84201-0027.

You are required to file a Form 990 only if your gross receipts are normally more than \$25,000.

If your gross receipts are normally between \$25,000 and \$100,000, and your total assets are less than \$250,000, you may file Form 990-EZ. If your gross receipts are over \$100,000, or your total assets are over \$250,000, you must file the complete Form 990. The Form 990 instructions show how to compute your "normal" receipts.

Form 990 Schedule A is required for both Form 990 and Form 990-EZ.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. There are penalties for failing to timely file a complete return. For additional information on penalties, see Form 990 instructions or call our toll free number.

If your receipts are below \$25,000, and we send you a Form 990 Package, follow the instructions in the package on how to complete the limited return to advise us that you are not required to file.

If your exemption letter states that you are not required to file Form 990, you are exempt from these requirements.

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UNRELATED BUSINESS INCOME TAX RETURN

If you receive more than \$1,000 annually in gross receipts from a regular trade or business you may be subject to Unrelated Business Income Tax and required to file Form 990-T, Exempt Organization Business Income Tax Return. There are several exceptions to this tax.

1. Income you receive from the performance of your exempt activity is not unrelated business income.
2. Income from fundraisers conducted by volunteer workers, or where donated merchandise is sold, is not unrelated business income.
3. Income from routine investments such as certificates of deposit, savings accounts, or stock dividends is usually not unrelated business income.

There are special rules for income derived from real estate or other investments purchased with borrowed funds. This income is called "debt financed" income. For additional information regarding unrelated business income tax see Publication 598, Tax on Unrelated Business Income of Exempt Organizations, or call our toll free number shown above.

PUBLIC INSPECTION OF APPLICATION AND INFORMATION RETURN

You are required to make your annual information return, Form 990 or Form 990-EZ, available for public inspection for three years after the later of the due date of the return, or the date the return is filed. You are also required to make available for public inspection your exemption application, any supporting documents, and your exemption letter. Copies of these documents are also required to be provided to any individual upon written or in person request without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax-Exempt Status for Your Organization, or you may call our toll free number shown above.

FUNDRAISING

Contributions to you are deductible only to the extent that they are gifts and no consideration is received in return. Depending on the circumstances, ticket purchases and similar payments in conjunction with fundraising events may not qualify as fully deductible contributions.

CONTRIBUTIONS OF \$250 OR MORE

Donors must have written substantiation from the charity for any charitable contribution of \$250 or more. Although it is the donor's responsibility to obtain written substantiation from the charity, you can assist donors by providing a written statement listing any cash contribution or describing any

ARABELLA LEGACY FUND

donated property.

This written statement must be provided at the time of the contribution. There is no prescribed format for the written statement. Letters, postcards and electronic (e-mail) or computer-generated forms are acceptable.

The donor is responsible for the valuation of donated property. However, your written statement must provide a sufficient description to support the donor's contribution. For additional information regarding donor substantiation, see Publication 1771, Charitable Contributions - Substantiation and Disclosure Requirements. For information about the valuation of donated property, see Publication 561, Determining the Value of Donated Property.

CONTRIBUTIONS OF MORE THAN \$75 AND
CHARITY PROVIDES GOODS OR SERVICES

You must provide a written disclosure statement to donors who receive goods or services from you in exchange for contributions in excess of \$75.

Contribution deductions are allowable to donors only to the extent their contributions exceed the value of the goods or services received in exchange. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as fully deductible contributions, depending on the circumstances. If your organization conducts fundraising events such as benefit dinners, shows, membership drives, etc., where something of value is received, you are required to provide a written statement informing donors of the fair market value of the specific items or services you provided in exchange for contributions of more than \$75.

You should provide the written disclosure statement in advance of any event, determine the fair market value of any benefit received, determine the amount of the contribution that is deductible, and state this information in your fundraising materials such as solicitations, tickets, and receipts. The amount of the contribution that is deductible is limited to the excess of any money (and the value of any property other than money) contributed by the donor less the value of goods or services provided by the charity. Your disclosure statement should be made, no later than, at the time payment is received. Subject to certain exceptions, your disclosure responsibility applies to any fundraising circumstances where each complete payment, including the contribution portion, exceeds \$75. For additional information, see Publication 1771 and Publication 526, Charitable Contributions.

EXCESS BENEFIT TRANSACTIONS

Excess benefit transactions are governed by section 4958 of the Code. Excess benefit transactions involve situations where a section 501(c)(3) organization provides an unreasonable benefit to a person who is in a position to exercise substantial influence over the organization's affairs. If you believe there may be an excess benefit transaction involving your organization, you should report the transaction on Form 990 or 990-EZ. Additional information can be found in the instructions for Form 990 and Form 990-EZ, or you may call our

ARABELLA LEGACY FUND

toll free number to obtain additional information on how to correct and report this transaction.

EMPLOYMENT TAXES

If you have employees, you are subject to income tax withholding and the social security taxes imposed under the Federal Insurance Contribution Act (FICA). You are required to withhold Federal income tax from your employee's wages and you are required to pay FICA on each employee who is paid more than \$100 in wages during a calendar year. To know how much income tax to withhold, you should have a Form W-4, Employee's Withholding Allowance Certificate, on file for each employee. Organizations described in section 501(c)(3) of the Code are not required to pay Federal Unemployment Tax (FUTA).

Employment taxes are reported on Form 941, Employer's Quarterly Federal Tax Return. The requirements for withholding, depositing, reporting and paying employment taxes are explained in Circular E, Employer's Tax Guide, (Publication 15), and Employer's Supplemental Tax Guide, (Publication 15-A). These publications explain your tax responsibilities as an employer.

CHURCHES

Churches may employ both ministers and church workers. Employees of churches or church-controlled organizations are subject to income tax withholding, but may be exempt from FICA taxes. Churches are not required to pay FUTA tax. In addition, although ministers are generally common law employees, they are not treated as employees for employment tax purposes. These special employment tax rules for members of the clergy and religious workers are explained in Publication 517, Social Security and Other Information for Members of the Clergy and Religious Workers. Churches should also consult Publications 15 and 15-A. Publication 1828, Tax Guide for Churches and Religious Organizations, also discusses the various benefits and responsibilities of these organizations under Federal tax law.

PUBLIC CHARITY STATUS

Every organization that qualifies for tax-exemption as an organization described in section 501(c)(3) is a private foundation unless it falls into one of the categories specifically excluded from the definition of that term [referred to in section 509(a)(1), (2), (3), or (4)]. In effect, the definition divides these organizations into two classes, namely private foundations and public charities.

Public charities are generally those that either have broad public support or actively function in a supporting relationship to those organizations.

Public charities enjoy several advantages over private foundations. There are certain excise taxes that apply to private foundations but not to public charities. A private foundation must also annually file Form 990-PF, Return of Private Foundation, even if it had no revenue or expenses.

ARABELLA LEGACY FUND

The Code section under which you are classified as a public charity is shown in the heading of your exemption letter. This determination is based on the information you provided and the request you made on your Form 1023 application. Please refer to Publication 557 for additional information about public charity status.

GRANTS TO INDIVIDUALS

The following information is provided for organizations that make grants to individuals. If you begin an individual grant program that was not described in your exemption application, please inform us about the program.

Funds you distribute to an individual as a grant must be made on a true charitable basis in furtherance of the purposes for which you are organized. Therefore, you should keep adequate records and case histories that demonstrate that grants to individuals serve your charitable purposes. For example, you should be in a position to substantiate the basis for grants awarded to individuals to relieve poverty or under a scholarship or education loan program. Case histories regarding grants to individuals should show names, addresses, purposes of grants, manner of selection, and relationship (if any) to members, officers, trustees, or donors of funds to you.

For more information on the exclusion of scholarships from income by an individual recipient, see Publication 520, Scholarships and Fellowships.

newventurefund

734 15th Street NW, Washington, DC 20005
T: (202) 595-1061 F: (202) 833-5540
E: info@newventurefund.org
W: www.newventurefund.org

October 27, 2009

Internal Revenue Service
TEGE: Correspondence Unit
Room 4024, P.O. Box 2508
Cincinnati, OH 45201
Fax: (513) 263-4330

Re: Arabella Legacy Fund
EIN: 20-5806345

Dear Sir or Madam:

Please accept this letter as official notification that Arabella Legacy Fund has changed its name to New Venture Fund effective September 16, 2009. Attached for your information is the notification from the District of Columbia Department of Consumer and Regulatory Affairs confirming the name change and a copy of the Certificate of Amendment of the Articles of Incorporation.

Old Name: Arabella Legacy Fund
734 15th Street, NW, Suite 600
Washington, DC 20005
EIN: 20-5806345

New Name: New Venture Fund
734 15th Street, NW, Suite 600
Washington, DC 20005
EIN: 20-5806345

We respectfully request that a new letter of determination be issued by the Internal Revenue Service reflecting the new name of the organization.

If you have any questions with respect to this matter, please contact me at 202-595-1025.

Sincerely,



Eric Kessler
President

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS



C E R T I F I C A T E

THIS IS TO CERTIFY that all applicable provisions of the District of Columbia Nonprofit Corporation Act have been complied with and accordingly, this **CERTIFICATE OF AMENDMENT** is hereby issued to:

ARABELLA LEGACY FUND

Name Changed To

NEW VENTURE FUND

IN WITNESS WHEREOF I have hereunto set my hand and caused the seal of this office to be affixed as of the **20th** day of **October, 2009**.

LINDA K. ARGO
Director

Business and Professional Licensing Administration

A handwritten signature in cursive script, reading "Patricia E. Grays", written over a horizontal line.

PATRICIA E. GRAYS
Superintendent of Corporations
Corporations Division

Adrian M. Fenty
Mayor



District of Columbia Government
Corporations Division
PO Box 92300
Washington DC 20090

Articles of Amendment of Domestic Non-Profit Corporation

Pursuant to the provisions of the District of Columbia non-profit Corporation Act, the undersigned adopts the following Articles of Amendment to its Articles of Incorporation:

1. Name the non-profit corporation.
Arabella Legacy Fund

2. The following amendment of the Articles of Incorporation was adopted by the Corporation in the manner prescribed by the District of Columbia Non-profit Corporation Act:

The First Article is being amended and the new name of the corporation is New Venture Fund

3. Amendment has been adopted in the following manner: Option A or B or C must be chosen, but not both:

- (A) "The amendment was adopted at a meeting of members held on _____ at which a quorum was present, and the amendment received at least two-thirds of the votes which members present or represented by proxy at such meeting were entitled to cast."
- (B) "The amendment was adopted by consent in writing signed by all members entitled to vote with respect hereto."
- (C) "The amendment was adopted at a meeting of the Board of Director held on 09/16/09, and received the vote of a majority of the Directors in office, there being no members having voting rights in respect thereof."

If you sign this form, you agree that you understand that anyone who makes a false statement anywhere on it can be punished by criminal penalties of a fine up to \$1000, imprisonment up to 180 days, or both, under DCOC § 22-2405.

President / Vice-President	Date	Signature
Eric Kessler	9/16/09	
Secretary / Assistant Secretary	Date	Signature
Katherine Miller	9/16/09	

Mail all forms and required payment to:
Department of Consumer and Regulatory Affairs
Corporations Division
PO Box 92300
Washington, DC 20090
Phone: (202) 442-4400

OCT 20 2009

Date: October 22, 2009

Department of Consumer and Regulatory Affairs
Business Regulation Administration Corporations Division
Corporation Abstract Print Out

Corporation Detail

File No: **263183** Inc Date: **10/25/2006** Type Code: **DNP** Country: **UNITED STATES**
State: **DC** Status: **AC** Status Date: Fee: **70.00** Bundle No: **D-384**
Name: **NEW VENTURE FUND**

Agent: **CORPORATION SERVICE COMPANY**

Address: **1090 VERMONT AVE., N.W.**

Zip Code: **20005** Zip 4:

Stock:

Dollar Value:

Retire Date:

Retired Box:

Liber No:

Folio No:

Perpetual: **Y**

Duration:

Goodstandings:

Special Note:

Miscellaneous:	File No	Filed Date	Type	Description	Fee Paid	Bundle No
	263183	10/20/2009	NCHD	FR: ARABELLA LEGACY FUND	65.00	A1424
	263183	11/20/2007	SOCD	STATEMENT OF CHANGE	60.00	A0994

Reports:	File No	Year	Rcvd Date	Filed Date	Status	Status Date	Bundle	Fee Paid
	263183	2009	01/13/2009	01/13/2009	OK		A1286	75.00
	263183	2007	04/23/2007	04/23/2007	OK		A0898	115.00

DCRA

DEPARTMENT OF CONSUMER & REGULATORY AFFAIRS

District of Columbia Government

Corporations Division

PO Box 92300

Washington DC 20090

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President / Vice-President	Date	Signature
Eric Kessler 	9/16/09	
Secretary / Assistant Secretary	Date	Signature
Katherine Miller	9/16/09	

Mail all forms and required payment to:

Department of Consumer and Regulatory Affairs
Corporations Division
PO Box 92300
Washington, DC 20090
Phone: (202) 442-4400

