**Part I  Identification of Applicant**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Full name of organization (exactly as it appears in your organizing document)</td>
</tr>
<tr>
<td></td>
<td>Project Healing Waters - Fly Fishing, Inc.</td>
</tr>
<tr>
<td>2</td>
<td>c/o Name (if applicable)</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Mailing address (Number and street) (see instructions)</td>
</tr>
<tr>
<td></td>
<td>P.O. Box 695</td>
</tr>
<tr>
<td></td>
<td>City or town, state or country, and ZIP + 4</td>
</tr>
<tr>
<td></td>
<td>La Plata, Maryland 20646</td>
</tr>
<tr>
<td>4</td>
<td>Employer Identification Number (EIN)</td>
</tr>
<tr>
<td></td>
<td>61-1518154</td>
</tr>
<tr>
<td>5</td>
<td>Month the annual accounting period ends (01 – 12)</td>
</tr>
<tr>
<td></td>
<td>12</td>
</tr>
<tr>
<td>6</td>
<td>Primary contact (officer, director, trustee, or authorized representative)</td>
</tr>
<tr>
<td>a</td>
<td>Name: D. Benson Tesdahl</td>
</tr>
<tr>
<td>b</td>
<td>Phone: (202) 466-6550</td>
</tr>
<tr>
<td>c</td>
<td>Fax: (optional) (202) 785-1756</td>
</tr>
<tr>
<td>7</td>
<td>Are you represented by an authorized representative, such as an attorney or accountant? If &quot;Yes,&quot; provide the authorized representative’s name, and the name and address of the authorized representative’s firm. Include a completed Form 2848, Power of Attorney and Declaration of Representative, with your application if you would like us to communicate with your representative.</td>
</tr>
<tr>
<td></td>
<td>Yes ☑ No</td>
</tr>
<tr>
<td>8</td>
<td>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 &quot;Yes,&quot; 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.</td>
</tr>
<tr>
<td></td>
<td>Yes ☑ No</td>
</tr>
<tr>
<td>9a</td>
<td>Organization’s website: <a href="http://www.projecthealingwaters.org">www.projecthealingwaters.org</a></td>
</tr>
<tr>
<td>b</td>
<td>Organization’s email: (optional)</td>
</tr>
<tr>
<td>10</td>
<td>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 &quot;Yes,&quot; explain. See the instructions for a description of organizations not required to file Form 990 or Form 990-EZ.</td>
</tr>
<tr>
<td></td>
<td>Yes ☑ No</td>
</tr>
<tr>
<td>11</td>
<td>Date incorporated or formed, if other than a corporation. (MM/DD/YYYY) 01 / 08 / 2007</td>
</tr>
<tr>
<td>12</td>
<td>Were you formed under the laws of a foreign country? If &quot;Yes,&quot; state the country.</td>
</tr>
<tr>
<td></td>
<td>Yes ☑ No</td>
</tr>
</tbody>
</table>
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 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): Article Third

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. Article Eighth

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 part 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.

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Mailing address</th>
<th>Compensation amount (annual actual or estimated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>See Exhibit C enclosed.</td>
<td></td>
<td></td>
<td>None</td>
</tr>
</tbody>
</table>

Form 1023 (Rev. 6-2006)
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.

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Mailing address</th>
<th>Compensation amount (annual actual or estimated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sandy Pappalanni</td>
<td>Project Admin and Finance Mgr</td>
<td>12030 Provident Drive</td>
<td>$70,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>La Plata, MD 20640</td>
<td></td>
</tr>
<tr>
<td>David Folkerts</td>
<td>Program Manager</td>
<td>5924 Founders Hill Drive</td>
<td>$65,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Alexandria, VA 22310</td>
<td></td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Mailing address</th>
<th>Compensation amount (annual actual or estimated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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. [ ] Yes [ ] No

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 IV Compensations and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

<table>
<thead>
<tr>
<th>d</th>
<th>Do you or will you record in writing the decision made by each individual who decided or voted on compensation arrangements?</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>e</td>
<td>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.</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>f</td>
<td>Do you or will you record in writing both the information on which you relied to base your decision and its source?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>g</td>
<td>If you answered &quot;No&quot; 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.</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

#### 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.

#### 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.

<table>
<thead>
<tr>
<th>6a</th>
<th>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 &quot;Yes,&quot; 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.</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>b</td>
<td>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 &quot;Yes,&quot; describe all non-fixed compensation arrangements, including how the amounts are 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.</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>7a</th>
<th>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 &quot;Yes,&quot; 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.</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>b</td>
<td>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 &quot;Yes,&quot; 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 that you pay no more than fair market value. Attach copies of any written contracts or other agreements relating to such sales.</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>8a</th>
<th>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 &quot;Yes,&quot; provide the information requested in lines 8b through 8f.</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>b</td>
<td>Describe any written or oral arrangements that you made or intend to make.</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>c</td>
<td>Identify with whom you have or will have such arrangements.</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>d</td>
<td>Explain how the terms are or will be negotiated at arm's length.</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>e</td>
<td>Explain how you determine you pay no more than fair market value or you are paid at least fair market value.</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>f</td>
<td>Attach copies of any signed leases, contracts, loans, or other agreements relating to such arrangements.</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

| 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

1b 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 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.)

1a 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.)

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

☐ Yes ☑ No

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.

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(c)? 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(c).

☐ 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(c).

☐ 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(c).

☐ 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
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.

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.
   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.
   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.
   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.
      (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.
   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.
   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.
   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.
   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.
   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.
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(c)? 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.

Note: Private foundations may use Schedule H to request advance approval of individual grant procedures.
Form 1023 (Rev. 6-2006)  Name: Project Healing Waters - Flying Fishing, Inc.

**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.) See Exhibit E.

### A. Statement of Revenues and Expenses

<table>
<thead>
<tr>
<th>Type of revenue or expense</th>
<th>Current tax year</th>
<th>3 prior tax years or 2 succeeding tax years</th>
<th>(e) Provide Total for (a) through (d)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) From</td>
<td>(d) From</td>
<td>(c) From</td>
<td>(b) From</td>
</tr>
<tr>
<td>To</td>
<td>To</td>
<td>To</td>
<td>To</td>
</tr>
<tr>
<td>1 Gifts, grants, and contributions received (do not include unusual grants)</td>
<td>See Exhibit E</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Membership fees received</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Gross investment income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 Net unrelated business income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Taxes levied for your benefit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>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)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7 Any revenue not otherwise listed above or in lines 9–12 below (attach an itemized list)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8 Total of lines 1 through 7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>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)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 Total of lines 8 and 9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11 Net gain or loss on sale of capital assets (attach schedule and see instructions)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12 Unusual grants</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13 Total Revenue</td>
<td>Add lines 10 through 12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14 Fundraising expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15 Contributions, gifts, grants, and similar amounts paid out (attach an itemized list)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16 Disbursements to or for the benefit of members (attach an itemized list)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17 Compensation of officers, directors, and trustees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18 Other salaries and wages</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19 Interest expense</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20 Occupancy (rent, utilities, etc.)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>21 Depreciation and depletion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>22 Professional fees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>23 Any expense not otherwise classified, such as program services (attach itemized list)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>24 Total Expenses</td>
<td>Add lines 14 through 23</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Part IX: Financial Data (Continued)
#### B. Balance Sheet (for your most recently completed tax year)

<table>
<thead>
<tr>
<th>Assets</th>
<th>Year End: 12-2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Cash</td>
<td>1 301,076</td>
</tr>
<tr>
<td>2 Accounts receivable, net</td>
<td>2 00</td>
</tr>
<tr>
<td>3 Inventories</td>
<td>3 00</td>
</tr>
<tr>
<td>4 Bonds and notes receivable (attach an itemized list)</td>
<td>4 00</td>
</tr>
<tr>
<td>5 Corporate stocks (attach an itemized list)</td>
<td>5 00</td>
</tr>
<tr>
<td>6 Loans receivable (attach an itemized list)</td>
<td>6 00</td>
</tr>
<tr>
<td>7 Other investments (attach an itemized list)</td>
<td>7 00</td>
</tr>
<tr>
<td>8 Depreciable and depleteable assets (attach an itemized list)</td>
<td>8 00</td>
</tr>
<tr>
<td>9 Land</td>
<td>9 00</td>
</tr>
<tr>
<td>10 Other assets (attach an itemized list)</td>
<td>10 2382</td>
</tr>
<tr>
<td>11 Total Assets (add lines 1 through 10)</td>
<td>11 303,458</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Year End: 12-2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 Accounts payable</td>
<td>12 17,566</td>
</tr>
<tr>
<td>13 Contributions, gifts, grants, etc. payable</td>
<td>13 00</td>
</tr>
<tr>
<td>14 Mortgages and notes payable (attach an itemized list)</td>
<td>14 00</td>
</tr>
<tr>
<td>15 Other liabilities (attach an itemized list)</td>
<td>15 00</td>
</tr>
<tr>
<td>16 Total Liabilities (add lines 12 through 15)</td>
<td>16 17,566</td>
</tr>
</tbody>
</table>

**Fund Balances or Net Assets**

<table>
<thead>
<tr>
<th>Liabilities and Fund Balances or Net Assets</th>
<th>Year End: 12-2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>17 Total fund balances or net assets</td>
<td>17 285,892</td>
</tr>
<tr>
<td>18 Total Liabilities and Fund Balances or Net Assets (add lines 16 and 17)</td>
<td>18 303,458</td>
</tr>
</tbody>
</table>

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. ✗ 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. ✗ Yes ☑ No

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. − 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.

a 501(a)(1) and 170(b)(1)(A)(i)—a church or a convention or association of churches. Complete and attach Schedule A. ☑

b 501(a)(1) and 170(b)(1)(A)(ii)—a school. Complete and attach Schedule B. ☑

c 501(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 501(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 XI  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)(v)—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)(v)—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)(3)—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 advance ruling 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 website 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.

For Organization

[Signature]

[Name]

(Date)

President

For IRS Use Only

[Signature]

[Name]

(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.

[Signature]

[Name]

(Date)

President

[Signature]

[Name]

(Date)

[Signature]

[Name]

(Date)
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 “No,” 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   ....................................................................................................................  Edwin P. Nicholson   1/30/09
   Sign  ............................................................................................................................
   Here  .................................................  Edwin P. Nicholson   1/30/09
   (Signature of Officer, Director, Trustees, or other  
   authorized official)

   President  ..............................................................................................  Edwin P. Nicholson   1/30/09
   (Type or print name of signer)  
   (Date)  
   (Type or print title or authority of signer)

Reminder: Send the completed Form 1023 Checklist with your filled-in-application.  Form 1023 (Rev. 6-2006)
ARTICLES OF AMENDMENT
TO THE ARTICLES OF INCORPORATION OF
PROJECT HEALING WATERS – FLY FISHING, INC.

Project Healing Waters – Fly Fishing, Inc., a Maryland tax-exempt non-stock corporation, hereby certifies to the State Department of Assessments and Taxation of Maryland that the Articles of Incorporation of the corporation are hereby amended as follows:

Article THIRD is amended by deleting all current language and replacing it with the following language:

THIRD: The corporation is organized and shall be operated exclusively for charitable, religious, educational and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as now in effect or as may hereafter be amended. The specific purposes for which the Corporation is formed include, but are not limited to, offering wounded or injured military personnel opportunities to overcome their disabilities by learning, or enhancing, fly fishing and fly tying skills, and to use and enjoy these skills on fishing outings.

This amendment to the articles of incorporation of the corporation has been approved by the directors. There is no membership entitled to vote on amendments.

We, the undersigned President and Secretary, swear under penalties of perjury that the foregoing is a corporate act.

[Signature]
Secretary
[Date]
[Signature]
President
[Date]

Return address of filing party:
D. Benson Tesdahl
1501 M. Street, N.W., 7th Floor
Washington, D.C. 20005

STATE OF MARYLAND
I hereby certify that this is a true and complete copy of the document on file in this office. DATED 12/30/98.
DEPARTMENT OF ASSESSMENTS AND TAXATION
Custodian
This stamp replaces our previous certification system. Effective: 6/95.
STATE OF MARYLAND
ARTICLES OF INCORPORATION
FOR A TAX-EXEMPT NON-STOCK CORPORATION

FIRST: The undersigned Edwin P. Nicholson, whose address is 7665 Carol Road, Port Tobacco, Maryland 20677, being at least eighteen years of age, does hereby form a corporation under the laws of the State of Maryland.

SECOND: The name of the corporation is PROJECT HEALING WATERS - FLY FISHING, INC.

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

The organization is a non-profit trustee corporation established under the laws of the State of Maryland as a subordinate organization of the Federation of Fly Fishers, Inc., to offer wounded or injured military personnel opportunities to overcome their disabilities by learning, or enhancing, fly fishing and fly tying skills, and to use and enjoy those skill on fishing outings.

Said corporation is organized exclusively for charitable, religious, educational, and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501 (c)(3) of the Internal Revenue Code, or the corresponding section of any future Federal tax code.

FOURTH: The street address of the principal office of the corporation in Maryland is 7665 Carol Road, Port Tobacco, Maryland 20677.

FIFTH: The name of the resident agent of the corporation in Maryland is Edwin P. Nicholson whose address is 7665 Carol Road, Port Tobacco, Maryland 20677.

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

SEVENTH: The number of directors of the corporation shall be one (1), which number may be increased or decreased pursuant to the bylaws of the corporation. The name of the director, who shall act until the first meeting or until his successor is duly chosen and qualified, is Edwin P. Nicholson.

EIGHTH: No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its members, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article Third hereof.

No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of or in opposition to any candidate for public office.
Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under Section 501 (c) (3) of the Internal Revenue Code, or the corresponding section of any future Federal tax code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future Federal tax code.

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

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

SIGNATURE OF INCORPORATOR

[Signature]

Date: 14 January 2007

Filing party= return address:

Edwin P. Nicholson
7665 Carol Road
Port Tobacco, Maryland 20677

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

SIGNATURE OF RESIDENT AGENT
LISTED IN FIFTH:

[Signature]
BYLAWS OF THE PROJECT HEALING WATERS FLY FISHING, INCORPORATED

ARTICLE I

This organization shall be called the "PROJECT HEALING WATERS FLY FISHING, INCORPORATED" and is referred to in these Bylaws as the Corporation.

ARTICLE II - PURPOSES

Section 1. Objectives of the Corporation. The Corporation is a non-profit trustee corporation established under the laws of the State of Maryland as a subordinate organization of the Federation of Fly Fishers, Inc. (hereinafter referred to as the Federation) to:

a. Offer wounded or injured military personnel opportunities to overcome their disabilities by learning or enhancing fly fishing and fly tying skills and to use and enjoy those skills on fishing outings.

b. Receive, accept, hold, administer, and manage all assets of every kind and description which may be received and accepted by the Corporation. Such assets shall be invested, managed, and administered solely for the purposes of the Corporation.

c. Acquire, own, dispose of, transfer, manage, encumber, mortgage, or lease real and personal property and interest therein and to apply gifts, grants, bequests and devises, and the proceeds thereof in furtherance of the purposes of this Foundation.

d. At the discretion of the Board of Trustees to take by bequest, devise, gift, purchase, or lease, absolutely, in trust, or otherwise for any of the Corporation's purposes, any property, real or personal, and to carry out the directions contained in the instrument under which the property is accepted and to invest the assets of the Corporation in accordance with the purposes set forth herein.

e. To do all things necessary to carry out the purposes of the Corporation and the protection of its assets, including, but not limited to, procuring services and products, entering into contracts and incurring and paying all necessary expenses.

f. Raise and distribute funds exclusively to carry out the purposes of the Corporation.

Section 2. Activities.

a. The Corporation is established as a non-profit domestic corporation to be organized exclusively for purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, including for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code.
b. Avoidance of Political Activity. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.

c. General Activities. Notwithstanding any other provisions of these articles, the Corporation shall not carry on any other activities not permitted to be carried on by: (a) a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code or corresponding section of any future tax code; or (b) a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code or corresponding section of any future tax code.

ARTICLE III - BOARD OF TRUSTEES

Section 1. General Powers. The Board of Trustees (Board) shall control the business and affairs of the Corporation and may exercise all such authority and powers of the Corporation and do all such lawful acts and things as are not prohibited by law, the Articles of Incorporation or these bylaws.

Section 2. Number and Selection of Trustees.

a. The Board of Trustees of the Corporation shall consist of not less than five (5) individuals as determined by the Board.

b. All Trustees will hold staggered terms of three years or until their successors are elected. The Board will initially elect Trustees for terms of one, two and three years. Each year thereafter, the Board shall determine the number of Trustees to be elected and their term of office so as to maintain staggered terms of three years. There shall be no limit on the number of terms that an officer or trustee can serve.

Section 3. Place of Meeting. The Board may hold its meetings at such place or places as the Board from time to time may determine or as shall be specified or fixed in the respective meeting notices or waivers of notice.

Section 4. Regular Meetings. Regular meetings of the Board shall be held at such times and places as the Board may determine.

Section 5. Special Meetings. Special meetings of the Board may be called by the President or the Secretary, and shall be called by the President or the Secretary upon the written request of any three (3) Trustees.

Section 6. Quorum and Manner of Acting. Except as provided in Section 10 of this Article, a quorum will consist of a majority of the Trustees of the whole Board. The act of a majority of the Trustees present at meetings at which a quorum is present will be the act of the Board, unless the act of a greater number is required by law or by these bylaws. In the absence of a quorum, a majority of the trustees present may adjourn any meeting from time to time until a quorum can be achieved. Notice of any adjourned meeting need not be given, other than by announcement at the meeting at which such adjournment shall be taken.

Section 7. Notice of Meetings. Notice of each regular and special meeting of the Board, stating the time, place and purpose, shall be given personally or by first class mail addressed to each Trustee. The notice shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting. Notice need not be given to any Trustee if such notice shall be waived by that Trustee and business may be transacted by the Board at a meeting at which every member of the Board shall be present, though held without notice.
Section 8. Informal Procedure. To the extent permitted by law, the Board may act by mail, telephone, or other methods as requested by the President to transact its business. Participation in a meeting pursuant to this Section constitutes presence in person at the meeting.

Section 9. Removal of Trustees. Any Trustee may be removed at any time by the affirmative vote of a majority of a quorum of the whole Board at a regular or at a special meeting of the Board called for that purpose.

Section 10. Vacancies. Vacancies in the Board by Trustees caused by death, resignation, removal, increase of the number of Trustees, or any other cause, shall be filled by appointment from the President of the Board with the advice and consent of the Board for the unexpired portion of the term.

ARTICLE IV - OFFICERS

Section 1. Officers. The officers of the Corporation will be a President, one or more Vice Presidents (the number to be determined by the Board), a Secretary, a Treasurer and such other officers as may be elected in accordance with the provisions of this Article. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 2. Election and Term of Office. The officers of the Corporation will be elected annually by the Board at the regular annual meeting of the Board. If the election of officers will not be held at such meeting, such election will be held as soon thereafter as is convenient. New offices may be created and filled at any meeting of the Board. All officers will hold office for one year or until their successors are elected. The Nominating Committee shall submit nominations for officers to the Board.

Section 3. Other Officers and Employees. The Board may elect or appoint such other officers and employees as it deems desirable, such officers and employees to have the authority to perform the duties prescribed from time to time by the Board. The Board shall fix the compensation for any paid officer, employee, or agent of the Corporation and may require any officer, employee, or agent to be bonded to secure the faithful performance of his or her duties. The expense of this bond shall be borne by the Corporation. The Board may delegate to any executive officer or to any committee the power to appoint any such other officers and employees and to fix their compensation.

Section 4. Removal. Any officer of Corporation may be removed at any time by resolution adopted by a majority of the whole Board at a regular meeting or a special meeting called for that purpose.

Section 5. Vacancies. A vacancy in any office because of death, resignation, removal or any other cause shall be filled by the Board for the unexpired portion of the term.

Section 6. Chairman. The Chairman is responsible for overseeing the Board of Trustees. Additionally, the Chairman will have oversight and coordination responsibilities of the Corporation’s fundraising efforts. The Chairman will preside over all meetings of the Board.

Section 7. President. The President will be the principal executive officer of the Corporation and shall have the general powers of supervision and management over the business and affairs of the Corporation. The President may sign, with the Secretary or any other proper officer of the Corporation authorized by the Board, any deeds, mortgages, bonds, contracts, or other instruments which the Board has authorized to be executed, except in cases where the signing and execution thereof is expressly delegated by the Board or by these bylaws or by statute to some other officer or agent of the Corporation and in general the President will perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.
Section 8. Vice Presidents. There may be one or more Vice Presidents who shall have such duties as determined from time to time by the Board or the President. When Vice Presidents have been elected, one or more such Vice Presidents shall be designated who shall perform the duties of the President in the President's temporary absence.

Section 9. Treasurer. The Treasurer will have charge and custody of and be responsible for all funds and securities of the Corporation; shall prepare an annual budget for the Corporation; receive and give receipts for moneys due and payable to the Corporation from any source whatsoever, and deposit all such moneys in the name of the Corporation in such banks, trust companies, or other depositories as are selected by the Board; and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the President or by the Board.

Section 10. Secretary. The Secretary shall keep the minutes of the Board; see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; be custodian of the corporate records and of the seal of the foundation and see that the seal of the Corporation is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these bylaws; and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the President or by the Board.

ARTICLE V - COMMITTEES

Section 1. Committees of Trustees. The Board may designate and appoint one or more committees, each of which shall consist of two or more Trustees, which committees, to the extent defined by the Board, shall have and exercise the authority of the Board in the management of the Corporation. Actions of these committees shall be ratified by the Board, and the committees shall report to the Board. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board, or any individual Trustee, of any responsibility imposed upon the Board or a Trustee by law.

Section 2. Other Committees. Other committees not having and exercising the authority of the Board in the management of the Corporation may be appointed in such manner as may be designated by a resolution adopted by the Board. Except as otherwise provided in such resolution, members of each such committee shall be members of the Corporation, and the President of the Corporation shall appoint the member thereof. Any members thereof may be removed by the person or persons authorized to appoint such member whenever in their judgment the best interests of the Corporation shall be served by such removal.

Section 3. Nominating Committee. The Nominating Committee shall consist of a minimum of three (3) Trustees selected by the Board. The members of the Nominating Committee shall elect a chairperson and shall present a list of nominees for Trustees and for the offices of President, Vice Presidents, Secretary, Treasurer and such other officers as desired by the Board to be elected at the Annual Board Meeting of the Corporation.

ARTICLE VI - RESIGNATION

Any Trustee or Officer may resign his or her office at any time by giving written notice of resignation to the President or the Secretary of the Corporation. Such resignation shall take effect at the time specified or if no time is specified, at the time of receipt.

ARTICLE VII - CONTRACTS, CHECKS, DEPOSITS AND FUNDS

Section 1. Contracts. The Board may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these bylaws, to enter into any contract or
execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, etc. All checks, drafts, or orders for the payment of money, notes or other evidences of indebtedness issues in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the Treasurer and countersigned by the President or a Vice President of the Corporation.

Section 3. Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Trustees may select.

Section 4. Gifts. The Board may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purpose or for any special purpose of the Foundation.

ARTICLE VIII - OFFICES, BOOKS AND RECORDS

Section 1. Offices. The principal office of the Corporation shall be at such place as the Board may determine. The Board may from time to time establish other offices or branches of the Corporation at whatever place or places it deems to be expedient.

Section 2. Books and Records. The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the meetings of its Board of Trustees and committees having any of the authority of the Board of Trustees. All books and records of the Corporation may be inspected by any member of the Corporation, or his or her agent or attorney, for any proper purpose at any reasonable time.

ARTICLE IX - SEAL

The Board may provide for a corporate seal, which shall be in the form of a circle and shall bear the name of the Corporation and words and figures indicating the year and state in which the Corporation was incorporated and such other words or figures as they may approve and adopt.

ARTICLE X - FINANCE

Section 1. Fiscal Year. The fiscal year of the Corporation shall be the calendar year beginning January 1 and ending December 31.

Section 2. Budget. The Board shall review and approve the annual budget of Corporation submitted by the Treasurer.

Section 3. Expenditures. No part of the net earnings of the Corporation shall inure to the benefit of or be distributed to its directors, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article II.

ARTICLE XI - NONDISCRIMINATION

It shall be the policy of the Corporation to provide equal employment opportunity and equal opportunity to participate in any programs of the Corporation without regard to race, color, religion, sex or national origin. It shall also be the policy of the Corporation to fully comply with all relevant provisions of the Americans With Disabilities Act.

ARTICLE XII - INDEMNIFICATION

It shall be the policy of the Corporation to provide indemnity to its officers and trustees who acted in good faith and reasonably believed that their conduct in their capacity as such officers or
trustees of the Corporation, or in the case of all other conduct, was at least not opposed to the best interest of the Corporation and in the case of criminal proceedings had not reasonable cause to believe that the conduct was unlawful. Such indemnity pertains to any action or proceeding in which an officer or trustee is made a party by virtue of holding an office or position as trustee of the Corporation. Indemnification is limited and effective only to the full extent permitted by law. Indemnification is prohibited if the officer or trustee is found to be liable to the corporation or adjudged to have received personal benefit from the transaction. All requests for indemnity shall be submitted to the Board of Trustees of the Corporation and shall be considered in the manner provided in § 8.55 of the Revised Model Nonprofit Business Corporation Act.

In compliance with this bylaw the Board of Trustees shall to the extent lawful and feasible (considering cost and the resources available to the Corporation) purchase insurance to protect the officers and trustees from liability for their action as officers and trustees of the Corporation. The foregoing indemnity provision shall in no way limit the extent of any insurance coverage purchased for such purpose.

ARTICLE XIII - AMENDMENTS

These bylaws may be amended at any annual or special meeting of the Board. The affirmative vote of two-thirds (2/3) of the voting Board shall be required for the adoption of any amendment. Notice of the meeting and proposed amendment, together with the text of the proposed amendment, shall be delivered to the Trustees as outlined by the notice requirements of Article III, Section 7 of these bylaws.

ARTICLE XIV - DISTRIBUTION OF ASSETS UPON DISSOLUTION

Upon the dissolution of the Corporation, assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the U.S. Internal Revenue Code, or corresponding section of any tax code, subject only to any order of a court of competent jurisdiction.

ARTICLE XIV - RULES OF ORDER

Meetings of the Corporation will be conducted under Robert's Rules of Order, Revised except as specified by the Articles of Incorporation and these bylaws.

ADOPTED APRIL 30, 2007
Part I, Line 7 - Authorized Representative:
Name: D. Benson Tesdahl
Address: 1501 M Street, NW 7th Floor
         Washington, DC 20005

A Form 2848 is attached immediately on top of this Form 1023 designating the above-named individual as the authorized representative of the Corporation.

Part II, Question 1 - Articles of Incorporation:
The articles of incorporation are attached at Exhibit A.

Part II, Question 5 - Bylaws:
The bylaws are attached at Exhibit B.

Part IV - Description of the Activities:
Project Healing Waters – Fly Fishing, Inc. (the “Corporation”) was organized with the purpose of providing charitable and educational programs to disabled military veterans. Specially, the Corporation, in cooperation with military hospital facilities, provides physical therapy for wounded veterans by teaching them to fly fish. The physical actions required to cast a fly rod provide useful rehabilitation for wounded individuals who cannot participate in other forms of exercise, and taking wounded veterans to quiet nature settings also assists them to recover from emotional trauma. The Corporation’s programs have received national television coverage and are strongly supported by military hospitals and veterans alike. Since its incorporation in January of 2007, the Corporation has operated as part of a “group exemption” under the umbrella of a nonprofit charity called the Federal of Fly Fishers (Group Exemption #9453 – see attached group exemption letter). However, as of the approval date of this Application, the Corporation desires to be free-standing and have its own separate recognition of exemption.

Part V, Line 1a and Line 3a - Directors and Officers, and their hours and qualifications:
None of the Corporation’s directors or officers will receive any compensation for their services as directors and officers. There is no law that requires board members to have
any particular "qualifications." Nevertheless, each director and officer is a person who has served in the military and/or has an interest in helping wounded veterans. Many also have fly fishing and fly typing expertise. The duties of each officer are described in the bylaws which are attached at Exhibit B. It is anticipated that each officer will expend approximately 5 hours per month on his/her duties and that each director will expend about the same. A list of the officers and directors is attached to this Exhibit C.

**Part V, Line 5a - Conflict of Interest Policy:**

The Corporation has adopted verbatim the IRS's recommended conflict of interest policy, which is at Exhibit D.

**Part VI, Line 1a - Individuals that Receive Benefits:**

Military veterans who have been wounded will receive the primary benefits from the Corporation's fly fishing programs. These fishing trips are provided free of charge.

**Part VIII, Line 4a - Fundraising Programs:**

The majority of the Corporation's income will come from donations from the general public. Initially, the Corporation has sought contributions through some mail and personal solicitations of donations from the general public, as well as from some corporate sponsorship.

**Part VIII, Line 4d - State and Jurisdictions in Which the Corporation Will Conduct Fundraising Activities:**

Most fundraising to date has occurred through board member solicitations in Maryland, the District of Columbia and Virginia. However, broader fundraising activities are not fully underway as the Corporation is awaiting approval of its own separate tax-exempt status from the IRS before beginning any significant fundraising.

**Part IX - Financial Data:**

A proposed three-year budget is at Exhibit E.
This is in response to the letter, dated November 4, 1993, regarding your status as an organization exempt from Federal income tax.

Our records indicate that a ruling letter was issued in September 1969, granting your organization an exemption from Federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code of 1954. Our records also indicate that your organization is not a private foundation but one that is described in Section 509(a)(2) of the Internal Revenue Code.

Contributions made to you are deductible by donors in computing their taxable income in the manner and to the extent provided in Section 170 of the Internal Revenue Code.

If your gross receipts each year are normally $25,000 or more, you are required to file Form 990, Return of Organizations Exempt from Income Tax by the fifteenth day of the fifth month after the end of your annual accounting period.

You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under Section 511 of the code. If you are subject to this tax, you must file an income tax return on Form 990-T.

If any questions arise with respect to your status for Federal income tax purposes, you may use this letter as evidence of your exemption.

This is an advisory letter.

Sincerely yours,

Marilyn W. Day
District Director

* This letter covers your subordinate
### Officers, Board of Trustees, and Regional Coordinators

**Project Healing Waters Fly fishing, Inc.**

<table>
<thead>
<tr>
<th>Name</th>
<th>Profession/ Affiliation</th>
<th>Title</th>
<th>Location</th>
<th>E-mail</th>
<th>Telephone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ed Nicholson</td>
<td>Captain, USN (Ret)</td>
<td>President</td>
<td>7665 Carol Rd, Port Tobacco MD 20677</td>
<td><a href="mailto:ednichol@comcast.net">ednichol@comcast.net</a></td>
<td>C (301) 643-2148</td>
</tr>
<tr>
<td>John Colburn</td>
<td>Chief Warrant Officer, USA (Ret)</td>
<td>Executive Vice President</td>
<td>3700 N Capitol St NW, Washington DC 20011-8400</td>
<td><a href="mailto:johnwcolburn@msn.com">johnwcolburn@msn.com</a></td>
<td>C (202) 341-1216 W (202) 545-8776</td>
</tr>
<tr>
<td>Paul Aanonsen</td>
<td>Principal, Real Estate Finance, Prudential – Treasurer</td>
<td>Treasurer</td>
<td>Washington DC</td>
<td><a href="mailto:paa.aanonsen@prudential.com">paa.aanonsen@prudential.com</a></td>
<td>W (703) 810-1375</td>
</tr>
<tr>
<td>Dea Matty</td>
<td>Registered Nurse</td>
<td>Secretary</td>
<td>598 Great Road, Stow MA 01775</td>
<td><a href="mailto:d_file@earthlink.net">d_file@earthlink.net</a></td>
<td>C (703) 946-4498</td>
</tr>
<tr>
<td>Doug Matty</td>
<td>Lieutenant Colonel, USA</td>
<td>Vice President, Military Affairs</td>
<td>598 Great Road, Stow MA 01775</td>
<td><a href="mailto:dmatty@mit.edu">dmatty@mit.edu</a></td>
<td>C (703) 946-4498</td>
</tr>
<tr>
<td>Ed Felker</td>
<td>Graphics Designer</td>
<td>Vice President, Communications</td>
<td>11857 Berlin Pike, Lovettsville VA 20180</td>
<td><a href="mailto:ejfelker@verizon.net">ejfelker@verizon.net</a></td>
<td>C (703) 727-4440</td>
</tr>
<tr>
<td>David Folkerts</td>
<td>Program Manager</td>
<td></td>
<td>5924 Founders Hill Dr Apt 302, Alexandria VA 22310</td>
<td><a href="mailto:David.folkerts.phwff@gmail.com">David.folkerts.phwff@gmail.com</a></td>
<td>C (703) 314-9108</td>
</tr>
<tr>
<td>Sandy Pappaianni</td>
<td>Project Administrator and Financial Manager</td>
<td></td>
<td>12030 Provident Dr, La Plata MD 20646</td>
<td><a href="mailto:phwff.sandy@gmail.com">phwff.sandy@gmail.com</a></td>
<td>C (301) 399-7396 H (301) 539-4164</td>
</tr>
<tr>
<td>Douglas Dear</td>
<td>President, Chesapeake Ventures, LLC</td>
<td>Chairman</td>
<td>Great Falls VA</td>
<td><a href="mailto:dmdear@aol.com">dmdear@aol.com</a></td>
<td>C (703) 939-8229</td>
</tr>
<tr>
<td>Don Adams</td>
<td>Photographer; Owner, Fine Arts Gallery</td>
<td></td>
<td>Leavenworth WA</td>
<td><a href="mailto:donadamsphoto@juno.com">donadamsphoto@juno.com</a></td>
<td>C (509) 860-3612 W (509) 548-4736</td>
</tr>
<tr>
<td>John Bass</td>
<td>Owner, Bass Farms</td>
<td></td>
<td>PO Box 235, Spring Hope NC 27882</td>
<td><a href="mailto:jbass1861@earthlink.net">jbass1861@earthlink.net</a></td>
<td>C (252) 903-3829 W (900) 849-4147</td>
</tr>
<tr>
<td>Bill Dawson</td>
<td>Owner, The Diamond Group</td>
<td></td>
<td>3133 Copenhagen Rd, Street MD 21154</td>
<td><a href="mailto:bill@wadawsons.com">bill@wadawsons.com</a></td>
<td>(410) 836-3606</td>
</tr>
<tr>
<td>Richard Diamond</td>
<td>Owner, The Diamond Group</td>
<td></td>
<td>20 Vaillencourt Dr, Framingham MA 01701</td>
<td><a href="mailto:richard.diamond@comcast.net">richard.diamond@comcast.net</a></td>
<td>C (617) 721-5551 W (617) 681-1313</td>
</tr>
<tr>
<td>Russ Forney</td>
<td>Colonel, USA (Ret); State Surveyor, Wyoming Dept. of Health</td>
<td></td>
<td>PO Box 252, Beulah WY 82712</td>
<td><a href="mailto:wyknot@rangeweb.net">wyknot@rangeweb.net</a></td>
<td>C (605) 645-2981 (307) 283-1437</td>
</tr>
<tr>
<td>George Gaines</td>
<td>Past President, National Capital Chapter of TU; Congressional/ Public Liaison Officer, NICH, National Institutes of Health</td>
<td></td>
<td>3700 Danawha St NW, Washington DC 20015-1810</td>
<td><a href="mailto:gwgaines@earthlink.net">gwgaines@earthlink.net</a> <a href="mailto:gg36u@nih.gov">gg36u@nih.gov</a></td>
<td>C (202) 904-3547 W (301) 435-3447</td>
</tr>
<tr>
<td>Name</td>
<td>Profession/ Affiliation</td>
<td>Title</td>
<td>Location</td>
<td>E-mail</td>
<td>Telephone</td>
</tr>
<tr>
<td>--------------------</td>
<td>-----------------------------------------------</td>
<td>---------------------------------</td>
<td>---------------------------------</td>
<td>---------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>Carole Katz</td>
<td>Past President, Long Beach Casting Club</td>
<td></td>
<td>1801 Bridle Path Way</td>
<td><a href="mailto:katzhogan@cox.net">katzhogan@cox.net</a></td>
<td>H (714) 731-6044</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Santa Ana CA 92705</td>
<td></td>
<td>C (714) 309-9838</td>
</tr>
<tr>
<td>Steve Lasbs</td>
<td>Captain, USN (Ret)</td>
<td></td>
<td>6417 Ninth View Dr</td>
<td><a href="mailto:smlaabs@embarqmail.com">smlaabs@embarqmail.com</a></td>
<td>H (717) 352-8028</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Fayetteville PA 17222</td>
<td></td>
<td>C (410) 507-8578</td>
</tr>
<tr>
<td>King Montgomery</td>
<td>LTC USA (Ret), Outdoor Writer/Photographer</td>
<td></td>
<td>5607 Tilla Ct</td>
<td><a href="mailto:kingmontgo@aol.com">kingmontgo@aol.com</a></td>
<td>W (703) 425-0849</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Burke VA 22015</td>
<td></td>
<td>C (703) 600-9453</td>
</tr>
<tr>
<td>Susan Moser</td>
<td>CPA, CITP, Partner-in-Charge Cherry, Bekeart &amp; Holland</td>
<td></td>
<td>Great Falls VA</td>
<td><a href="mailto:smoser@cbh.com">smoser@cbh.com</a></td>
<td>W (703) 506-4440</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>C (703) 584-9224</td>
</tr>
<tr>
<td>Rick Patterson</td>
<td>Managing Director, SAAMI</td>
<td></td>
<td>17 Mine Hill Rd</td>
<td><a href="mailto:rpatterson@nssf.org">rpatterson@nssf.org</a></td>
<td>C (203) 241-8846</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Roxbury CT 06783-1323</td>
<td></td>
<td>W (203) 426-4358</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>W (203) 449-4501</td>
</tr>
<tr>
<td>Paul Ricciuti</td>
<td>Commander, USN (Ret); President, LOGCONGRU</td>
<td></td>
<td>4803 Forest Grove Dr</td>
<td><a href="mailto:logcongroup@msn.com">logcongroup@msn.com</a></td>
<td>C (563) 370-2492</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Davenport IA 52807</td>
<td></td>
<td>W (309) 782-1634</td>
</tr>
<tr>
<td>Dave Rogers</td>
<td>Director, Volunteer Operations, Trout Unlimited</td>
<td></td>
<td>1300 N 17th Street Suite 500</td>
<td><a href="mailto:drogers@tu.org">drogers@tu.org</a></td>
<td>C (202) 257-0929</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Arlington VA 22209</td>
<td></td>
<td>W (703) 284-9414</td>
</tr>
<tr>
<td>Tom Sadler</td>
<td>LCDR, USN,(Ret); Director of Program Development, Trust for Public Land</td>
<td></td>
<td>179 Bald Rock Rd</td>
<td><a href="mailto:tsadler@midrivegroup.com">tsadler@midrivegroup.com</a></td>
<td>W (202) 543-7552 x 35</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Verona VA 24482</td>
<td></td>
<td></td>
</tr>
<tr>
<td>R.P. Van Gynenboek</td>
<td>President/CEO, Federation of Fly Fishers</td>
<td></td>
<td>PO Box 1151</td>
<td><a href="mailto:van@fedflyfishers.org">van@fedflyfishers.org</a></td>
<td>C (406) 222-4964</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Livingston MT</td>
<td></td>
<td>O (406) 222-9369</td>
</tr>
<tr>
<td>Dick Verville</td>
<td>Partner, Powers Pyles Sutter Verville</td>
<td></td>
<td>5700 Sheraton PL NW</td>
<td><a href="mailto:dick.verville@ppsiv.com">dick.verville@ppsiv.com</a></td>
<td>W (202) 456-6550</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Washington DC 20016</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
PROJECT HEALING WATERS – FLY FISHING, INC.
CONFLICTS OF INTEREST POLICY

Article I

Purpose

The purpose of the conflicts of interest policy is to protect the Corporation’s interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations.

Article II

Definitions

1. Interested Person

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

2. Financial Interest

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

   a. an ownership or investment interest in any entity with which the Corporation has a transaction or arrangement, or

   b. a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or

   c. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

   Compensation includes direct and indirect remuneration, as well as gifts or favors that are substantial in nature.

   A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate board or committee decides that a conflict of interest exists.
Article III

Procedures

1. Duty to Disclose

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

2. Determining Whether a Conflict of Interest Exists

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

3. Procedures for Addressing the Conflict of Interest

   a. An interested person may make a presentation at the board or committee meeting, but after such presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest.

   b. The chairperson of the board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

   c. After exercising due diligence, the board or committee shall determine whether the Corporation can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

   d. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest and for its own benefit and whether the transaction is fair and reasonable to the Corporation and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

4. Violations of the Conflicts of Interest Policy

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

   b. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the board or committee determines that the
member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV

Records of Proceedings

The minutes of the board and all committee with board-delegated powers shall contain:

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

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

Article V

Compensation

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

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

Article VI

Annual Statements

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

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

b. has read and understands the policy,

c. has agreed to comply with the policy, and

d. understands that the Corporation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.
Article VII

Periodic Reviews

To ensure that the Corporation operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

a. Whether compensation arrangements and benefits are reasonable and are the result of arm's-length bargaining.

b. Whether acquisitions of assets or property from any officer or director result in inurement or impermissible private benefit.

Article VIII

Use of Outside Experts

In conducting the periodic reviews provided for in Article VII, the Corporation may, but need not, use outside advisors. If outside experts are used their use shall not relieve the board of its responsibility for ensuring that periodic reviews are conducted.
EXHIBIT E

Project Healing Waters - Fly Fishing, Inc.
Application for Recognition of Exemption
(Form 1023)

Proposed Budget
(in thousands)

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash donations</td>
<td>180</td>
<td>391</td>
<td>399</td>
</tr>
<tr>
<td>In-Kind Donations</td>
<td>0</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Interest and investment income</td>
<td>0</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td>181</td>
<td>404</td>
<td>412</td>
</tr>
</tbody>
</table>

| **Expenses**             |      |      |      |
| Program Activities       | 20   | 197  | 278  |
| Fundraising              | 0    | 4    | 28   |
| Office operations (supplies, salaries, etc) | 11 | 77   | 96   |
| Legal and Accounting     | 0    | 1    | 6    |
| **TOTAL:**               | 31   | 279  | 408  |