

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

Read the instructions for each Part carefully.

A User Fee must be attached to this application.

If the required information and appropriate documents are not submitted along with Form 8718 (with payment of the appropriate user fee), the application may be returned to you.

Complete the Procedural Checklist on page 8 of the instructions.

Part I Identification of Applicant

| | |
|--|---|
| 1a Full name of organization (as shown in organizing document) Nonviolent Peaceforce | 2 Employer identification number (EIN) (If none, see page 3 of the Specific Instructions .) 35-2197019 |
| 1b c/o Name (if applicable) | 3 Name and telephone number of person to be contacted if additional information is needed Timothy S. Murphy (612) 371-3985 |
| 1c Address (number and street) Room/Suite 801 Front Avenue | 4 Month the annual accounting period ends December 31 |
| 1d City, town, or post office, state, and ZIP + 4. If you have a foreign address, see Specific Instructions for Part I, page 3. St. Paul, MN 55103-1375 | 5 Date incorporated or formed February 25, 2002 |
| 1e Web site address www.nonviolentpeaceforce.org | 6 Check here if applying under section: a <input type="checkbox"/> 501(e) b <input type="checkbox"/> 501(f) c <input type="checkbox"/> 501(k) d <input type="checkbox"/> 501(n) |
| 7 Did the organization previously apply for recognition of exemption under this Code section or under any other section of the Code? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," attach an explanation. | |
| 8 Is the organization required to file Form 990 (or Form 990-EZ)? <input type="checkbox"/> N/A <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach an explanation (see page 3 of the Specific Instructions). | |
| 9 Has the organization filed Federal income tax returns or exempt organization information returns? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," state the form numbers, years filed, and Internal Revenue office where filed. | |

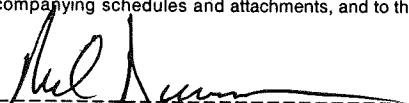
10 Check the box for the type of organization. ATTACH A CONFORMED COPY OF THE CORRESPONDING ORGANIZING DOCUMENTS TO THE APPLICATION BEFORE MAILING. (See **Specific Instructions** for Part I, Line 10, on page 3.) See also Pub. 557 for examples of organizational documents.)

- a Corporation- Attach a copy of the Articles of Incorporation (including amendments and restatements) showing approval by the appropriate state official; also include a copy of the bylaws.
- b Trust- Attach a copy of the Trust Indenture or Agreement, including all appropriate signatures and dates.
- c Association- Attach a copy of the Articles of Association, Constitution, or other creating document, with a declaration (see instructions) or other evidence the organization was formed by adoption of the document by more than one person; also include a copy of the bylaws.

If the organization is a corporation or an unincorporated association that has not yet adopted bylaws, check here

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

Please Sign Here ▶


 (Signature)

Mel Duncan, Executive Director
 (Type or print name and title or authority of signer)

3.17.03
 (Date)

For Paperwork Reduction Act Notice, see page 7 of the instructions.

Part II Activities and Operational Information

- 1 Provide a detailed narrative description of all the activities of the organization - past, present, and planned. **Do not merely refer to or repeat the language in the organizational document.** List each activity separately in the order of importance based on the relative time and other resources devoted to the activity. Indicate the percentage of time for each activity. Each description should include, as a minimum, the following: (a) a detailed description of the activity including its purpose and how each activity furthers your exempt purpose; (b) when the activity was or will be initiated; and (c) where and by whom the activity will be conducted.

Please see schedule attached.

-
- 2 What are or will be the organization's sources of financial support? List in order of size.

Grants and contributions.

-
- 3 Describe the organization's fundraising program, both actual and planned, and explain to what extent it has been put into effect. Include details of fundraising activities such as selective mailings, formation of fundraising committees, use of volunteers or professional fundraisers, etc. Attach representative copies of solicitations for financial support.

House Parties, Newsletters, Mailings, Visits to major donors, Research and submit proposals to foundations and governmental organizations such as the United States Institute of Peace

Part II Activities and Operational Information (Continued)

4 Give the following information about the organization's governing body:

a Names, addresses, and titles of officers, directors, trustees, etc.

b Annual compensation

Please see schedule attached.

c Do any of the above persons serve as members of the governing body by reason of being public officials or being appointed by public officials?

Yes No

If "Yes," name those persons and explain the basis of their selection or appointment.

d Are any members of the organization's governing body "disqualified persons" with respect to the organization (other than by reason of being a member of the governing body) or do any of the members have either a business or family relationship with "disqualified persons"? (See Specific Instructions for Part II, Line 4d, on page 3.)

Yes No

If "Yes," explain.

5 Does the organization control or is it controlled by any other organization?

Yes No

Is the organization the outgrowth of (or successor to) another organization, or does it have a special relationship with another organization by reason of interlocking directorates or other factors?

Yes No

If either of these questions is answered "Yes," explain.

Please see narrative attached.

6 Does or will the organization directly or indirectly engage in any of the following transactions with any political organization or other exempt organization (other than a 501(c)(3) organization): (a) grants; (b) purchases or sales of assets; (c) rental of facilities or equipment; (d) loans or loan guarantees; (e) reimbursement arrangements; (f) performance of services, membership, or fundraising solicitations; or (g) sharing of facilities, equipment, mailing lists or other assets, or paid employees?

Yes No

If "Yes," explain fully and identify the other organizations involved.

7 Is the organization financially accountable to any other organization?

Yes No

If "Yes," explain and identify the other organization. Include details concerning accountability or attach copies of reports if any have been submitted.

Part II Activities and Operational Information (Continued)

8 What assets does the organization have that are used in the performance of its exempt function? (Do not include property producing investment income.) If any assets are not fully operational, explain their status, what additional steps remain to be completed, and when such final steps will be taken. If none, indicate "N/A."

See schedule attached.

9 Will the organization be the beneficiary of tax-exempt bond financing within the next 2 years? Yes No

10a Will any of the organization's facilities or operations be managed by another organization or individual under a contractual agreement? Yes No

b Is the organization a party to any leases? Yes No

If either of these questions is answered "Yes," attach a copy of the contracts and explain the relationship between the applicant and the other parties.

11 Is the organization a membership organization? Yes No
If "Yes," complete the following:

a Describe the organization's membership requirements and attach a schedule of membership fees and dues.

b Describe the organization's present and proposed efforts to attract members and attach a copy of any descriptive literature or promotional material used for this purpose.

c What benefits do (or will) the members receive in exchange for their payment of dues?

12a If the organization provides benefits, services, or products, are the recipients required, or will they be required, to pay for them? N/A Yes No
If "Yes," explain how the charges are determined and attach a copy of the current fee schedule.

b Does or will the organization limit its benefits, services, or products to specific individuals or classes of individuals? N/A Yes No
If "Yes," explain how the recipients or beneficiaries are or will be selected.

13 Does or will the organization attempt to influence legislation? Yes No
If "Yes," explain. Also, give an estimate of the percentage of the organization's time and funds that it devotes or plans to devote to this activity.

14 Does or will the organization intervene in any way in political campaigns, including the publication or distribution of statements? Yes No
If "Yes," explain fully.

Part III Technical Requirements

1 Are you filing Form 1023 within 15 months from the end of the month in which your organization was created or formed? Yes No
If you answer "Yes," do not answer questions on lines 2 through 6 below.

2 If one of the exceptions to the 15-month filing requirement shown below applies, check the appropriate box and proceed to question 7.

Exceptions - You are not required to file an exemption application within 15 months if the organization:

- a Is a church, interchurch organization of local units of a church, a convention or association of churches, or an integrated auxiliary of a church. See **Specific Instructions**, Line 2a, on page 4;
- b Is not a private foundation and normally has gross receipts of not more than \$5,000 in each tax year; or
- c Is a subordinate organization covered by a group exemption letter, but only if the parent or supervisory organization timely submitted a notice covering the subordinate.

3 If the organization does not meet any of the exceptions on line 2 above, are you filing Form 1023 within 27 months from the end of the month in which the organization was created or formed? Yes No

If "Yes," your organization qualifies under Regulation section 301.9100-2, for an automatic 12-month extension of the 15-month filing requirement. Do not answer questions 4 through 6.

If "No," answer question 4.

4 If you answer "No" to question 3, does the organization wish to request an extension of time to apply under the "reasonable action and good faith" and the "no prejudice to the interest of the government" requirements of Regulations section 301.9100-3? Yes No

If "Yes," give the reasons for not filing this application within the 27-month period described in question 3. See **Specific Instructions**, Part III, Line 4, before completing this item. Do not answer questions 5 and 6.

If "No," answer questions 5 and 6.

5 If you answer "No" to question 4, your organization's qualification as a section 501(c)(3) organization can be recognized only from the date this application is filed. Therefore, do you want us to consider the application as a request for recognition of exemption as a section 501(c)(3) organization from the date the application is received and not retroactively to the date the organization was created or formed? Yes No

6 If you answer "Yes" to question 5 above and wish to request recognition of section 501(c)(4) status for the period beginning with the date the organization was formed and ending with the date the Form 1023 application was received (the effective date of the organization's section 501(c)(3) status), check here and attach a completed page 1 of Form 1024 to this application.

Part III Technical Requirements (Continued)

- 7 Is the organization a private foundation?
 Yes (Answer question 8.)
 No (Answer question 9 and proceed as instructed.)

- 8 If you answer "Yes" to question 7, does the organization claim to be a private operating foundation?
 Yes (Complete Schedule E.)
 No

After answering question 8 on this line, go to line 14 on page 7.

- 9 If you answer "No" to question 7, indicate the public charity classification the organization is requesting by checking the box below that most appropriately applies:

THE ORGANIZATION IS NOT A PRIVATE FOUNDATION BECAUSE IT QUALIFIES:

- | | | |
|---|---|--|
| a | <input type="checkbox"/> As a church or a convention or association of churches (CHURCHES MUST COMPLETE SCHEDULE A.) | Sections 509(a)(1) and 170(b)(1)(A)(i) |
| b | <input type="checkbox"/> As a school (MUST COMPLETE SCHEDULE B.) | Sections 509(a)(1) and 170(b)(1)(A)(ii) |
| c | <input type="checkbox"/> As a hospital or a cooperative hospital service organization, or a medical research organization operated in conjunction with a hospital (These organizations, except for hospital service organizations, MUST COMPLETE SCHEDULE C.) | Sections 509(a)(1) and 170(b)(1)(A)(iii) |
| d | <input type="checkbox"/> As a governmental unit described in section 170(c)(1). | Sections 509(a)(1) and 170(b)(1)(A)(v) |
| e | <input type="checkbox"/> As being operated solely for the benefit of, or in connection with, one or more of the organizations described in a through d, g, h, or i (MUST COMPLETE SCHEDULE D.) | Section 509(a)(3) |
| f | <input type="checkbox"/> As being organized and operated exclusively for testing for public safety. | Section 509(a)(4) |
| g | <input type="checkbox"/> As being operated for the benefit of a college or university that is owned or operated by a governmental unit. | Sections 509(a)(1) and 170(b)(1)(A)(iv) |
| h | <input checked="" type="checkbox"/> As receiving a substantial part of its support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public. | Sections 509(a)(1) and 170(b)(1)(A)(vi) |
| i | <input type="checkbox"/> As normally receiving not more than one-third of its support from gross investment income and more than one-third of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions). | Section 509(a)(2) |
| j | <input type="checkbox"/> The organization is a publicly supported organization but is not sure whether it meets the public support test of h or i. The organization would like the IRS to decide the proper classification. | Sections 509(a)(1) and 170(b)(1)(A)(vi) or Section 509(a)(2) |

If you checked one of the boxes a through f in question 9, go to question 14.
 If you checked box g in question 9, go to questions 11 and 12.
 If you checked box h, i, or j, in question 9, go to question 10.

Part III Technical Requirements (Continued)

- 10 If you checked box h, i, or j in question 9, has the organization completed a tax year of at least 8 months?
 Yes - Indicate whether you are requesting:
 A definitive ruling. (Answer questions 11 through 14.)
 An advance ruling. (Answer questions 11 and 14 and attach two Forms 872-C completed and signed.)
 No - You must request an advance ruling by completing and signing two Forms 872-C and attaching them to the Form 1023.
- 11 If the organization received any unusual grants during any of the tax years shown in Part IV-A, **Statement of Revenue and Expenses**, attach a list for each year showing the name of the contributor; the date and the amount of the grant; and a brief description of the nature of the grant.

- 12 If you are requesting a definitive ruling under section 170(b)(1)(A)(iv) or (vi), check here and:
 a Enter 2% of line 8, column (e), Total, of Part IV-A
 b Attach a list showing the name and amount contributed by each person (other than a governmental unit or "publicly supported" organization) whose total gifts, grants, contributions, etc., were more than the amount entered on line 12a above.

- 13 If you are requesting a definitive ruling under section 509(a)(2), check here and:
 a For each of the years included on lines 1, 2, and 9 of Part IV-A, attach a list showing the name of and amount received from each "disqualified person." (For a definition of "disqualified person," see **Specific Instructions**, Part II, Line 4d, on page 3.)
 b For each of the years included on line 9 of Part IV-A, attach a list showing the name of and amount received from each payer (other than a "disqualified person") whose payments to the organization were more than \$5,000. For this purpose, "payer" includes, but is not limited to, any organization described in sections 170(b)(1)(A)(i) through (vi) and any governmental agency or bureau.

| 14 Indicate if your organization is one of the following. If so, complete the required schedule. (Submit only those schedules that apply to your organization. Do not submit blank schedules.) | Yes | No | If "Yes," complete Schedule: |
|--|-----|----------|------------------------------|
| Is the organization a church? | | x | A |
| Is the organization, or any part of it, a school? | | x | B |
| Is the organization, or any part of it, a hospital or medical research organization? | | x | C |
| Is the organization a section 509(a)(3) supporting organization? | | x | D |
| Is the organization a private operating foundation? | | x | E |
| Is the organization, or any part of it, a home for the aged or handicapped? | | x | F |
| Is the organization, or any part of it, a child care organization? | | x | G |
| Does the organization provide or administer any scholarship benefits, student aid, etc.? | | x | H |
| Has the organization taken over, or will it take over, the facilities of a "for profit" institution? | | x | I |

Part IV Financial Data

Complete the financial statements for the current year and for each of the 3 years immediately before it. If in existence less than 4 years, complete the statements for each year in existence. If in existence less than 1 year, also provide proposed budgets for the 2 years following the current year.

A. Statement of Revenue and Expenses

| | | Current tax year | 3 prior tax years or proposed budget for 2 years | | | |
|-----------------|--|------------------------------|--|-----------|-----------|-----------|
| | | (a) From 2/25/02 to 12/31/02 | (b) 2003 | (c) 2004 | (d) | (e) TOTAL |
| Revenue | 1 Gifts, grants, and contributions received (not including unusual grants—see page 6 of the instructions) | 472,119 | 2,500,000 | 3,000,000 | | 5,972,119 |
| | 2 Membership fees received | | | | | |
| | 3 Gross investment income (see instructions for definition) | | | | | |
| | 4 Net income from organization's unrelated business activities not included on line 3 | | | | | |
| | 5 Tax revenues levied for and either paid to or spent on behalf of the organization | | | | | |
| | 6 Value of services or facilities furnished by a governmental unit to the organization without charge (not including the value of services or facilities generally furnished the public without charge) | | | | | |
| | 7 Other income (not including gain or loss from sale of capital assets) (attach schedule) | | | | | |
| | 8 Total (add lines 1 through 7) | 472,119 | 2,500,000 | 3,000,000 | | 5,972,119 |
| | 9 Gross receipts from admissions, sales of merchandise or services, or furnishing of facilities in any activity that is not an unrelated business within the meaning of section 513. Include related cost of sales on line 22 | | | | | |
| | 10 Total (add lines 8 and 9) | 472,119 | 2,500,000 | 3,000,000 | | 5,972,119 |
| | 11 Gain or loss from sale of capital assets (attach schedule) | | | | | |
| | 12 Unusual grants | | | | | |
| | 13 Total revenue (add lines 10 through 12) | 472,119 | 2,500,000 | 3,000,000 | | 5,972,119 |
| Expenses | 14 Fundraising expenses | | | | | |
| | 15 Contributions, gifts, grants, and similar amounts paid (attach schedule) | | | | | |
| | 16 Disbursements to or for benefit of members (attach schedule) | | | | | |
| | 17 Compensation of officers, directors, and trustees (attach schedule) | | 97,200 | 113,535 | | |
| | 18 Other salaries and wages | | 62,486 | 80,670 | | |
| | 19 Interest | | | | | |
| | 20 Occupancy (rent, utilities, etc.) | | 8,000 | 24,000 | | |
| | 21 Depreciation and depletion | | | | | |
| | 22 Other (attach schedule) | 472,119 | 2,320,032 | 2,781,795 | | |
| | 23 Total expenses (add lines 14 through 22) | 472,119 | 2,487,718 | 3,000,000 | | |
| | 24 Excess of revenue over expenses (line 13 minus line 23) | 0 | 12,282 | 0 | | |

Part IV Financial Data (Continued)

B. Balance Sheet (at the end of the period shown)

Current tax year
Date 12/31/02

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

If there has been any substantial change in any aspect of the organization's financial activities since the end of the period shown above, check the box and attach a detailed explanation

Part II Activities and Operational Information

1. Provide a detailed narrative description of all the activities of the organization—past, present and planned.

Nonviolent Peaceforce, a Minnesota nonprofit corporation (“Nonviolent Peaceforce--USA”), was organized on February 25, 2002, as an outgrowth of a feasibility study conducted by a San Francisco charitable organization known as Peaceworkers (EIN 23-7217029). The Articles of Incorporation and Bylaws of Nonviolent Peaceforce--USA are attached as Exhibits A and B, respectively. The focus of this study was the feasibility of organized, larger-scale nonviolent peacekeeping by civilian organizations as a means of resolving conflict and achieving peace.

The concept of a formal organization dedicated to the promotion of world peace through nonviolent means came into being at the Hague Appeal for Peace in May 1999. David Hartsough, Executive Director of Peaceworkers, and Mel Duncan, now the Executive Director of Nonviolent Peaceforce--USA, agreed at that time to advance the concept.

Since that time, and with significant input from religious leaders, grassroots peace groups, scholars, government officials, United Nations officials and military personnel, the concept has grown into a network of similar organizations pursuing the goal of developing theory and practice of nonviolent intervention and conflict resolution. (See www.nonviolentpeaceforce.org, a web site maintained by Nonviolent Peaceforce--USA and reporting on the activities of an international consortium of 75 similar organizations dedicated to nonviolent conflict resolution.)

In January of 2000, Hartsough and Duncan started recruiting volunteers to help them build broad-based support for the concept. There are currently 150 volunteers in St. Paul, Minnesota, San Francisco, California, and Washington DC. Thus far, over \$700,000 has been raised by Peaceworkers for this project, part of which funding came from the United States Institute of Peace.

The mission of Nonviolent Peaceforce--USA is to facilitate through education, outreach, and fundraising, the creation of a trained, civilian nonviolent peaceforce capable of providing nonviolent peacekeeping, if invited, in areas of conflict. Through the application of effective peacekeeping techniques and through helping the parties work to resolve the conflict, it is anticipated that trained peacekeepers would be able to help prevent death and destruction and protect human rights. It is not the mission of Nonviolent Peaceforce--USA or the peacekeepers it trains to solve the problem giving rise to a particular conflict, but to help create an

environment in which the parties involved in the conflict can work toward a nonviolent solution.

To date, the activities of Nonviolent Peaceforce--USA have been focused on researching the history and use of third-party nonviolent peacekeeping; providing public presentations on nonviolence as a means of peacekeeping and conflict transformation; organizing site visits to areas experiencing violent conflicts to assess the feasibility of nonviolent peacekeeping in those areas; conducting conferences bringing together people from various parts of the world who are also dedicated to and working on nonviolent peacekeeping; developing a model training curriculum, public relations plan, organizational structure, and recruitment plan for nonviolent peacekeeping; and raising funds for the operation and advancement of the mission of Nonviolent Peaceforce--USA.

Nonviolent Peaceforce--USA ultimately plans to test its theories of nonviolent peacekeeping by funding and coordinating a demonstration peacekeeping project. The purpose of such a project would be not only to demonstrate the effectiveness of nonviolent peacemaking on a larger scale, but also to put the model training and other curriculum through a "trial." At present, Nonviolent Peaceforce--USA hopes that it will be able to obtain the necessary approvals and invitations to assess its training curriculum in Sri Lanka.

Following the demonstration project, there will be an extensive evaluation period. Feedback from the demonstration will be used to improve the curriculum design. If necessary, another demonstration could take place before a final curriculum design is employed.

By the time Nonviolent Peaceforce-USA is fully operational, the emphasis will be to provide educational, financial and outreach assistance to third-party nonviolent peacekeeping efforts, to learn continuously from peacekeeping efforts throughout the world, and continue to advance the "science" of third party nonviolent peacemaking.

4. Give the following information about the Organization's governing body:

- | | |
|---|------------------------|
| a. Names, addresses and titles of Officers, directors, trustees, etc. | b. Annual compensation |
|---|------------------------|

| | |
|--|----------|
| Mel Duncan, Director, President, Executive Director and Chief Executive Officer 801 Front Avenue St. Paul, MN 55103 | \$42,000 |
|--|----------|

Judith Miller, Director
801 Front Avenue
St. Paul, MN 55103

-0-

Patricia Keefe, Director, Secretary,
and Treasurer
801 Front Avenue
St. Paul, MN 55103

\$30,000

Note: The salaries listed above assume adequate funding of the organization.

5. Is the organization the outgrowth of another organization

Nonviolent Peaceforce--USA began as a feasibility study project of Peaceworkers. To date, a significant part of the funding for Nonviolent Peaceforce--USA has been provided or otherwise raised by Peaceworkers.

8. What assets does the organization have that are used in the performance of its exempt function

The organization currently owns no assets. The various computer and communications equipment that it uses in the performance of its exempt function is owned by Peaceworkers. Peaceworkers will be assigning ownership of this equipment to Nonviolent Peaceforce-USA.

10b. Is the organization a party to any leases?

Nonviolent Peaceforce--USA has a month-to-month oral lease arrangement for the use of its current office space. The rent for this office space is at or below market rates.

Part IV Financial Data, Cont'd**Line 17. Compensation of officers, directors and trustees**

| Name | Position | Time Devoted | Annual Salary 2003 | Annual Salary 2004 |
|----------------|--------------------------|--------------|-----------------------|-----------------------|
| Mel Duncan | Executive Director/COO | 1.0 FTE | \$ 42,000 | \$ 44,100 |
| TBA | Chief Financial Officer* | | \$ 30,000 | \$ 40,000 |
| Subtotal | | | \$ 72,000 | \$ 84,100 |
| Benefits @ 35% | | | \$ 25,200 | \$ 29,435 |
| Total | | | \$ 97,200 | \$113,535 |

Line 22 Other Expenses

| Expense | 2/25/02 to 12/31/02** | 2003*** | 2004*** |
|---|--------------------------|--------------|--------------|
| Demonstration Project | \$ 20,997 | \$ 1,664,872 | \$ 2,000,000 |
| Strategic Relations Development / Fundraising | 408,541 | 574,503 | 703,000 |
| Administration | 42,581 | 248,343 | 297,000 |
| Total | \$ 472,119 | \$ 2,487,718 | \$ 3,000,000 |

* CFO will begin 04/03, so will receive just \$30,000 in 2003

** 2002 financials based on most recent information available and reflect funding by Peaceworkers through the feasibility study described above.

*** These are projected expense amounts and include the salaries of COO and CFO. These projections also assume adequate funding of the organization.

EXHIBIT A

Articles of Incorporation
[see attached]

State of Minnesota

SECRETARY OF STATE

CERTIFICATE OF INCORPORATION

I, Mary Kiffmeyer, Secretary of State of Minnesota, do certify that: Articles of Incorporation, duly signed and acknowledged under oath, have been filed on this date in the Office of the Secretary of State, for the incorporation of the following corporation, under and in accordance with the provisions of the chapter of Minnesota Statutes listed below.

This corporation is now legally organized under the laws of Minnesota.

Corporate Name: Nonviolent Peaceforce

Corporate Charter Number: 1Z-154

Chapter Formed Under: 317A

This certificate has been issued on 02/25/2002.



Mary Kiffmeyer
Secretary of State.

12-154

ARTICLES OF INCORPORATION
OF
NONVIOLENT PEACEFORCE

The undersigned, for the purpose of forming a corporation under and pursuant to the provisions of the Minnesota Nonprofit Corporation Act, Minnesota Statutes, Chapter 317A, hereby adopts the following Articles of Incorporation:

Article I

The name of this corporation shall be:

Nonviolent Peaceforce

g.l

Article II

This corporation is organized and shall be operated exclusively for the promotion of any or all of the educational or charitable purposes contemplated by Section 501(c)(3) of the Internal Revenue Code. This corporation may receive and disburse funds or other property incident to or necessary for the accomplishment of such purposes and do any and all acts incidental to the transaction of the business of this corporation or expedient for the attainment of those purposes.

In furtherance of its purposes, this corporation may engage in, advance, promote and administer charitable and educational activities and projects of every kind and nature whatsoever in its own behalf or as the agent, trustee or representative of others, and may aid, assist and contribute to the support of corporations, associations and institutions which are organized and operated exclusively for such purposes and which are described in Section 501(c)(3) of the Internal Revenue Code.

This corporation shall have only such powers as are required by and are consistent with the foregoing purposes, including the power to acquire and receive funds and property of every kind and nature whatsoever, whether by purchase, conveyance, lease, gift, grant, bequest, legacy, devise, or otherwise, and to own, hold, expend, make gifts, grants, and contributions of, and to convey, transfer, and dispose of any funds and property and the income therefrom, and to lease, mortgage, encumber, and use the same, and this corporation shall have such other powers which are consistent with the foregoing purposes and which are afforded to this corporation by the Minnesota Nonprofit Corporation Act, as now enacted or as hereafter amended. All the powers of this corporation shall be exercised only so that this corporation's operations shall be exclusively within the contemplation of Section 501(c)(3) of the Internal Revenue Code.

All references in these Articles of Incorporation to sections of the Internal Revenue Code are to the Internal Revenue Code of 1986, including any amendments thereto, as well as any related provisions thereof adopted by future amendments to the extent such provisions are applicable to this corporation.

Article III

This corporation shall not afford or pay pecuniary gain or remuneration, incidentally or otherwise, to its members, directors, or officers as such, and no part of the net income or net earnings of this corporation shall inure to the benefit of any member, director, or officer of, or any other person having a personal and private interest in the activities of, this corporation; provided, however, that this corporation may pay reasonable compensation for services rendered and property and supplies furnished to this corporation in furtherance of its purposes, as set forth in Article II hereof.

No substantial part of the activities of this corporation shall consist of carrying on propaganda or otherwise attempting to influence legislation, and this corporation shall not participate in or intervene in (including the publishing or distributing of statements) any political campaign on behalf of or in opposition to any candidate for public office.

Article IV

The registered office of this corporation, at which the general business of this corporation shall be transacted and where the records of this corporation shall be kept, shall be at such place as shall be fixed from time to time by duly adopted resolutions of the Board of Directors. Until otherwise fixed by the Board of Directors, the registered office shall be at 801 Front Avenue, St. Paul, Minnesota 55103.

Article V

The management of this corporation shall be vested in a Board of Directors consisting of not less than three persons. The powers, authorities and duties of the Board, the time and place of its meetings, and all other matters concerning the Board, subject to the provisions of applicable law and the other provisions of these Articles, shall be prescribed in the Bylaws. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken by written action signed by the number of directors that would be required to take the same action at a meeting of the board at which all directors were present; provided that all directors must be notified of the text of the written action before it is signed by any of the directors. All directors shall be notified immediately of the effective date of any such written action that is duly taken.

Article VI

The Incorporator shall act as a director of this corporation with the powers, rights, duties and liabilities of a director, until directors are appointed in accordance with the Bylaws.

Article VII

Except as provided by the laws of Minnesota, neither the directors nor the officers of this corporation shall be personally liable for the payment of any debts or obligations of this corporation of any nature whatsoever, nor shall any of the property of the directors or officers be subject to the payment of the debts or obligations of this corporation to any extent whatsoever.

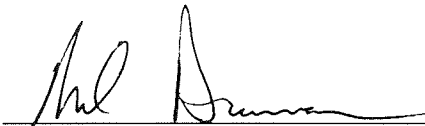
Article VIII

This corporation may be dissolved in accordance with the laws of the State of Minnesota. Upon dissolution of this corporation, any surplus property remaining after the payment of its debts shall be disposed of by transfer to one or more other corporations, associations, institutions, trusts or foundations organized and operated exclusively for one or more of the purposes of this corporation, and described in Section 501(c)(3) of the Internal Revenue Code, or to the State of Minnesota or any political subdivision or agency thereof for exclusively public purposes, in such proportions as the Board of Directors of this corporation shall determine. Notwithstanding any provision herein to the contrary, nothing herein shall be construed to affect the disposition of property and assets held by this corporation upon trust or other condition, or subject to any executory or special limitation, and such property, upon dissolution of this corporation, shall be transferred in accordance with the trust, condition or limitation imposed with respect to it.

Article IX

The name and address of the incorporator of this corporation is Mel Duncan, 801 Front Avenue, St. Paul, Minnesota 55103. ✓

IN WITNESS WHEREOF, the undersigned incorporator has hereunto set his hand this 20th day of February, 2002.



Mel Duncan, Incorporator

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED

FEB 25 2002 20

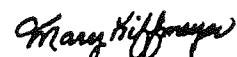

Secretary of State

EXHIBIT B

Bylaws
[see attached]

BYLAWS
OF
NONVIOLENT PEACEFORCE

ARTICLE I
Offices

The address of the registered office of the corporation is 801 Front Avenue, St. Paul, Minnesota 55103. The registered office need not be identical with the principal office of the corporation and may be changed from time to time by the Board of Directors.

ARTICLE II
Directors

Section 1. General Powers. The policy making powers of the corporation shall be vested in the Board of Directors of the corporation, which shall have charge, control and management of the policies, property, affairs and funds of the corporation, determine compliance with the corporation's stated purposes, appoint and dismiss officers of the corporation, and do and perform all acts and functions not inconsistent with the Minnesota Nonprofit Corporation Act or the Articles of Incorporation or these Bylaws all as may be amended from time to time.

Section 2. Number. The number of directors which shall constitute the whole Board of Directors shall be fixed from time to time by resolution of the Board of Directors; provided, however, that the number of directors which shall constitute the whole Board of Directors shall not be less than three (3) nor more than fifteen (15). No decrease in the number of directors pursuant to this Section shall effect the removal of any director then in office except upon compliance with Section 10 of this Article.

Section 3. Term of Office and Vacancies. The Board of Directors shall be divided into three (3) groups, as nearly equal in number as possible, so that the terms of office of approximately one-third of the directors shall expire each year. The terms of office for the member of the initial Board of Directors shall be staggered with one-third of the Directors appointed to serve one-year terms, one-third of the Directors appointed to serve two-year terms, and one-third of the Directors appointed to serve three-year terms. Thereafter, the term of each director shall be for three (3) years until the Annual Meeting of the Board of Directors of the member for the year in which such term expires, unless said director resigns or is removed from office or dies. Vacancies in the Board of Directors and newly created directorships shall be filled by appointment by a majority of the remaining directors. Each replacement director chosen shall hold office for the unexpired term of the director he or she replaces. No director who has served for three consecutive three-year terms, may again be elected as a director except after an interval of one year from the expiration of his or her previous term. Service as a director of any predecessor corporation or public entity shall not count against the foregoing limitation.

Section 4. Representation and Qualifications. Each director shall demonstrate his or her willingness to accept responsibility for governance and his or her availability to participate actively in governance activities. Directors shall be selected to bring a variety of interests and expertise to the corporation. Nominations to the Board of Directors of the corporation including

vacancies and newly created directorships shall originate with the Board of Directors of this corporation.

Section 5. Compensation. Directors shall not receive compensation for acting as such, but directors shall be entitled to a reasonable compensation for services rendered in advancing the purposes of the corporation as set forth in the Articles of Incorporation. The corporation shall be entitled to purchase officers' and directors' liability insurance without obtaining reimbursement of all or any part of the premium without violating this Section.

Section 6. Annual Meeting. The annual meeting of the Board of Directors shall be held following the close of the fiscal year of the corporation. The exact date of the annual meeting of the Board of Directors shall be designated by the Board of Directors in the written notice of meeting, which written notice of meeting shall designate the time of meeting and the place of meeting. At the annual meeting, directors and officers of the corporation and directors of subsidiaries shall be elected, and such other business shall be transacted as may be properly brought before the meeting. Other regular meetings of the Board of Directors may be held at such time and at such place as shall from time to time be determined by the Board of Directors.

Section 7. Special Meeting. Special meetings of the Board of Directors may be called by or at the request of the Chairperson of the Board of Directors or in his or her absence, by the Vice Chairperson; by the President; or shall be called by the Secretary on the written request of any two (2) or more directors. The person or persons authorized to call special meetings may fix the time and place, either within or without the State of Minnesota, for any such special meeting.

Section 8. Notice of Meeting. Ten (10) days' written notice of the annual meeting of directors and of all regular meetings of directors shall be given to all directors. Said notice shall include proposed agenda items. Such notices shall be deemed delivered when deposited in the United States mail properly addressed, with postage thereon prepaid.

Five (5) days' written notice of all special meetings of the Board of Directors shall be given to each director. Said notice shall include proposed agenda items. In the event that notice is given by mail, such notice shall be mailed at least five (5) days prior to the special meeting and shall be deemed delivered when deposited in the United States mail properly addressed, with postage thereon prepaid.

No notice shall be given more than thirty (30) days before any meeting.

Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, unless his or her attendance is for the express purpose of objecting to the transaction of business on grounds that the meeting is not lawfully called or convened.

Section 9. Quorum and Voting. A majority of the directors then in office shall constitute a quorum for the transaction of business at any regular or special meeting of the Board of Directors. If a quorum shall not be present at any meeting of the Board of Directors a majority of the directors present may adjourn the meeting from time to time without further notice. The act of a majority of the directors present at any meeting at which there is a quorum shall be the

act of the Board of Directors, except as to any question upon which any different or greater vote is required by the Articles of Incorporation, these Bylaws or the laws of Minnesota.

Section 10. Removal of Directors. Any director or directors may be removed from office, with or without cause, at any regular or special meeting of the Board of Directors, duly called for that purpose, by the affirmative vote of three-fourths of the directors present and voting at such meeting. Any vacancy or vacancies created by such removal shall be filled as provided in Section 4 of this Article.

Section 11. Executive Committee. There shall be an Executive Committee of the Board of Directors which shall consist of the Chairperson of the Board of Directors, the Vice Chairperson of the Board, the President and the Secretary of the Board of Directors. The Chairperson of the Board of Directors shall be the Chairperson of the Executive Committee and the Secretary shall act as the Secretary thereof. The Executive Committee shall advise with and aid the officers of the corporation in all matters concerning the management of its business; and between meetings of directors the Executive Committee shall possess and may exercise all of the powers of the Board of Directors except with reference to making or amending these Bylaws for the Board of Directors, removing any member of the Board of Directors or filling vacancies in their own membership, which vacancies shall be filled by the Board of Directors. The Executive Committee shall meet at stated times or on notice to all its members. It shall fix its own rules of procedure. A majority of the Executive Committee shall constitute a quorum for the transaction of business at any regular or special meeting thereof. The Executive Committee shall keep regular minutes of its proceedings and report the same to the Board of Directors.

Section 12. Nominating Committee. There shall be a Nominating Committee which shall consist of the Chairperson and two other directors. The two other directors, one of whom shall serve as the Chairperson of the Nominating Committee, shall be elected by the Board of Directors. The Nominating Committee shall submit to the Board of Directors at the annual meeting for approval the name of the director who is proposed to serve as Chairperson of the Nominating Committee. In addition, the Nominating Committee shall submit to the Board of Directors at the annual meeting a list of at least three nominees (together with such additional nominees as may be submitted by directors from the floor at the annual meeting) from which the Board of Directors shall elect the additional members of the Nominating Committee. The Nominating Committee shall fix its own rules of procedure. A majority of the Nominating Committee shall constitute a quorum for the transaction of business. The Nominating Committee shall recommend for election by the Board of Directors all officers, members of standing committees and the chairpersons of such committees and any additions or replacements thereto, except as otherwise provided for in the Bylaws. In addition, the Nominating Committee shall recommend to the Board of Directors members of such other committees, representatives to other groups and other corporations for whom the corporation is to nominate directors, and other positions which require filling, as the Board of Directors may request.

Section 13. Other Committees. The Board of Directors may establish Standing Committees and other committees and shall delegate to such committees such powers and responsibilities as it may from time to time deem appropriate. At least one member of each Standing Committee shall be a member of the Board of Directors, but other members of the committee need not be directors except as specifically required by these Bylaws. The President

shall attend or be represented by a member of the administration of the Corporation at all meetings of Standing Committees of the Board of Directors.

Section 14. Action in Writing. Any action which might be taken at a meeting of the Board of Directors or of a lawfully constituted Executive Committee thereof or of any other lawfully constituted committee may be taken without a meeting if such action is taken in writing and signed by the number of directors that would be required to take the same action at a meeting of the Board of Directors at which all directors were present; provided that all directors must be notified of the text of the written action before it is signed by any of the directors. All directors shall be notified immediately of the effective date of any such written action that is duly taken.

Section 15. Meeting by Means of Electronic Communication. A conference among directors, or among members of any committee designated by the Board of Directors, by any means of communication through which the participants may simultaneously hear each other during the conference, constitutes a meeting of the Board, or the committee, if the same notice is given of the conference as would be required for a meeting, and if the number of persons participating in the conference would be sufficient to constitute a quorum at the meeting. Participation in a meeting by that means constitutes personal presence at the meeting.

ARTICLE III Officers

Section 1. Number. The officers of the corporation shall be elected by the Board of Directors and shall include a Chairperson of the Board, one or more Vice Chairpersons, a President (Chief Executive Officer), and a Secretary. The Board of Directors may also appoint one or more additional Vice Presidents or such other officers and assistant officers as it may deem convenient or necessary. Except as provided in these Bylaws, the Board of Directors shall fix the powers, duties and compensation of all officers. The Chairperson of the Board, Vice Chairperson and Secretary shall be directors of the corporation.

Section 2. Election and Term of Office. Officers shall be elected at each annual meeting of the Board of Directors and shall hold office at the pleasure of the Board. An officer shall hold office until his or her successor shall have been duly elected unless prior thereto he or she shall have resigned or been removed from office as hereinafter provided.

Section 3. Removal and Vacancies. Any officer or agent elected or appointed by the Board of Directors may be removed with or without cause at any time by the vote of a majority of the Board of Directors. Any vacancy in any office of the corporation shall be filled by the Board of Directors.

Section 4. Chairperson of the Board. The Chairperson of the Board shall preside at all meetings of the Board of Directors and of the Executive Committee, shall annually review the performance of executive level employees of the corporation, and shall have such other powers and perform such other duties as the Board of Directors may from time to time prescribe.

Section 5. Vice Chairpersons. The Vice Chairperson, or Vice Chairpersons in case there are more than one, shall have such powers and perform such duties as the Chairperson of the Board or the Board of Directors may from time to time prescribe. In the absence of the

Chairperson of the Board or in the event of his or her death, inability or refusal to act, the Vice Chairperson, or in the event there be more than one Vice Chairperson, the Vice Chairpersons in the order designated at the time of their election, or in the absence of any designation, then in the order of their election, shall perform the duties of Chairperson and when so acting, shall have all the powers of and be subject to all of the restrictions upon the Chairperson.

Section 6. President. The President shall be the executive director or chief executive officer of the corporation, shall have general and active management of the activities of the corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect. He or she shall have the general powers and duties usually vested in the office of the President and shall have such other powers and perform such other duties as the Board of Directors may prescribe.

Section 7. Vice President. The Vice President shall have such powers and perform such duties as the President or Board of Directors may from time to time prescribe. The President shall set the compensation of the Vice President. In the absence of the President or in the event of his or her death, inability, or refusal to act, the Vice Presidents in order designated by the Board of Directors, or, in the absence of any designation, in the order of their election, shall perform the duties of the President, and, when so acting, shall have all the Powers of and be subject to all of the restrictions upon the President. The Board of Directors or the President may in its or his or her discretion differentiate the powers and duties of Vice Presidents by descriptive adjectives such as Executive Vice President, or First or Second Vice President, or Vice President of Administration or Vice President of Finance.

Section 8. Secretary/Treasurer. The Secretary/Treasurer shall attend all meetings of the Board of Directors and of the Executive Committee and be responsible for the recording of all votes and the minutes of all proceedings of the Board of Directors or of the Executive Committee in a book to be kept for that purpose, and shall be responsible for all documents and records of the corporation. He or she shall give or cause to be given notice of all meetings of the Board of Directors, and shall mail to all members of the Board of Directors within thirty (30) days after each meeting copies of all said votes and minutes of said proceedings, and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe. The Secretary/Treasurer shall also be responsible for the care and custody of the corporate funds and securities of the corporation and shall cause to be disbursed the funds of the corporation as may be ordered from time to time by the Board of Directors. He or she shall keep or cause to be kept full and accurate account of all receipts and disbursements in books belonging to the corporation and shall have such other powers and perform such other duties as the Board of Directors may from time to time prescribe.

Section 9. Other Officers. The Assistant Secretaries in the order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary. Such Assistant Secretaries and shall have such other powers and perform such other duties as the Board of Directors may from time to time prescribe. Any other officers appointed by the Board of Directors shall hold office for the term established by the Board of Directors and shall have such powers, perform such duties and be responsible to such other officer as the Board of Directors may from time to time prescribe.

ARTICLE IV
Contracts, Loans, Checks

Section 1. Contracts. Subject to any approval that may be required by the provisions of applicable law, the Articles of Incorporation or these Bylaws, the Board of Directors may authorize such officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances. Contracts and other instruments entered into by the corporation in the ordinary course of business may be executed and delivered by the President or, in the absence of the President, by the Vice President exercising the powers of the President without specific Board authorization.

Section 2. Loans. No loans shall be contracted on behalf of the corporation, and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors of the corporation. Such authority may be general or confined to specific instances.

Section 3. Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued 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 of Directors.

ARTICLE V
Indemnification

Nothing in the Articles of Incorporation or Bylaws of this corporation is intended nor shall it be construed as prohibiting or limiting the power or authority of the corporation or its Board of Directors to provide indemnification to any person or organization to the full extent permitted from time to time by applicable law.

ARTICLE VI
Miscellaneous

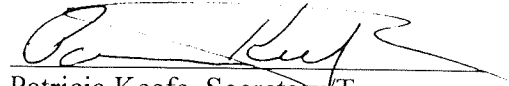
Section 1. Fiscal Year. The fiscal year of the corporation shall begin on the first day of January and end on the last day of December in each year.

Section 2. Seal. The corporation shall have no corporate seal.

Section 3. Amendments. These Bylaws may be altered or amended by the Board of Directors at any regular or special meeting of directors only by a vote of at least seventy-five percent (75%) of the Board of Directors of the corporation.

* * *

The undersigned, Secretary/Treasurer of Nonviolent Peace Force (USA), a Minnesota nonprofit corporation, does hereby certify that the foregoing Bylaws are the Bylaws adopted for the corporation by its Board of Directors as of the 20th day of February, 2002.



Patricia Keefe, Secretary/Treasurer