

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

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

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

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

Part I Identification of Applicant

1 Full name of organization (exactly as it appears in your organizing document)		2 c/o Name (if applicable)	
Wreaths Across America			
3 Mailing address (Number and street) (see instructions)	Room/Suite	4 Employer Identification Number (EIN)	
P. O. Box 256		20-8362270	
City or town, state or country, and ZIP + 4		5 Month the annual accounting period ends (01 - 12)	
Harrington, ME 04643		12	
6 Primary contact (officer, director, trustee, or authorized representative)		b Phone: 207-947-2223	
a Name: Charles E. Gilbert, III, Esq., Authorized Representative.		c Fax: (optional) 207-941-9871	
7 Are you represented by an authorized representative, such as an attorney or accountant? If "Yes," provide the authorized representative's name, and the name and address of the authorized representative's firm. Include a completed Form 2848, <i>Power of Attorney and Declaration of Representative</i> , with your application if you would like us to communicate with your representative.		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
8 Was a person who is not one of your officers, directors, trustees, employees, or an authorized representative listed in line 7, paid, or promised payment, to help plan, manage, or advise you about the structure or activities of your organization, or about your financial or tax matters? If "Yes," provide the person's name, the name and address of the person's firm, the amounts paid or promised to be paid, and describe that person's role.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
9a Organization's website: www.wreathscrossamerica.org , www.wreaths-across-america.org			
b Organization's email: (optional)			
10 Certain organizations are not required to file an information return (Form 990 or Form 990-EZ). If you are granted tax-exemption, are you claiming to be excused from filing Form 990 or Form 990-EZ? If "Yes," explain. See the instructions for a description of organizations not required to file Form 990 or Form 990-EZ.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
11 Date incorporated if a corporation, or formed, if other than a corporation. (MM/DD/YYYY)		01 / 18 / 2007	
12 Were you formed under the laws of a foreign country? If "Yes," state the country.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Part II Organizational Structure

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

- 1 Are you a **corporation**? If "Yes," attach a copy of your articles of incorporation showing **certification of filing** with the appropriate state agency. Include copies of any amendments to your articles and be sure they also show state filing certification. Yes No
- 2 Are you a **limited liability company (LLC)**? If "Yes," attach a copy of your articles of organization showing certification of filing with the appropriate state agency. Also, if you adopted an operating agreement, attach a copy. Include copies of any amendments to your articles and be sure they show state filing certification. Refer to the instructions for circumstances when an LLC should not file its own exemption application. Yes No
- 3 Are you an **unincorporated association**? If "Yes," attach a copy of your articles of association, constitution, or other similar organizing document that is dated and includes at least two signatures. Include signed and dated copies of any amendments. Yes No
- 4a Are you a **trust**? If "Yes," attach a signed and dated copy of your trust agreement. Include signed and dated copies of any amendments. Yes No
- b Have you been funded? If "No," explain how you are formed without anything of value placed in trust. Yes No
- 5 Have you adopted **bylaws**? If "Yes," attach a current copy showing date of adoption. If "No," explain how your officers, directors, or trustees are selected. Yes No

Part III Required Provisions in Your Organizing Document

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

- 1 Section 501(c)(3) requires that your organizing document state your exempt purpose(s), such as charitable, religious, educational, and/or scientific purposes. Check the box to confirm that your organizing document meets this requirement. Describe specifically where your organizing document meets this requirement, such as a reference to a particular article or section in your organizing document. Refer to the instructions for exempt purpose language. Location of Purpose Clause (Page, Article, and Paragraph): Pg.3 Exhibit A, Par. second
- 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. Pg.3, Exhibit A, Par. seventh
- 2c See the instructions for information about the operation of state law in your particular state. Check this box if you rely on operation of state law for your dissolution provision and indicate the state:

Part IV Narrative Description of Your Activities

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- a** Do you or will the individuals that approve compensation arrangements follow a conflict of interest policy? Yes No
- b** Do you or will you approve compensation arrangements in advance of paying compensation? Yes No
- c** Do you or will you document in writing the date and terms of approved compensation arrangements? Yes No

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

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

**Wreaths Across America
EIN # 20-836-2270**

Part V, 1(a)

	Name	Title	Mailing Address	Compensation
1.	Karen Worcester	Executive Director	P.O. Box 12 Columbia Falls, ME 04623	\$63,840.
2.	Sarah Worcester	Director	251 N. Main St Columbia Falls, ME 04658	None
3.	Dennis Murray	Director	P.O. Box 220 Baileysville, ME 04694	None
4.	Wayne Hanson	Director	6508 Bowie Drive Springfield, VA 22150	None
5.	Wayne Merritt	Director	P.O. Box 113 Columbia Falls, ME 04623	None
6.	John Williams	Director Chairman of Board	P.O. Box 91 Columbia Falls, ME 04623	None
7.	Larry Ross	Director	241 Easy St. Canaan, ME 04924	None
8.	Pamela Slaven MSN, FNP-C	Director	P.O. Box 12 Columbia Falls, ME 04623	None
9.	Renee Worcester	Director	394 U.S. Highway 1 Columbia, ME 04623	None
10.	Ronald Sailor	Director	P.O. Box 900 Waterville, ME 04903	None

**Wreaths Across America
EIN # 20-836-2270**

Part V, 1(a) continued

11.	Scott Deal	Director	1222 70 th St. Brooklyn, NY 11228	None
12.	Brad E. Prout	Director	PO Box 118 Jonesboro Me 04648	None
13.	Charles Gilbert III, Esq.	Secretary, Ex. Office	Gilbert & Greif, P.A. P.O. Box 2339 Bangor, ME 04402-2339	\$10,000. Estimated annually (after initial legal work involved in set up and 501(C)(3) work
14.	Robert N. Brown, Jr.	Treasurer Ex. Office	CPA Solutions 61 Main Street, Suite 58 Bangor ME 04401	\$10,000. Proposed annually
15.	Sally Belanger	Director	38 Young Avenue Brunswick, ME 04011	None

Wreaths Across America
EIN # 20-836-2270

Part V Line 2(a)

#	Name	Office	Relationship Either Family or Business to other Directors
1	Karen Worcester	Executive Director	FAMILY - Mother-in-law of Director, Sarah Worcester(#2) FAMILY - Mother of Director, Pamela Slaven (#8) FAMILY -Mother-in-law to Director, Renee Worcester, (#9) BUSINESS - Karen is a stock holder, along with Pamela Slaven(#8) in Worcester Peat Company, Inc. BUSINESS - Karen is a member of Worcester Holding, LLC, along with Pamela Slaven (#8)
2.	Sarah Worcester	Director	FAMILY - Daughter-in-law to Executive Director Karen Worcester (#1) BUSINESS: Sarah is an officer of Worcester Resources, Inc. d/b/a Worcester Wreath Company.
3.	Dennis Murray	Director	n/a
4.	Wayne Hanson	Director	n/a
5.	Wayne Merritt	Director	BUSINESS - Employee of Worcester Resources, Inc. d/b/a Worcester Wreath Company, of which Sarah Worcester (#2) and Renee Worcester (#9) are officers.
6.	John Williams	Director Chairman of the Board	n/a
7.	Larry Ross	Director	n/a
8.	Pamela Slaven	Director	FAMILY - Daughter of Executive Director, Karen Worcester (#1) BUSINESS - Pamela is a stock holder, along with Karen Worcester(#1) in Worcester Peat Company, Inc. BUSINESS - Pamela is a member of Worcester Holding, LLC, along with Karen Worcester (#1)

Wreaths Across America
EIN # 20-836-2270

Part V Line 2(a)

9.	Renee Worcester	Director	FAMILY - Daughter-in-law of Executive Director, Karen Worcester (#1) BUSINESS: Renee is an officer and employee of Worcester Resources, Inc. d/b/a Worcester Wreath Company.
10.	Ronald Sailor	Director	n/a
11.	Scott Deal	Director	n/a
12.	Brad Prout	Director	BUSINESS- Co-OWNER of Blue Bird Ranch Trucking CO, which occasionally rents tractor-trailers to Worcester Resources, Inc d/b/a Worcester Wreath Company of which Sarah Worcester (3) and Renee Worcester (#9) are officers, but not shareholders.
13.	Charles E. Gilbert, Esq.	Secretary	BUSINESS - Provides legal services to various Worcester Entities: Worcester Energy Co., Inc; Worcester Holdings LLC, Worcester Wreath Company; Worcester Energy Partners, Inc., & Biochips, LLC.
14.	Robert Brown, CPA	Treasurer	BUSINESS - Provides accounting and financial services to various Worcester Entities: Worcester Energy Co., Inc; Worcester Holdings LLC, Worcester Wreath Company; Worcester Energy Partners, Inc., & Biochips.
15.	Sally Belanger	Director	n/a

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**Wreaths Across America
 EIN # 20-836-2270**

Part v line 2(b)

#	Name	Has business relationship with any of your officers, directors.. other than through position in this organization
1	Karen Worcester	BUSINESS - Karen has a business relationship with Pamela Worcester (#8) as they are both 1.) stock holders of Worcester Peat Co. Inc. 2.) and members of Worcester Holding, LLC. These are family businesses which will have no connection to Wreaths Across America.
2.	Sarah Worcester	BUSINESS: Sarah is an officer, along with Renee Worcester (#9) of Worcester Resources, Inc. d/b/a Worcester Wreath Company, they are not shareholders. Worcester Resources, Inc., d/b/a Worcester Wreaths Company will be providing goods (wreaths) to Wreaths Across America as a major supplier.
3.	Dennis Murray	n/a
4.	Wayne Hanson	n/a
5.	Wayne Merritt	BUSINESS - Wayne is an employee of Worcester Resources, Inc. d/b/a Worcester Wreath Company, of which Sarah Worcester (#2) and Renee Worcester (#9) are officers, but not shareholders.
6.	John Williams	n/a
7.	Larry Ross	n/a
8.	Pamela Worcester	BUSINESS - Pamela has a business relationship with Karen Worcester (#1) as they are both 1.) stock holders of Worcester Peat Co. Inc. 2.) and both are members of Worcester Holding, LLC. These are family businesses which will have no connection to Wreaths Across America.

9.	Renee Worcester	BUSINESS: Renee is an officer and employee, along with Sarah Worcester (#2) of Worcester Resources, Inc. d/b/a Worcester Wreath Company, they are not shareholders. Worcester Resources, Inc., d/b/a Worcester Wreaths Company will be providing goods (wreaths) to Wreaths Across America as a major supplier.
10.	Ronald Sailor	n/a
11.	Scott Deal	n/a
12.	Brad Prout	BUSINESS- Co-owner of Blue Bird Ranch Trucking Co. which occasionally rents tractor-trailers to Worcester Resources, Inc. d/b/a Worcester Wreath Company of which Sarah Worcester (#2) and Renee Worcester (#9) are officers, but not shareholders.
13.	Charles E. Gilbert, III, Esq.	BUSINESS - Attorney Gilbert provides legal services to various Worcester family businesses: 1. Worcester Energy Co., Inc; 2. Worcester Holdings LLC - of which Karen Worcester (#1) and Pamela Worcester (#8) are both members, 3. Worcester Energy Partners, Inc., 4. Biochips, LLC. 5. Worcester Peat, Co., Inc. of which Pamela Worcester (#8) and Karen Worcester (#1) are both stock holders.

14.	Robert Brown, CPA	<p>BUSINESS - Mr. Brown provides accounting and financial services for various Worcester family businesses;</p> <ol style="list-style-type: none"> 1. Worcester Energy Co., Inc.; 2. Worcester Holdings LLC - of which Karen Worcester (#1) and Pamela Worcester (#8) are both members.; 3. Worcester Resources, Inc, d/b/a Worcester Wreath Company; 4. Worcester Energy Partners, Inc.; 5. Biochips, LLC. 6. Worcester Peat, Co., Inc. of which Pamela Worcester (#8) and Karen Worcester (#1) are both stock holders.
15.	Sally Belanger	n/a

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Part V Line 2(c)

#	Name	Office	Relationship to highest paid employee or independent contractors through family or business
1	Karen Worcester	Executive Director	FAMILY & BUSINESS- Karen is the mother-in-law of Sarah Worcester(#2) and Renee Worcester(#9) who are both officers of Worcester Resources, Inc., d/b/a Worcester Wreaths Company one of highest paid independent contractors.
3.	Sarah Worcester	Director	FAMILY & BUSINESS- Sarah is an officer, along with Renee Worcester (#9) in Worcester Resources, Inc., d/b/a Worcester Wreaths Company, one of the largest suppliers.
3.	Dennis Murray	Director	n/a
4.	Wayne Hanson	Director	n/a
5.	Wayne Merritt	Director	BUSINESS - Wayne is an employee of Worcester Resources, Inc., d/b/a Worcester Wreaths Company , one of the highest paid independent contractors
6.	John Williams	Director, C.O. Board	n/a
7.	Larry Ross	Director	n/a
8.	Pamela Slaven,MSN, FNP-C	Director	n/a
9.	Renee Worcester	Director	FAMILY & BUSINESS- Sarah is an officer, along with Renee Worcester (#9) in Worcester Resources, Inc., d/b/a Worcester Wreaths Company, one of the largest suppliers.
10.	Ronald Sailor	Director	n/a
11.	Scott Deal	Director	n/a

**Wreaths Across America
 EIN # 20-836-2270**

Part V Line 2(c)

12.	Brad Prout	Director	BUSINESS - Co-owner of Blue Bird Ranch Trucking Co. which occasionally rents tractor-trailers to Worcester Resources, Inc. d/b/a Worcester Wreath Company of which Sarah Worcester (#2) and Renee Worcester (#9) are officers, but not shareholders
13.	Charles E. Gilbert, Esq.	Secretary	BUSINESS ▶ Attorney Gilbert provides. has provided legal services to various Worcester entities.
14.	Robert Brown, CPA	Treasurer	BUSINESS -has provided financial and accounting services for various Worcester entities.
15.	Sally Belanger	Director	n/a

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For each of your officers, directors...highest paid independent contractors attach a list showing name, qualification, average hours worked and duties.

#1. Karen Worcester

Qualifications: Has 35 years experience in the administrative stewardship of the various Worcester family enterprises, is well known as a passionate champion and spokesperson for a good cause. Extensive experience in Arlington Wreath Project. Co-founder of the *Wreaths Across America* project, tenaciously works on ways the organization can best *Remember* the fallen; *Honor* those who serve; and *Teach* our children that our freedoms are purchased at a great cost.

Average hours worked: 40+ per week

Duties: Executive Director, Provide leadership, oversee all project affairs, supervisory, oversee budget development and audits, oversee the development of resources and help implement and monitor project goals, attend all board meetings.

#2. Sarah Worcester

Qualifications: Sarah has a Bachelor of Science degree in Biology (cum laude) from Husson College. Currently working on Masters degree of Science in Human Nutrition from the University of Bridgeport. Formerly owned and ran her own lobster fishing boat and is presently lobster fishing part-time. Years of experience with the Arlington Wreath Project. Serves as volunteer at the Women's Health Resource Library in Millbridge, Maine.

Average Hours worked: 5 per week

Duties: **Board Member**, Assist the Directors in performing tasks that will help achieve stated goals and comply with the mission of the organization, attend all board meetings.

#3. Maj. Dennis Murray, Commander

Qualifications: Current Commander Maine 76th Composite Squadron, Civil Air Patrol. Also volunteers his time with the Maine Wing Public Affairs Office, Northeast Region Newsletter, extensive experience in Arlington Wreath Project, previous vice-president of Insureteck, Inc., Summit Consulting, Florida Foliate Association and W.R. Grace & Co.

Average Hours worked: 25 per week

Duties: **Board Member**, Assist the Directors in performing tasks that will help achieve stated goals and comply with the mission of the organization, attend all board meetings, special liaison between Wreaths Across America and Civil Air Patrol.

#4. Wayne Hanson

Qualifications: Graduated from Bangor HS and received a BS in Education at the University of Maine Orono. After 7 years of ROTC during high school and college received 2nd Lt Commission in the US Army, Military Police Corps. Served in the Army from 1967-1971 with assignments in Alaska, Viet Nam and Alabama. Rose to rank of Captain before leaving service. Received two Bronze Stars for service and achievement in Viet Nam.

After military obligation was a criminal investigator with the Office of Inspector General, US Dept. of Agriculture in GA, NC, NY and DC. Transferred after 10 years to be a criminal investigator in DC with the US Dept. of Labor, where he spent 20 years until mandatory retirement in 2002. Extensive experience in Arlington Wreath Project.

Average Hours worked: 10

Duties: **Board Member**, Assist the Directors in performing tasks that will help achieve stated goals and comply with mission of the organization, attend all board meetings, special liaison for Maine State Society in Washington.

#5. Wayne Merritt

Qualifications: Served in the US Air Force during the Viet Nam war. Presently a Major with the Civil Air Patrol, Director of Maine Wing CAP Emergency Services, Deputy Director of Cadets ME, 75th Squadron. Has numerous hours of community service and project management, including unmatched experience in The Arlington Wreath Project.

Average Hours worked: 25

Duties: **Board Member**, Assist the Directors in performing tasks that will help achieve stated goals and comply with philosophy of the organization, attend all board meetings, special liaison between Wreaths Across America and

the Civil Air Patrol.

#6. Captain John E. Williams , US Coast Guard, Retired

Qualifications:

Graduate of Piscataquis Community HS and University of Maine Orono. Has a Bachelor of Science Degree in Agricultural Science. Joined the Coast Guard in 1965 and graduated from Armed Forces Staff College, Norfolk VA and holds a Masters of Arts Degree in Criminal Justice from John Jay College of Criminal Justice, NY, NY. Commissioned Ensign at Officer Candidate School in Yorktown, assigned to the USCG Cutter Acushnet in Portland, ME. Later as the Executive Officer of the USCGC Point Gammon he patrolled the Mekong Delta and earned the Combat Action Ribbon. After returning from Vietnam he served in many locations including South Portland, ME; Boston, MA; New Bedford, MA; Rockland, ME; Cape May, NJ; Washington, DC and finished his career in 1990 being responsible for Coast Guard operations from Port Clyde to the Canadian border.

Has remained actively retired as a Mason, in Scottish Rite and as a Shriner. Also involved in the VFW, National VFW POW/MIA and American Legion. Life member of Military Order of Cooties and National Rifle Association. Has extensive project experience in management and supervisory skills for various fund raising programs, including The Arlington Wreath Project.

Average hours worked:

10

Duties:

Chairperson of the Board, assures that the Board of Trustees fulfills its responsibilities for the governance of the organization. Partners with the Executive Director, helping her to achieve the mission of the organization. Optimize the relationship between the board and management. Assist and oversee all Directors in performing tasks that will help achieve stated mission of organization, Liaison for the Veteran of Foreign War.

#7.

Larry Ross

Qualifications:

Teacher at Margaret Chase Smith School, Skowhegan, experienced motivator, expertise in education, annually takes his students to Arlington National Cemetery reinforcing the organization education mission "Teach our children that our freedoms are purchased at a great cost". Will provide be able to provide the organization with expertise in the education field.

Average hours worked:

10

Duties: **Board Member.** Assist the Directors in performing tasks that will help achieve stated goals comply with philosophy of the organization, attend all board meetings, special liaison between Wreaths Across America and the educating aspect of our mission.

8. Pamela W. Slaven, MSN, FNP-C

Qualifications: Baccalaureate and masters degree from the University of Maine. Presently a primary care practitioner in Machias, Maine, certified by the American Academy of Nurse Practitioners. Recently completed course work necessary for the Doctor of Nursing Practice Degree (DNP) at the prestigious Francis Payne Bolton School of Nursing at Case Western Reserve University in Cleveland, OH. Currently conducting a research study on emotional distress and health risk behaviors in the mothers of servicemen deployed in support of Operations Iraqi and Enduring Freedom. Has extensive project experience in management and supervisory skills, including assistance with the Arlington Wreath Project .

Average hours worked: 10

Duties: **Board Member** , Assist the Directors in performing tasks that will help achieve stated goals and comply with the mission of our organization, attend all board meetings.

#9. Renee Saunders Worcester

Qualifications: Graduated from Ellsworth High School in 1999, attended the University of Maine at Farmington from 1999-2000. Transferred to Eastern Maine Technical College in 2000 and graduated in 2002 with an Associates Degree in Medical Transcription. Previously employed at Down East Community Hospital and Arnold Memorial Medical Center. Coached varsity girls soccer at Narraguagus High School from 2005-2007. Extensive experience in the Arlington Wreath Project, including wreath production, transportation logistics, and marketing.

Average hours worked: 10

Duties: **Board Member,** Assist the Directors in performing tasks that will help achieve stated goals and comply with the organization's mission, attend all board meeting.

#10. Ron Sailor

Qualifications: Born in Orono, Maine. Graduated George Stevens Academy in Blue Hill. Received B.S. in accounting from Husson College in 1968. Briefly worked for Great Northern Paper Company and the IRS before becoming full-time with the Maine Air National Guard in Bangor. Many positions with the MeANG including Comptroller, Master

Navigator before retiring in 1995 as Chief of Staff for the Adjutant General in Augusta with the rank of Colonel. Currently serving as the Department Adjutant (full-time administrator) for The American Legion in Maine since 1999 representing 26,000 legionnaires in 172 posts throughout the state. Has extensive experience in The Arlington Wreath Project.

Average hours worked:

10

Duties: **Board Member**, Assist the Directors in performing tasks that will help achieve stated goals and comply with philosophy of the organization, special liaison between Wreaths Across America and the American Legion.

#11.

Scott Deal

Qualifications: Scott lives in New York and is the Ride Captain for the Patriot Guard Riders, a group of Veterans that escort the bodies of fallen military members to their final resting place. This includes comforting the families and making sure the funerals are not interrupted. Has participated and directed volunteers in numerous projects including his large role in the Arlington Wreath Project, can bring numerous necessary skills and qualities to our organization.

Average hours worked:

10

Duties: **Board Member**, Assist the Directors in performing tasks that will help achieve stated goals and comply with philosophy of the organization, attend all board meetings, special liaison between Wreaths Across America and the Patriot Guard Riders.

#12.

Brad Prout

Qualifications: Partner of Bluebird Ranch Trucking and several other family owned businesses. For years his company volunteered drivers and donated tractor trailers for the transportation of wreaths to Arlington, Virginia for the Arlington Wreath Project, can bring numerous business skills and knowledge to the organization, especially in the logistic of transportation and delivery, he has hours of community service, project management and experience in supervisory skills.

Average hours worked:

5

Duties: **Board Member**, Assist the Directors in performing tasks that will help achieve mission of the organization, attends all board meetings and will be the logistics specialist as it relates to transportation needs and expenses for the organization.

#13 Charles E. Gilbert, III, Esq.

Qualifications: Has a BA from Harvard College and a JD from Boston College Law School. Was law clerk to Justice David A. Nichols, Maine Supreme Court 1977-78. In private practice in Bangor, ME since 1978; currently managing partner of Gilbert & Greif, PA. Board Certified Civil Trial Lawyer and American Board of Trial Advocacy. In addition to an active trial and general practice, has been involved in complex corporate, real estate and finance matters. Also works with several non-profit organizations including beneficial projects for the elderly.

Average hours worked: 7+/- per week

Duties: **Secretary, Board Member**, providing legal assistance, advise and guidance to the organization, attendance at all board meetings, responsible for meeting minutes and for presenting the minutes at the next meeting, will maintain corporate records book.

#14. Robert Brown, CPA, CFE

Qualifications: Owner of "The CPA Solution", former Chief Financial Officer with 14+ years of hands on experience and managerial responsibility. Background includes in depth knowledge and experience with GAAP, GASB, financial and strategic planning, budgeting, cash management, financial analysis and control, auditing, human resources, plant maintenance and operations. Education includes BS in Public Accounting from Husson College with 40 plus hours of continuing education each year. Member of the American Institute of CPAs, Maine Organization of CPAs and Association of Certified Fraud Examiners.

Average hours worked: 7 +/-

Duties **Treasurer, Board Member.** Responsible for all organization funds, filing the annual 990 information returns, attend all board meetings and report as to the financial status of organization to the board, provide financial assistance and guidance to organization, keep accurate financial records for the organization, supervise Directors and employees who are responsible for the day to day management of the organization's finances.

#15. Sally L. Bélanger, CFSP

Qualifications: Former RN, currently licensed mortician in the State of Maryland; former Executive Director Maryland and Delaware Funeral Directors Assoc.; presently Executive Director Maine Funeral Directors Assoc. and Maine's

Policy Board Representative to the NFDA Policy Board. Also a member of the National Funeral Directors Assoc.

Average hours worked:

10

Duties:

Board Member, Assist the Directors in performing tasks that will help achieve stated mission of the organization, attend all board meetings, special liaison between Wreaths Across America and the Maine and National Funeral Directors Associations.

WREATHS ACROSS AMERICA
EIN # 20-836-2270

Part V line 5(a)

Conflict of Interest Policy

At the board of directors meeting on | _____, 2007, Wreaths Across America adopted a Conflict of Interest Policy, both policy and resolution are attached.

Do you or will you purchase goods services or assets from Officers, Directors, Highest Paid Employees or Highest Paid Independent Contractor...

WORCESTER RESOURCES, d/b/a Worcester Wreath Co.

1. **What you intend to purchase:** wreaths
2. **From whom:** Worcester Resources, Inc., d/b/a Worcester Wreaths Company, the major supplier.
3. **How the terms are or will be negotiated at arms length:** Worcester Resources, Inc., d/b/a Worcester Wreaths Company made a presentation at the board of directors meeting of Wreaths Across America, providing specifics on how they could accommodate the contract specifications and offering a very reasonable price per wreath. After the presentation, Karen Worcester, Renee Worcester, Sarah Worcester, Pamela Slaven and Wayne Merritt, representing all of the directors, officers or employees who had either a family or business interest with Worcester Resources, Inc., d/b/a Worcester Wreaths Company, Wreaths Across America refrained from the discussion of conflicts, terms of the contract and voting. This is a five year contract and each year any board member with a family or business connection to Worcester Resources, Inc., d/b/a Worcester Wreaths Company will abstain from discussion, determining any contract terms, negotiating any portion of the contract or voting on matters involving any contract with Worcester Resources, Inc., d/b/a Worcester Wreaths Company. Each year one board member will also review other wholesale prices to see that Worcester Resources Inc.'s prices remain competitive.
4. **How will you determine you will pay no more than fair market value?** Each year one or more "outside board member" will be responsible for obtaining comparison prices from whatever resources are available (printed, electronic, internet) and the Board of Directors or a special committee will review the data to determine that this contract price remains a reasonable and fair price and continues to guaranty they will meet wreath specifications. The committee or Board will then make a recommendation to renew or not renew the contract based upon their findings. We will follow our conflict of interest policy.
5. Attached you will find a copy of the 2007 written agreement between Worcester Resources, Inc., d/b/a Worcester Wreaths Company and Wreaths Across America relating to such purchases.

CAP has not been identified as an IIC in this application

Wreaths Across America
EIN# 20-836-2270

Part V Line 7(b)

Do you or will you sell any goods, services or assets from...

CIVIL AIR PATROL
(Independent Contractor)

We have left the determination of whether or not the agreement between Civil Air Patrol and Wreaths Across America is to be defined as independent contractor and leave that determination up to the reviewers for that decision.

Civil Air Patrol has entered into an agreement with Wreaths Across America for 2007. Wreaths Across America must obtain from a contractor approximately 470,000 wreaths to be distributed to a sponsor or to be placed at soldiers 'headstones during the holidays. The wreath being placed may cost no more than what has been determined to be fair market value and must be able to meet specifications set by the Board of Directors. Wreaths Across America will provide the contractor and handle packaging, transportation and shipping of each wreath to the location of the sponsor's choice.

Simplified explanation

1. *Civil Air Patrol obtains a sponsor of \$15 for each wreath to be placed on a headstone.*
2. *Civil Air Patrol then gives the order to Wreaths Across America*
3. *Wreaths Across America will obtain the wreath from their contractor.*
4. *Wreaths Across America will package and ship the wreath to its destination.*

5. *Civil Air Patrol will retain \$2 for each wreath sponsored.*
6. *Wreaths Across America will receive from Civil Air Patrol the remaining \$13 for each wreath and in turn will pay \$9 to its contractor (for 2007 it is Worcester Resources, Inc., d/b/a Worcester Wreaths Company)*
7. *Wreaths Across America will retain for its organization \$4 for each wreath sponsored as a fundraiser for their educational and outreach programs for veterans and their families.*

1. **What you intend to sell:** service & product?
2. **To whom:** Civil Air Patrol
3. **How the terms are or will be negotiated at arms length:** Any director or employee of Wreaths Across America who is either a family member or has a business relationship with Civil Air Patrol will abstain from determining any

agreement terms, negotiating any portion of the agreement or voting on matters involving any agreement with Civil Air Patrol. Contract terms, negotiations and board votes involving Civil Air Patrol will be done by "outside members" of the board only.

4. **How will you determine you will pay no more than fair market value?**
The price of the sponsorship will be negotiated by the Directors of Civil Air Patrol and Wreaths Across America after determining the fair market price of the wreath from contractors. At least two "outside members" of the board will be responsible for obtaining comparison wholesale prices from whatever resources are available (printed, electronic, internet) and the sponsorship price will be determined from that data.
5. Attached is a copy of the written Agreements between Civil Air Patrol and Wreaths Across America. We have obtained permission from Civil Air Patrol to attach this contract this application, even though it specifically states the information contained therein is to be confidential. That permission is also attached.

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April 25, 2007 (7:46am)

ENDORSEMENT AGREEMENT

THIS AGREEMENT ("Agreement"), made as of 1 March 2007 by and between Civil Air Patrol, having a principal place of business at 105 S. Hansell Street, Maxwell AFB, AL 36112 ("Group") and Wreaths Across America with a business address at PO Box 256, Harrington, ME 04643 ("WAA").

RECITALS

WHEREAS, WAA has a program to purchase and place wreaths on the graves of veterans, and wishes to have Group raise funds to purchase the wreaths;

NOW THEREFORE, in consideration of the mutual covenants and agreements of the parties herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Program:

CAP will solicit sponsors for wreaths to place on veterans' tombstones in over 200 cemeteries. WAA will coordinate with Worcester Wreath Company for the manufacturing and shipping of the wreaths.

2. License to Use Marks

Group hereby grants WAA license to use its name, trade and service marks, copyrights and logo, as the same now exist or may be modified during the term hereof (collectively, the "Marks"), solely in connection with the marketing of the Program, provided, however, that any such use must be approved, in advance by Group. Any and all rights to Group's Marks not herein specifically granted and licensed to WAA are reserved to the Group, except as otherwise agreed to by the Group, within 90 days after the effective date of expiration or termination of this Agreement. All rights conveyed by the Group to WAA with respect to the use of the Group's Marks shall cease and all such rights shall revert to Group and WAA shall have no further right to market Products and Services using the Marks or to utilize further any promotional materials containing the Marks provided.

3. Covenants

Group will

- a) actively solicit sponsorships between March 1, 2007 and August 31, 2007, in the local community to purchase wreaths,
- b) send money collected by electronic fund transfer from Group Headquarters to WAA on a bi-weekly basis,
- c) give a WAA lapel pin to each individual or corporate sponsor;
- d) place wreaths received on the appropriate graves,
- e) will not be required to sell a set quota of wreaths, and
- f) will not be required to reimburse WAA or the Worcester Wreath Company

for any wreaths contracted but not sold.

WAA will

- a) Purchase the wreaths and allow Group to retain \$2 of every \$15 raised as compensation,
- b) provide WAA lapel pins free of charge to each Group Wing for distribution to sponsors,
- c) be responsible for the shipping and costs associated with shipping of the wreaths;
- d) will not require from Group or hold Group responsible for reimbursing WAA and further hold harmless Group from any claim by Worcester Wreath Company for any wreaths contracted but not sold.

4. Compensation

Group is entitled to \$2 of every \$15 wreath sponsorship. The remaining money will be sent to WAA.

5. Independent Contractor Status

WAA and Group are independent contractors. Nothing in this Agreement is intended to or shall be construed to constitute an agency, joint venture, partnership or fiduciary relationship between the parties and no party shall have the right or authority to act for or on behalf of the other party, except as is otherwise provided herein. Each party is responsible for the payment of compensation to its own employees as well as taxes, insurance premiums, and other business expenses related to its performance under this Agreement.

6. Confidentiality

- a) The parties acknowledge and agree that the terms and conditions of this Agreement, all information provided to or in connection with either party's performance under this Agreement and any all information specifically designated as being confidential by a party shall be considered confidential and proprietary information ("Confidential Information") and shall not be disclosed to any third party without the prior written consent of the party providing the Confidential Information ("Disclosing Party"). Confidential information shall include, without limitation: (i) the existence and terms of this Agreement, (ii) Customer and customer lists and all information contained therein, (iii) marketing materials, strategies and targeting methods; (iv) business objectives, assets, plans and properties; and (v) programming techniques and technical, development, cost and processing information.
- b) A party receiving Confidential Information ("Receiving Party") shall use Confidential Information only for the purpose of performing its obligations

pursuant to this Agreement and shall not accumulate in any way or make use of or disclose to any person Confidential Information for any other purpose. Any Receiving Party shall ensure that only its employees, authorized agents, or subcontractors who need to know Confidential Information to perform under this Agreement will receive Confidential Information and that such persons agree to be bound by the provisions of this Section 9.

- c) The obligation of confidentiality expressed in this Section 9 shall not apply to (i) information that is or become publicly known through no fault of any party hereto; (ii) information a party receives from a third party authorized to disclose it without restriction; (iii) information which is developed independently without use of Confidential Information; or (iv) information a party is required to disclose by a government authority or order a court of competent jurisdiction, provided that such disclosure is subject to all applicable governmental and judicial protection available for like material and provided further that the disclosing party gives the other party whatever advance notice is reasonable and feasible under the circumstances that such disclosure has been requested.
- d) Upon the Disclosing Party's demand, or upon expiration or other termination of the Agreement, a Receiving Party shall comply with all reasonable instructions from the Disclosing Party regarding the disposition of Confidential Information (including any copies or reproductions thereof). Such compliance shall be certified in writing, including a statement that no copies of Confidential Information have been kept.
- e) Each party agrees that any Confidential Information supplied by any other party is and will remain the sole property of the Disclosing Party. A Receiving Party shall be permitted to use such Confidential Information for any purpose authorized or contemplated by this Agreement.
- f) No party shall issue a press release or make a public announcement or any disclosure of material information to a third party related to transactions contemplated by this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed.
- g) All provisions of this Section 9 shall survive the expiration or other termination of the Agreement.
- h) The parties agree that any violation of the provisions of this Section 9 may cause irreparable and substantial damage and that no adequate remedy may be available at law or in equity. As a result, any such violation may be enjoined through injunctive proceedings in addition to any other right available at law or in equity.
- i) Nothing contained in this Section 9 shall be deemed or interpreted to give Group any right title, or interest in information pertaining to WAA's sale of product to identifiable Group Members or to limit WAA's use of any such information or to

require WAA to dispose of or otherwise relinquish any such information on expiration or termination of the Agreement.

7. Representations and Warranties

- a) WAA represents and warrants:
 - a. that it is authorized to execute this Agreement and to act in accordance therewith;
 - b. that it will procure and maintain licenses and /or Certificates of Authority as required for the marketing and servicing of the Products;
 - c. that it will comply with all applicable state, federal and local laws and regulations, including without limitations, state unfair and deceptive practices and consumer privacy protection laws;
 - d. that it will comply with all applicable requirements regarding the imposition and payment of taxes, assessments, and governmental charges imposed on or in connection with its activities pursuant to this Agreement; and
 - e. that it will conduct and operate its organization in the manner necessary to promptly perform its obligations hereunder.

- b) Group represents and warrants:
 - a. That it is authorized to execute this Agreement and to act in accordance therewith;
 - b. That it will procure and maintain any licenses or permits as required for its performance under this Agreement.
 - c. That it will comply with all applicable state, federal and local laws and regulations, including without limitations, state unfair and deceptive practices and consumer privacy protection laws;
 - d. That it will comply with all applicable requirements regarding the imposition and payment of taxes, assessments, and governmental charges imposed on or in connection with its activities pursuant to this Agreement, Notwithstanding, the Group does not waive tax exemption rights that it may be entitled to claim;
 - e. That it is the owner of, has the right to and is authorized to grant the right and license to use the Marks as provided hereunder and that it is not currently aware of any claim and is not involved in any litigation challenging Group's ownership of the Marks; and it is the owner of, has the right to and is authorized to use the Membership Lists as provided in this Agreement.

8. Indemnification

Each party (the "Indemnifying Party") shall indemnify and hold harmless the other party and its and their affiliates and subsidiaries and its and their directors, officers, employees and agents (collectively, the "Indemnified Party") from and against any and all claims, suits, actions, loss, cost, damage, liability, or other expense in any way resulting from the

actual or alleged breach of any obligation, representation or warranty by the Indemnifying Party under this Agreement, provided that the Indemnified Party shall give the Indemnifying party prompt notice of any claim for indemnification hereunder and provided further that the Indemnified Party shall permit the Indemnifying Party to control the defense or settlement of any such claim or cause of action. The Indemnifying Party shall permit the Indemnified party to monitor any defense or settlement conducted by the Indemnifying Party. This section 11 shall survive the expiration or other termination of the Agreement for a period of three years.

9. Term

This Agreement shall be effective as of the date first written above, and shall continue in full force and be in effect for a period of 1 year.

10. Termination

- a) This agreement may be terminated by either party for material defaults of the other party effective immediately upon giving notice of such termination to such other party, provided that (i) if the default is curable, the terminating party shall have given the other party written notice of the occurrence and nature of the default at least thirty (30) days prior to the notice of the termination and (ii) the defaulting party shall have failed to cure the default during such 30 day period and shall have failed to initiate action during such 30 day period that is reasonably calculated to cure the default as promptly as practical.
- b) Either party may terminate this Agreement by giving the other party written notice to that effect, if and when any of the following events shall have occurred with respect to the other party:
 - i. insolvency, bankruptcy, corporate reorganization, liquidation, assignment for the benefit of creditors, or appointment of a receiver or trustee provided that if any bankruptcy proceedings are commenced against such party involuntarily, another party shall not be entitled to terminate this Agreement hereunder, unless such proceedings have not been discharged or otherwise terminated within sixty (60) days after commencement thereof.
 - ii. Attachment, sequestration, garnishment, or seizure of all or substantially all of such other party's assets.
- c) In the event that any law or regulation of any federal, state or local government renders this Agreement illegal, the parties agree to enter into good faith negotiations to modify the Agreement in a manner that eliminates the illegality. If the parties cannot eliminate the illegality within a reasonable period of time, either party may terminate this Agreement, effective upon receipt of notice by the other party.
- d) In the event of expiration or other termination of this Agreement, each party shall forthwith return all material of every kind, including but not limited to Confidential Information, held for the purposes of this Agreement, to the party

which provided or which owns such material and will also transfer all materials or other property as may be necessary for the orderly, non-disrupted continuation of business or other activities by each party.

- f) The expiration or other termination of the Agreement shall not affect the provisions of the Agreement that, by their express terms, are intended by the parties to survive such expiration or other termination of this Agreement.
- g) If Group Grant funding is eliminated and CAP ceases to exist, this agreement is terminated as of the date of said occurrence.

11. Notice

Any and all notices or other communication required or permitted under this Agreement shall be in writing and deemed to have been duly given if: (i) delivered by hand; (ii) sent by Federal Express or other commercial overnight courier, in any event addressed as follows:

If to WAA:
Wreaths Across America
PO Box 256
Harrington, ME 04643
Attention: Major Wayne Merritt
Copy to: Major Dennis Murray

If to Group:
Civil Air Patrol
105 S. Hansell St.
Maxwell AFB, AL 36112
Attention: Marie Neese
Copy to: Holley Dunigan

Or to such other address or addressee as shall have been communicated by notice in accordance with this Section 15. All such notices shall be deemed to have been received on the actual date of receipt or three (3) days after given as provided above, whichever is sooner.

12. Legal Proceedings

Each party shall notify any other party of any legal proceedings or threat of legal proceedings involving such other party with respect to any matter which is subject of their Agreement.

13. Entire Agreement and Amendment

This agreement, including Exhibits attached hereto, constitutes the entire understanding among the parties with respect to this Agreement and supersedes all prior written and oral proposals, understanding, agreements and representations, all of which are merged herein. No amendment or modification of the Agreement shall be effective unless it is in writing and executed by all of the parties hereto.

14. Waiver

The waiver by either party of a default or breach of any term or condition of the Agreement by the other party shall not operate or be construed as a waiver of any subsequent default or breach.

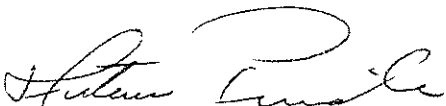
15. Severability


If any provision of this Agreement is determined to be unenforceable, such provision shall be ineffective only to the extent unenforceable and the remainder of such provision and all other provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the day and year first above written.

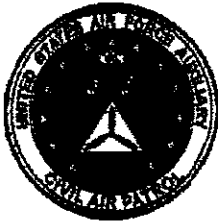
GROUP:

Wrèaths Across America

By: 
Print name: Maj Gen Tony Pineda
Title: National Commander CAP

By: 
Print name: Karen Worcester
Title: *Exec Dir*

By: 
Print name: Don Rowland
Title: Executive Director



NATIONAL HEADQUARTERS
CIVIL AIR PATROL
UNITED STATES AIR FORCE AUXILIARY
105 South Hansell Street
MAXWELL AIR FORCE BASE, ALABAMA 36112-8392

20 March 2007

MEMO FOR Wreaths across America

SUBJECT: Permission to Disclose Agreement for Foundation Application

1. I, Marc Huchette, Director of Program Development at Civil Air Patrol National Headquarters, give Wreaths Across America permission to disclose the agreement between Wreaths Across America and Civil Air Patrol, signed on March 1st, 2007, for use in their foundation application. The agreement and contents within may be used in this process in order to complete the setup of their foundation.



Marc Huchette
Director, Program Development

Lease from

Morrill
Worcester

Leases, contracts, loans or other agreements with officers...

(b) **Describe any written or oral arrangements that you made or intend to make:**

(i) Wreaths Across America has contracted with Worcester Resources, Inc., d/b/a Worcester Wreaths Company (1 of 5 highest paid independent Contractors) for the 2007 order, to provide wreaths which meet identified specifications for the price of \$9.00 each (see specifications attached.)

(ii) Wreaths Across America has entered into an agreement with Civil Air Patrol (1 of 5 highest paid independent Contractors?)

1. Civil Air Patrol obtains a sponsor of \$15 for each wreath to be placed on a headstone.
2. Civil Air Patrol then gives the order to Wreaths Across America
3. Wreaths Across America will obtain the wreath from their contractor.
4. Wreaths Across America will package and ship the wreath to its destination.

5. Civil Air Patrol will retain \$2 for each wreath sponsored.
6. Wreaths Across America will receive from Civil Air Patrol the remaining \$13 for each wreath and in turn will pay \$9 to its contractor (for 2007 it is Worcester Resources, Inc., d/b/a Worcester Wreaths Company)
7. Wreaths Across America will retain for its organization \$4 for each wreath sponsored as a fundraiser for their educational and outreach programs for veterans and their families.

(iii) Wreaths Across America has signed lease with Morrill Worcester for office space and shipping prep space for 2007.

c) **Identify with whom you have or will have such arrangements:**

- (i) Worcester Resources, Inc., d/b/a Worcester Wreaths Company wreaths
- (ii) Civil Air Patrol for finding sponsors for each wreath.
- (iii) Morrill Worcester

(d) **Explain how the terms are or will be negotiated art arm's length:**

- (i) the terms of the Worcester Resources, Inc., d/b/a Worcester Wreaths Company agreement were discussed and voted on only by those directors who did not have ties, either family or business) to Worcester Resources, Inc., d/b/a Worcester Wreaths Company ("outside" members of the Board of Directors.) Any person or organization with ties to Worcester Resources, Inc., d/b/a Worcester Wreaths Company abstained from that vote.
- (ii) the terms of the agreement with Civil Air Patrol were discussed and voted on only by those Directors who do not have ties either family or Business with the Civil Air Patrol, anyone with that connection abstained from voting on the agreement with Civil Air Patrol.
- (iii) the terms of the lease agreement between Wreaths Across America and Morrill

Worcester were discussed and voted on only by those directors who did not have either family or business ties to Morrill Worcester ("outside directors") those with family or business ties to Morrill Worcester abstained from the vote.

(e) **Explain how you determine you will pay no more than fair market value or you are paid at least fair market value:**

- (i) Each year one or more "outside board member" will be responsible for obtaining comparison prices on wreaths from whatever resources are available (printed, electronic, internet) and fair market value will be determined from these resources and discussed with the board, this information will provide our organization with a fair market value for both purchasing wreaths from a contractor and in providing them to an organization which will obtain sponsorship.
- (ii) Upon termination of the agreement with Civil Air Patrol, It may not be possible to enter into an agreement with another organization at the under the same terms as are currently set. However should Civil Air Patrol discontinue their partnership with Wreaths Across America to locate sponsors for wreaths then two or more directors from Wreaths Across America will search for comparable alternatives and present those offers to the board for discussion and vote.
- (iii) At least one directors from Wreaths Across America will be responsible for investigation the availability of office and shipping prep space in the area of the home office of Wreaths Across America , and will report on those spaces available annually, so that the Board may access whether or not space is available at or below the same rate for comparable terms.

(f) **Attach copies** of leases, contracts, loans or other agreements relating to such arrangements:

- (i) Wreath price comparisons are attached. The agreement with Worcester Resources, Inc., d/b/a Worcester Wreaths Company and Wreaths Across America is attached as Part V 7(a)
- (ii) Endorsement Agreement between Wreaths Across America and Civil Air Patrol is attached to Section V Line 7(b).
- (iii) Lease between Wreaths Across America and Morrill Worcester is attached hereto. This is the lease for office rental and shipping prep space for Wreaths Across America;

Wreaths Across America

Wreath Specs.

1. Quantity to be made is 500,000 units.
2. Delivery date for all units is December 9, 2007.
3. All wreaths need to be made during the regular season October 20 - December 9.
4. All wreaths need to be made on 10" clamp rings.
5. All wreaths need to be machine trimmed to an outside diameter of 20".
6. All wreath needs to weigh 2 ¾ to 3 lbs and be made of fresh quality balsam fir tips.
7. All wreaths need a "Wreaths Across America" horticultural tag affixed to the ring.
8. All wreaths are to be packaged by using a 48"x48"x1/2mm poly bag and a 19"x19"x21" cardboard box.
9. Wreath cartons are to be packaged in 53'x101" trailers (800 cartons per trailer)
10. All wreaths to be made in Maine/USA.

Wreaths Across America

Market Comparison Prices for 2007

1.	Wilson Evergreens	basic wreath 24"	\$25.95	+ shipping & Handling
2.	Whitney Wreath	30"	\$32.95	+ shipping & handling
3.		24" balsam	\$27.95	+ shipping & handling
4.	Country Balsam Wreath	24" single face	\$26.00	+shipping& handling
5.	Wreath.com	24"	\$28.00	+ shipping & handling

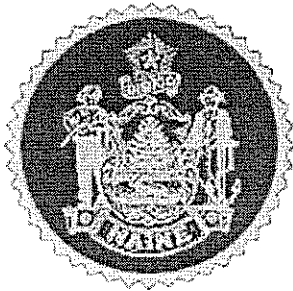
State of Maine



Department of the Secretary of State

I, the Secretary of State of Maine, certify that according to the provisions of the Constitution and Laws of the State of Maine, the Department of the Secretary of State is the legal custodian of the Great Seal of the State of Maine which is hereunto affixed and that the paper to which this is attached is a true copy from the records of this Department.

In testimony whereof, I have caused the Great Seal of the State of Maine to be hereunto affixed. Given under my hand at Augusta, Maine, this fifteenth day of March 2007.



A handwritten signature in black ink, appearing to read "Matthew Dunlap".

MATTHEW DUNLAP
Secretary of State

DOMESTIC
NONPROFIT CORPORATION

STATE OF MAINE

ARTICLES OF INCORPORATION

WREATHS ACROSS AMERICA

File Fee \$40.00

File No 200703B6ND Pages 3

Fee Paid \$ 40

DCN 2070233100041 ARTI

FILED

01/18/2007

Julia R. Flynn
Deputy Secretary of State

A True Copy When Attested By Signature

Deputy Secretary of State

Pursuant to 13-B MRSA §403, the undersigned incorporator(s) execute(s) and deliver(s) the following Articles of Incorporation

FIRST: The name of the corporation is WREATHS ACROSS AMERICA

SECOND: ("X" one box only. Attach additional page(s) if necessary)

The corporation is organized as a public benefit corporation for the following purpose or purposes:
SEE ATTACHED EXHIBIT A

The corporation is organized as a mutual benefit corporation for all purposes permitted under Title 13-B or, if not for all such purposes, then for the following purpose or purposes:

THIRD: The name and registered office of the Registered Agent who must be a Maine resident, whose office is identical with the registered office, or a corporation, domestic or foreign, profit or non-profit, having an office identical with such registered office:

Charles E. Gilbert, III

(name)

82 Columbia Street Bangor ME 04401

(physical location - street (not P.O. Box), city, state and zip code)

PO Box 2339 Bangor ME 04402-2339

(mailing address if different from above)

FOURTH: The number of directors (not less than 3) constituting the initial board of directors of the corporation, if the number has been designated or if the initial directors have been chosen, is 11

The minimum number of directors (not less than 3) shall be 7 and the maximum number of directors shall be 21

FIFTH: Members ("X" one box only)

There shall be no members.

There shall be one or more classes of members and the information required by 13-B MRSA §403 is attached.

FORM NO. MNPCA-6 (1 of 2)

SIXTH: (Optional) (Check if this article is to apply.)

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 publication or distribution of statements) any political campaign on behalf of any candidate for public office

SEVENTH: (Optional) (Check if this article is to apply.)

Other provisions of these articles including provisions for the regulation of the internal affairs of the corporation, distribution of assets on dissolution or final liquidation and the requirements of the Internal Revenue Code section 501(c) are set out in Exhibit A attached hereto and made a part hereof

Incorporators

DATED January 12, 2007

Karen Worcester
(signature)

Street Centerville Rd., Columbia Falls ME
(residence address) 04623

Karen Worcester
(type of print name)

(city, state and zip code)

Morrill R. Worcester
(signature)

Street Centerville Rd., Columbia Falls, ME
(residence address) 04623

Morrill R. Worcester
(type of print name)

(city, state and zip code)

(signature)

Street (residence address)

(type of print name)

(city, state and zip code)

For Corporate Incorporators*

Name of Corporate Incorporator _____

By _____
(signature of officer)

Street _____
(general business location)

(type or print name and capacity)

(city, state and zip code)

Acceptance of Appointment of Registered Agent

The undersigned hereby accepts the appointment as registered agent for the above-named domestic nonprofit corporation.

DATED January 12, 2007
Charles E. Gilbert, III
(signature of registered agent)

Charles E. Gilbert, III
(type or print name)

Note: If the registered agent does not sign this form, Form MNPCA-18 (15-B MRSA §304.3) must accompany this document

*Articles are to be executed as follows:

If a corporation is an incorporator (15-B MRSA §401), the name of the corporation should be typed or printed and signed on its behalf by an officer of the corporation. The articles of incorporation must be accompanied by a certificate of an appropriate officer of the corporation, not the person signing the articles, certifying that the person executing the articles on behalf of the corporation was duly authorized to do so

Please remit your payment made payable to the Maine Secretary of State

SUBMIT COMPLETED FORMS TO: CORPORATE EXAMINING SECTION, SECRETARY OF STATE,
101 STATE HOUSE STATION, AUGUSTA, ME 04353-0101
FORM NO. MNPCA-6 (2 of 2) Rev. 8/1/2004 TEL. (207) 624-7740

WREATHS ACROSS AMERICA
ARTICLES OF INCORPORATION

Exhibit A

SECOND: The corporation is organized exclusively for any lawful charitable and/or educational purpose permitted under Section 501(c)(3) of the Internal Revenue Code, including without limitation, charitable and educational activities to recognize, memorialize, preserve the history of, and educate members of the public, including school children, about the sacrifices of veterans in serving our country and its allies in times of peace and war. Further, to honor and memorialize the memories of veterans who have passed on by encouraging and promoting the identification, documentation and proper decoration of veterans' graves, and to work with other like minded organizations and governmental officials to work toward the goal that all deceased veterans' graves be identified, recognized and appropriately memorialized.

SEVENTH: Upon any dissolution of the Corporation or the termination of its activities, the assets of the Corporation remaining after the payment of all its liabilities shall be distributed exclusively to one or more organizations, to be identified by the Board of Directors in its sole and absolute discretion, that are organized and operated exclusively for such purposes as shall then qualify such organization or organizations for the exemption from federal income taxation provided for in Section 501(a) of the Internal Revenue Code of 1986, as amended, by virtue of being described in Section 501(c)(3) of the Code.

Narrative
Wreaths Across America
Organizational Background

Past

Wreaths Across America ("WAA") was born in 2006 out of a desire to honor and respect American servicemen and women for their significant contributions in preserving our Nation's freedoms. Originally started by Morrill Worcester and Worcester Wreath Company of Harrington Maine, it has become an annual tradition to lay holiday wreaths at the gravemarkers of our fallen veterans during the holidays, as a way to express appreciation and to pay tribute for the past, present, and future sacrifices made for our Country.

The tradition began by mishap when in 1992, the Worcester Wreath Company was faced with an overage of 5000+ wreaths nearing the end of the season. Without a market and not wanting to see the fresh evergreen wreaths go to waste, Company Founder and President Morrill Worcester was reminded of a boyhood trip to Washington D.C. Of all the sites in our Nation's Capital, it was the striking image of Arlington National Cemetery – with its neat white row after row of headstones that made an impression on the young boy from Columbia Falls – an impression of deep gratitude and reverence for the ultimate sacrifices made to preserve the freedoms that we enjoy each day. With excess wreaths in hand, Morrill's imagination gave birth to an idea of placing the wreaths at Arlington.

Permission obtained, and a small handful of volunteers gathered to decorate each wreath with a simple red bow, the wreaths were packed and shipped nearly 800 miles south to Arlington on donated transportation. Only a dozen or so people took part in the first December wreath-laying in 1992 – but that one gesture became an annual tradition over the following 15 years, with wreaths being made and decorated for the sole purpose of what became known locally as "The Arlington Wreath Project."

Though not a veteran himself, Morrill Worcester's gesture continues to express appreciation to the men and women who have given so much – a recognition that the blessings we enjoy daily are available only because of the sacrifices made. Joined by family and friends, volunteers and other civic groups, The Arlington Wreath Project became an integral part of the Worcester Wreath Company culture and the spirit of patriotism born out of a small town in Maine.

With over 5000 wreaths donated each year since 1992, The Arlington Wreath Project began to grow slowly, both in scope and in recognition. Additional wreaths were donated to Togus National Cemetery in the State of Maine, and each year more and more volunteers would show up to participate in the annual wreath-laying event at Arlington.

After the December 2005 ceremony however, an interesting confluence of events took place that raised public awareness to an all-time high. That year a small dusting of snow fell the day the wreaths were laid out, and an Air Force press corpman took a single image of the stark contrast between the red bow, the lush evergreens and the row after

row of white headstones on a snowy field. Unbeknownst to the folks in Maine, this seminal image was posted on the internet – soon to be picked up by bloggers and email news chains.

In a case study of the power of viral communications in our Global community, word about the wreath-laying spread wide and far, spurred by the single, emotional image paired with a few thoughtful words. The offices at Worcester Wreath Company began to field an unusual number of calls, emails, and correspondence from enthusiastic supporters. Some skeptical people who saw the photo and heard the background story started a debate as they did not believe it could be true – which only fueled the fans of interest even more.

In response to the deluge of interest, Morrill and family became inspired to do more in response. In particular, they recognized how important the event had become for the living, as much for remembering those we've lost. In the fall of 2006, the Worcester family convened a small committee of interested parties to plan and execute small wreath-laying ceremonies at over 200 State and National cemeteries and veterans monuments across the Country – in addition to the events at Arlington and Togus. To help respond to a growing number of requests for information about the project, a website was created and the informally dubbed "Wreaths Across America." By December, the plan had become a national campaign with supporting groups and individuals in all 50 states and Puerto Rico.

Over 5000 wreaths were decorated and boxed for shipment to Arlington. The tractor-trailer load of wreaths, along with escorts from the Patriot Guard Riders, various State Police and local law enforcement agencies made a three day trip from Harrington Maine to Arlington Virginia. At one point in the convey there were more than 50 vehicles. They passed numerous towns and witnessed the streets lined with flag waving citizens, smiling school children were let out of class, organizations and community groups lined the bridges and overpasses with their patriotic colors and banners. Those who witnessed or participated in this procession described an overwhelming feeling of pride for our servicemen and women and found honor to participate in some small way.

When the wreaths arrived, they were lovingly placed leaning against the headstones in Arlington. Oh but this year it was different. "Wreaths" had coordinated the expansion of ceremonies. They coordinated special ceremonies and wreath-laying not only at Arlington, but at the same time four wreaths were laid at Arlington's Tomb of the Unknown Soldier, and six wreaths, representing the service branches and honoring former prisoners-of-war and those missing-in-action, were laid at the flagpole of each national and state veterans' cemeteries. By the end of the day on December 14, 2006, there were wreath laying services at over 230 State and National Cemeteries, and Veterans Monuments, covering all 50 states and Puerto Rico. Those wreaths not delivered by the convoy were delivered to the National and State Cemeteries by UPS at no charge, they felt it was the least they could do.

National news exposure from the major networks and press organizations raised public awareness and providing inspiration for citizens to renew their commitment to honor the men and women of the armed forces who have served, and those who are currently serving the Country. In addition to the wreath-laying events, a concurrent national 'Moment of Silence' was extolled as a way for people to participate who might not otherwise be able to take part at one of the wreath-laying locations. All across the Country

thousands of people took part in the events in some shape or form, and literally millions were exposed to the campaign by major media stories.

Present

In January of 2007, Morrill Worcester and family made a decision formalize the Wreaths Across America by applying for status as a 501(c)(3) non-profit entity. Since its conception Wreaths Across America has the assistance and cooperation of many businesses and organization both local and national. Civic-minded groups such as the Civil Air Patrol, the National Committee of the Veterans of Foreign Wars, the American Legion, the Daughters of the American Revolution and the Boy Scouts of America have either helped or expressed interest in assisting Wreaths Across America. Businesses such as L.L. Bean, Annin & Company, Interstate Container, International Paper and United Parcel Service have assisted in the past events and made commitments to assist in the future. The decision to expand the scope from Worcester Wreath Company's Arlington Wreath Project to Wreaths Across America was driven in large part by the need to create a structure that could both answer to and coordinate with other civic-related entities.

To formalize the relationship, a Board of Trustees was formed to govern Wreaths Across America, and the organization entered into a manufacturing agreement with Worcester Wreath Company for the provision of wreaths for future wreath-laying events. Worcester Wreath Company has agreed to maintain its level of commitment by continuing to sponsor the Arlington Wreath Project, and in fact has committed to doubling the total number of wreaths (10,000) destined for Virginia in 2007. Wreaths Across America will focus its efforts on creating comparable wreath-laying events at over 200+ other locations across the Nation and at cemeteries located on Foreign Soil.

Philosophy

Wreaths Across America maintains no political or religious agenda, but rather a mission to remember and honor our veterans during the holidays, a time of traditional family get-togethers, and the perfect learning opportunity to teach our children that we are able to do so, in peace, because of the many sacrifices made by our military men and women.

Mission

The Wreaths Across America mission can be recounted in this simple statement:

Remember - Honor - and Teach,

Remember the fallen;

Honor those who serve and

Teach our children the value of freedom.

In creating Wreaths Across America, it was the wish of Morrill and Karen Worcester to bring Veterans, their families, and our school children together, as a way of expressing appreciation for the past, present, and future sacrifices that preserve the freedom we experience each day. Educating school children is seen as one of the chief missions of Wreaths' campaign, both as a way of honoring the sacrifices of those we've lost, and to set an appreciation for the blessings for that which came at a great price. Without that connection to the future, we will fail to remember that in the immortal words of Ronald Reagan, "freedom isn't free."

Future

Since December 14, 2006, the organizers of Wreaths Across America received a significant outpouring of correspondence, e-mails, and phone calls from people, business and civil organizations expressing an interest to support, participate, or contribute in some way that allows one to express their gratitude to our servicemen and women. Wreaths Across America recognizes and will seize upon the opportunity to be a springboard into a new era of patriotism and honor for Americans who served.

What began as a one man's vision and the efforts of a small company from rural Downeast Maine is now a national campaign with literal recognition in millions of households across the Country – both a testament and a responsibility to lead other like-minded souls in an expression of gratitude.

Goals & Objectives for our future

Expand students and community education by putting veterans together with children in an experiential learning environment.

Promote honor and gratitude for serviceman's contributions by coordination of wreath-laying events nationwide.

Assemble and distribute media to educate the public of our mission.

Acknowledge and identify some of the sacrifices families must make when a loved one serves our Country, and share this knowledge thru educational and community outreach.

Assist organizations with needs and requests for coordination and planning of holiday remembrance ceremonies. Act as a informational hub for requests to be matched with resources.

Collect feedback, news articles, photos, and videos that can be incorporated into the website for both educational and promotional purposes.

When revenues are available, make available scholarships to veterans and/or families of veterans.

Expand the recognition of those who serve our Country, both past, present, and future, as well as their families who deserve our support. Educate the general public about the sacrifices of our veterans, without which there would be no opportunity to enjoy our freedom, without the sacrifices from their families we would have none to serve.

Honor those who made the ultimate sacrifice, and acknowledge that we owe our unwavering support and a profound debt of gratitude for preserving the way of life we all enjoy here in the United States of America. This will be done both in ceremony and via educational/community outreach.

CONFLICT OF INTEREST POLICY WREATHS ACROSS AMERICA

Article 1. Purpose

As a nonprofit, tax-exempt entity, Wreaths Across America ("corporation") depends on charitable contributions from the public. Maintenance of its tax-exempt status is important both for its continued financial stability and for the receipt of contributions and public support. Therefore, the IRS and state corporate and tax officials view the operations of the corporation as a public trust, accountable to both governmental authorities and members of the public.

Among the corporation and its Board, officers, and management employees, there exists a fiduciary duty, which carries with it a broad and unbending duty of loyalty. The Board, officers, and management employees are responsible for administering the affairs of the corporation honestly and prudently, and for exercising their best care, skill, and judgment for the sole benefit of Wreaths Across America. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with the corporation or knowledge gained there from for their personal benefit. The interests of the corporation must have the first priority, and all purchases of goods and services must be affected on a basis that secures for the corporation full competitive advantages as to product, service, and price. The purpose of the conflict of interest policy is to protect Wreaths Across America's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Director, officer or management staff, or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state or federal laws governing conflict of interest applicable to nonprofit and charitable corporations.

No member of Wreaths Across America's Board of Directors, officer or management staff shall derive any personal profit or gain, directly or indirectly, by reason of his or her participation in a Wreaths Across America. Each individual shall disclose to a Board of Director any personal interest which he or she may have in any matter pending before the corporation and shall refrain from participation in the consideration of such matter. Any member of Wreaths Across America Board of Directors, officer or management staff shall refrain from obtaining any list of Wreaths Across America client for personal or private solicitation purposes at any time during their term of affiliation.

Article 2. Definitions

A. Interested Person. An "interested person" shall mean any director, principal officer, management staff member or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below,

B. Financial Interest. A person has a "financial interest" if the person has, directly or indirectly, through business, investment, or family any of the following:

- a. an ownership or investment interest in any entity with which the Corporation has a transaction or arrangement;
- 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 not insubstantial.

A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Board of Directors decides that a conflict of interest exists.

Article 3. Areas in Which Conflicts May Arise

Conflicts of interest may arise in the relations of Directors, officers, and management employees with any of the following third parties:

- A. Persons or entities supplying goods and services to the corporation.
- B. Persons or entities from which the corporation leases property and equipment.
- C. Persons or entities with whom the corporation is dealing or planning to deal in connection with the gift, purchase, or sale of real estate, securities, or other property.
- D. Persons or entities paying honoraria or royalties for products or for services delivered by the corporation for its agents or employees.
- E. Other nonprofit corporations.
- F. Donors and others supporting the corporation.
- G. Agencies, corporations, and associations that affect the operations of the corporation.

Article 4. Nature of Conflicting Interest

A material conflicting interest may be defined as an interest, direct or indirect, between any person or entity mentioned in Section 3, and a Director, officer, or management employee, which might affect, or might reasonably be thought by others to affect, the judgment or conduct of a Director, officer, or management employee of the corporation. Such an interest might arise through:

- A. Owning stock or holding debt or other proprietary interests in any third party dealing with the corporation.
- B. Holding office, serving on the Board, participating in management, or being otherwise employed (or formerly employed) in any third party dealing with the corporation.
- C. Receiving remuneration for services with respect to individual transactions involving the corporation.
- D. Using the corporation's personnel, equipment, supplies, or goodwill for other than corporation-approved activities, programs, and purposes.
- E. Receiving personal gifts or loans from third parties dealing with the corporations. (Receipt of any gift is disapproved except gifts of nominal value, which could not be refused without

discourtesy. No personal gift of money should ever be accepted.)

- F. Obtaining an interest in real estate, securities, or other property that the corporation might consider buying or leasing.
- G. Expending staff time during the corporation's normal business hours for personal affairs or for other corporations, civic or otherwise, to the detriment of work performance for the corporation.

Article 5. Indirect Interest

As noted above, conflicting interests may be indirect. A Director, officer, or management employee will be considered to have an indirect interest in another entity or transaction if any of the following also have an interest:

- A. A family member of a Director, officer, or management employee. (Family member is defined for these purposes as all persons related by blood or marriage.)
- B. An estate or trust of which the Director, officer, or management employee or member of his family is a beneficiary, personal representative, or Director.
- C. A company of which a member of the family of the Director, officer, or management employee is an officer, director, or employee, or in which he has ownership or other proprietary interest.

Article 6. Procedures

A. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest to the Board of Directors and be given the opportunity to disclose all material facts. The Board shall then determine whether a conflict exists and is material, and in the presence of an existing material conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable as to Wreaths Across America. The decisions on these matters are the sole discretion of the Board. The Board's first concern must be the welfare of remuneration the corporation and the advancement of its purposes.

B. 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 meeting while the determination of a conflict of interest is discussed and voted upon. The remaining members of the Board shall decide if a conflict of interest exists.

C. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the Board, but after the presentation, he/she shall abstain from participation in Board's consideration of proposed transaction.
- b. The Chairman of the Board shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement. The person(s) so appointed need not be members of the Board of Directors.
- c. After exercising due diligence, the Board shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the Wreaths Across America's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

D. Violations of the Conflicts of Interest Policy

- a. If the Board of Directors has reasonable cause to believe a Director, officer or management staff member has failed to disclose actual or possible conflicts of interest, it shall inform the Director, Officer or management staff member of the basis for such belief and afford him/her an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the Director's, Officer's or management staff member's response and after making further investigation as warranted by the circumstances, the Board of Directors determines the Director or Officer has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article 7. Documentation

The minutes of the Board of Directors shall contain:

- A. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's decision as to whether a conflict of interest in fact existed.
- B. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

C. Each Director, officer and management staff shall annually sign a statement which affirms that such person:

- a. Has received a copy of this conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands that Wreaths Across America is a nonprofit corporation and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Article 8. Compensation

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

B. No voting member of the Board of Directors who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article 9. Interpretation of This Statement of Policy

The areas of conflicting interest and the relations in those which may give rise to conflict, are not exhaustive. Conceivably, conflicts might arise in other areas or through other relations. It is assumed that the Directors, officers, and management employees will recognize such areas and relation by analogy.

The fact that one of the interests described in Section 3 exists does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances that it is necessarily adverse to the interests of the corporation. However, it is the policy of the Board that the existence of any of the interests described in Section 3 shall be disclosed before any transaction is consummated. It shall be the continuing responsibility of Directors, officers, and management employees to scrutinize their transactions with outside business interests and relationships for potential conflicts and to immediately make such disclosures.