

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

Read the instructions for each Part carefully.

**A User Fee must be attached to this application.**

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

**Complete the Procedural Checklist on page 8 of the instructions.**

**Part I Identification of Applicant**

<b>1a</b> Full name of organization (as shown in organizing document)  World Trade Center Memorial Foundation, Inc.	<b>2</b> Employer identification number (EIN) (If none, see page 3 of the <b>Specific Instructions</b> .)  38 3678458
<b>1b</b> c/o Name (if applicable)  c/o Jason R. Lilien	<b>3</b> Name and telephone number of person to be contacted if additional information is needed  ( 212 ) 310-8207
<b>1c</b> Address (number and street) Weil, Gotshal & Manges LLP 767 Fifth Avenue Room/Suite	
<b>1d</b> City, town, or post office, state, and ZIP + 4. If you have a foreign address, see <b>Specific Instructions</b> for Part I, page 3.  New York, NY 10153	<b>4</b> Month the annual accounting period ends  December
<b>1e</b> Web site address	<b>5</b> Date incorporated or formed April 10, 2003
<b>6</b> Check here if applying under section: a <input type="checkbox"/> 501(e) b <input type="checkbox"/> 501(f) c <input type="checkbox"/> 501(k) d <input type="checkbox"/> 501(n)	
<b>7</b> Did the organization previously apply for recognition of exemption under this Code section or under any other section of the Code? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," attach an explanation.	
<b>8</b> Is the organization required to file Form 990 (or Form 990-EZ)? . . . . . <input type="checkbox"/> N/A <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach an explanation (see page 3 of the <b>Specific Instructions</b> ).	
<b>9</b> Has the organization filed Federal income tax returns or exempt organization information returns? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," state the form numbers, years filed, and Internal Revenue office where filed.	

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

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

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

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

Please Sign Here Jason R. Lilien  
Treasurer/Secretary 9/11/03

(Signature) (Type or print name and title or authority of signer) (Date)

**Part II** Activities and Operational Information

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

See Addendum

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

See Addendum

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

See Addendum

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**Part II** Activities and Operational Information (Continued)

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

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

See Addendum

b Annual compensation

See Addendum

c Do any of the above persons serve as members of the governing body by reason of being public officials or being appointed by public officials?  Yes  No  
If "Yes," name those persons and explain the basis of their selection or appointment.

d Are any members of the organization's governing body "disqualified persons" with respect to the organization (other than by reason of being a member of the governing body) or do any of the members have either a business or family relationship with "disqualified persons"? (See **Specific Instructions** for Part II, Line 4d, on page 3.)  Yes  No  
If "Yes," explain.

5 Does the organization control or is it controlled by any other organization?  Yes  No  
Is the organization the outgrowth of (or successor to) another organization, or does it have a special relationship with another organization by reason of interlocking directorates or other factors?  Yes  No  
If either of these questions is answered "Yes," explain.

6 Does or will the organization directly or indirectly engage in any of the following transactions with any political organization or other exempt organization (other than a 501(c)(3) organization): (a) grants; (b) purchases or sales of assets; (c) rental of facilities or equipment; (d) loans or loan guarantees; (e) reimbursement arrangements; (f) performance of services, membership, or fundraising solicitations; or (g) sharing of facilities, equipment, mailing lists or other assets, or paid employees?  Yes  No  
If "Yes," explain fully and identify the other organizations involved.

7 Is the organization financially accountable to any other organization?  Yes  No  
If "Yes," explain and identify the other organization. Include details concerning accountability or attach copies of reports if any have been submitted.

**Part II** Activities and Operational Information (Continued)

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

N/A

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

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

b Is the organization a party to any leases? . . . . .  Yes  No  
If either of these questions is answered "Yes," attach a copy of the contracts and explain the relationship between the applicant and the other parties.

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

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

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

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

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

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

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

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

**Part III** Technical Requirements

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

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

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

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

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

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

If "No," answer question 4.

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

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

If "No," answer questions 5 and 6.

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

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

**Part III** Technical Requirements (Continued)

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

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

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

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

**THE ORGANIZATION IS NOT A PRIVATE FOUNDATION BECAUSE IT QUALIFIES:**

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

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

**Part III** Technical Requirements (Continued)

- 10** If you checked box **h, i, or j** in question 9, has the organization completed a tax year of at least 8 months?  
 **Yes**—Indicate whether you are requesting:  
 A definitive ruling. (Answer questions 11 through 14.)  
 An advance ruling. (Answer questions 11 and 14 and attach two Forms 872-C completed and signed.)  
 **No**—You must request an advance ruling by completing and signing two Forms 872-C and attaching them to the Form 1023.

- 11** If the organization received any unusual grants during any of the tax years shown in Part IV-A, **Statement of Revenue and Expenses**, attach a list for each year showing the name of the contributor; the date and the amount of the grant; and a brief description of the nature of the grant.

See Addendum

- 12** If you are requesting a definitive ruling under section 170(b)(1)(A)(iv) or (vi), check here  and:

- a** Enter 2% of line 8, column (e), Total, of Part IV-A . . . . .  
**b** Attach a list showing the name and amount contributed by each person (other than a governmental unit or "publicly supported" organization) whose total gifts, grants, contributions, etc., were more than the amount entered on line **12a** above.

- 13** If you are requesting a definitive ruling under section 509(a)(2), check here  and:

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

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

**Part IV** Financial Data (Continued)

B. Balance Sheet (at the end of the period shown)		Current tax year Date as of 9/10/03
<b>Assets</b>		
1	Cash . . . . .	1 \$376,000
2	Accounts receivable, net . . . . .	2 0
3	Inventories . . . . .	3 0
4	Bonds and notes receivable (attach schedule) . . . . .	4 0
5	Corporate stocks (attach schedule) . . . . .	5 0
6	Mortgage loans (attach schedule) . . . . .	6 0
7	Other investments (attach schedule) . . . . .	7 0
8	Depreciable and depletable assets (attach schedule) . . . . .	8 0
9	Land . . . . .	9 0
10	Other assets (attach schedule) . . . . .	10 \$376,000
11	<b>Total assets</b> (add lines 1 through 10) . . . . .	11 \$376,000
<b>Liabilities</b>		
12	Accounts payable . . . . .	12 0
13	Contributions, gifts, grants, etc., payable . . . . .	13 0
14	Mortgages and notes payable (attach schedule) . . . . .	14 0
15	Other liabilities (attach schedule) . . . . .	15 0
16	<b>Total liabilities</b> (add lines 12 through 15) . . . . .	16 0
<b>Fund Balances or Net Assets</b>		
17	Total fund balances or net assets . . . . .	17 \$376,000
18	<b>Total liabilities and fund balances or net assets</b> (add line 16 and line 17) . . . . .	18 \$376,000

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



**Part IV Financial Data**

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

**A. Statement of Revenue and Expenses**

	Current tax year	3 prior tax years or proposed budget for 2 years			(e) TOTAL
	(a) From 4/10/03 to 9/10/03	(b) 9/10/03 to 12/31/03	(c) 1/01/04 to 12/31/04	(d) 1/01/05 to 12/31/05	
<b>Revenue</b>					
1 Gifts, grants, and contributions received (not including unusual grants—see page 6 of the instructions).	\$250,500	\$10,000,000	\$125,000,000	\$100,000,000	\$235,250,500
2 Membership fees received	0	0	0	0	0
3 Gross investment income (see instructions for definition)	\$60	\$10,000	\$1,000,000	\$1,500,000	\$2,510,060
4 Net income from organization's unrelated business activities not included on line 3	0	0	0	0	0
5 Tax revenues levied for and either paid to or spent on behalf of the organization	0	0	0	0	0
6 Value of services or facilities furnished by a governmental unit to the organization without charge (not including the value of services or facilities generally furnished the public without charge)	0	0	0	0	0
7 Other income (not including gain or loss from sale of capital assets) (attach schedule)	0	0	0	0	0
8 Total (add lines 1 through 7)	\$250,560	\$10,010,000	\$126,000,000	\$101,500,000	\$237,760,560
9 Gross receipts from admissions, sales of merchandise or services, or furnishing of facilities in any activity that is not an unrelated business within the meaning of section 513. Include related cost of sales on line 22	0	0	0	0	0
10 Total (add lines 8 and 9)	\$250,560	\$10,010,000	\$126,000,000	\$101,500,000	\$237,760,560
11 Gain or loss from sale of capital assets (attach schedule)	0	0	0	0	0
12 Unusual grants	\$126,000	0	0	0	\$126,000
13 Total revenue (add lines 10 through 12)	\$376,560	\$10,010,000	\$126,000,000	\$101,500,000	\$237,886,560
<b>Expenses</b>					
14 Fundraising expenses	0	\$100,000	\$10,000,000	\$8,000,000	
15 Contributions, gifts, grants, and similar amounts paid (attach schedule)	0	0	0	0	
16 Disbursements to or for benefit of members (attach schedule)	0	0	0	0	
17 Compensation of officers, directors, and trustees (attach schedule)	0	0	0	0	
18 Other salaries and wages	0	\$40,000	\$350,000	\$400,000	
19 Interest	0	0	0	0	
20 Occupancy (rent, utilities, etc.)	0	0	\$50,000	\$50,000	
21 Depreciation and depletion	0	0	0	0	
22 Other (attach schedule)	0	0	0	0	
23 Total expenses (add lines 14 through 22)	\$376,560	\$140,000	\$10,400,000	\$8,450,000	
24 Excess of revenue over expenses (line 13 minus line 23)	\$376,560	\$9,870,000	\$115,600,000	\$93,050,000	

**ADDENDUM TO FORM 1023**  
**WORLD TRADE CENTER MEMORIAL FOUNDATION, INC. (EIN 38-3678458)**

Part II Question 1

The World Trade Center Memorial Foundation, Inc. (the "Foundation") is a charitable, cultural and educational not-for-profit corporation established in April 2003 to (i) commemorate the horrific terrorist attacks of September 11, 2001 and February 26, 1993 and (ii) promote and ensure the ongoing stability, and economic and cultural vitality of lower Manhattan.

The events of September 11, 2001 and February 26, 1993 had an extensive and unprecedented physical, economic and emotional effect on the citizens of the city of New York, the country and the world. To respond in some measure to the significance of these events, the Foundation will raise funds for the ownership, construction, operation, and maintenance of a memorial and a museum on the site of the World Trade Center to honor and remember the innocent men women and children murdered in the horrific terrorist attacks.

An international competition to select a design for the Memorial to be established on the World Trade Center site is underway. A jury, comprised of thirteen members, including renowned artists and architects, a family member of a victim of the attacks, a Lower Manhattan resident and business owner, representatives of the Governor and Mayor, and other prominent arts and cultural professionals, is now reviewing the submissions and will unveil the winning design in the fall of 2003. The design and plan for the Museum to be situated on the World Trade Center site is also in its formative stages. Given that the Memorial competition and Museum design are still in their early stages, many of the detailed technical and operational issues that will confront the Foundation have yet to be determined. Nevertheless, the Foundation is expected to serve as the primary vehicle that will raise the funds necessary for the creation of the Memorial and the Museum on the World Trade Center site and to address any issues that may arise in the implementation of these objectives.

Aside from physical and emotional trauma that resulted from the terrorist attacks described above, there has been significant economic fallout from the attacks. Since the events of September 11, area residents and businesses have relocated outside of lower Manhattan. To combat this exodus and ensure the ongoing stability, and economic and cultural vitality of the area, the Foundation will raise money for the establishment of cultural institutions in around the World Trade Center site. Additionally, the Foundation hopes to work with existing cultural organizations to determine the feasibility of having such institutions relocate to lower Manhattan.

Part II Question 2

The Foundation anticipates that it will receive broad-based financial support, primarily from the following sources: corporations, foundations and individuals. The Foundation may also receive financial support from federal, state, and/or local governments, and from not-for-profit entities.

Part II Question 3

The Foundation will establish a fundraising and development program to raise funds to carry out the Foundation's purposes. Although this campaign has yet to be formulated, it is anticipated that it will be multi-faceted and have several components designed to attract donations. These include: (i) leadership gifts from companies, individuals and foundations to construct and endow the Foundation; (2) a general public subscription campaign for the construction of the Memorial; (3) corporate sponsorships to fund construction, programs, site amenities, educational efforts, marketing, museum functions; and (4) foundation support to fund programming initiatives. All levels of gifts – from \$1 to \$100 million – will be sought and accepted.

The Foundation will have a web-site dedicated to providing information regarding its mission, the progress of its efforts and the means through which interested parties can contribute to the organization.

It is expected that the Foundation will retain a fund-raising consulting firm with experience in planning and implementing large-scale fundraising projects to develop a fundraising campaign for the Foundation.

Part II Question 4-a

The directors listed below are the initial directors of the Foundation. The Foundation plans to significantly expand the size of the board of directors to include, among others, prominent philanthropists, leading business executives, victims' family members and public officials.

John C. Whitehead  
65 East 55th Street  
26th Floor  
New York, NY 10022

Ira M. Millstein  
767 Fifth Avenue  
32nd Floor  
New York, NY 10153

Jason R. Lilien  
767 Fifth Avenue  
31st Floor  
New York, NY 10153

Part II Question 4-b

Directors will not be compensated for services performed for the Foundation in their capacity as directors.

Part II Question 4-c

None of the initial directors of the Foundation is a public official, or was appointed by a public official. However, under the bylaws, it is contemplated that additional directors will be appointed equally by the New York State Governor and New York City Mayor.

Part II Question 6

The design of the Memorial to be built on the World Trade Center site will be decided upon by an international competition administered by the Lower Manhattan Development Corporation ("LMDC"), a joint New York state-city agency established in the wake of September 11, 2003 attacks to oversee the redevelopment of Lower Manhattan. The Memorial and related Museum buildings will be built in accordance with a site plan for the World Trade Center site developed by architects retained by the LMDC and the Port Authority of New York and New Jersey. LMDC employees are expected to work cooperatively with the Foundation staff in connection with the design and construction of World Trade Center memorial and related museums.

In addition, entrants to the Memorial competition sponsored by LMDC were required to pay a \$25 registration fee, which was made payable to the Foundation. To date, the Foundation has deposited registration fees of approximately \$126,000, all of which were deposited in July/August 2003.

Part II Question 10a

It is currently contemplated that the Foundation will operate the Memorial and related structures. Over time, it may become necessary to contract out certain responsibilities to outside entities to perform operational functions on behalf of the Foundation, including hiring fundraising consultants. However, currently there are no plans for the Foundation to enter into such operating contracts.

Part II Question 12a

The Memorial will be open to the public and will be free of charge. It is currently not known whether the Museum will require an admission charge. If a fee is charged, the fee will be used to subsidize the cost of maintaining the Memorial and the Museum and will be commensurate with the fee charged by similar museums in New York City.

Part III Question 11

As noted above, the Memorial Competition is being administered by the Lower Manhattan Development Corporation. Entrants to the Memorial Competition were required to pay a \$25 registration fee, which was made payable to the Foundation. To date, the Foundation has deposited registration fees approximating \$126,000, all of which were deposited in July/August 2003.

#### Part IV Financial Data -- Projected Budgets

The projected budgets reflect estimated contribution levels to the Foundation and estimated operating expenses through December 2005. There are several key factors, however, that are not presently known that will ultimately determine the accuracy of these estimates. First is the selection of the final Memorial design. As noted above, the jury in the Memorial competition is currently reviewing all of the submitted proposals and will announce a finalist in fall 2003. The complexity and scope of the Memorial design and the size of the land area (above and below grade) that the Memorial will encompass will determine the cost of the project, which, in turn, will influence financial targets. Second, while it is expected that a museum and other related facilities will be included in the Memorial project, the size, scope and cost of these buildings have not yet been determined. Third, the fundraising campaign has not yet been developed, and thus specific fundraising objectives have not yet been established. Finally, while it is expected that a campaign focusing on the Memorial will attract significant financial support, it is difficult to predict the ultimate success of the campaign.

In developing the budget, however, the Foundation looked to other major fundraising campaigns and the costs of construction and/or restoration associated with these projects. These included the National World War II Memorial, the Oklahoma City Memorial, the U.S. Holocaust Museum, the September 11th Fund, the Ellis Island/Statue of Liberty Centennial Campaign, among others. For example, the World War II Memorial is estimated to cost approximately \$172 million to construct (approximately \$192 million has been raised), the U.S. Holocaust Museum in Washington, D.C. cost approximately \$186 million and the Franklin D. Roosevelt Memorial cost \$48 million. Also by way of analogy, the September 11th Fund, established by the New York Community Trust and United Way, raised over \$526 million in contributions and the Statue of Liberty--Ellis Island Foundation raised over \$275 million for the Liberty Centennial Campaign to restore the Statute of Liberty and Ellis Island.

While these fundraising campaigns admittedly had very different focuses, they provide some guidance to the Foundation in helping to shape financial expectations and budgetary parameters.

Finally, it is important to note that the forecasted budgets do not reflect any capital expenditures in the years covered by the budgets. This is because construction on the memorial and the related facilities is not expected to commence until at least 2006.