

Internal Revenue Service

Date: May 6, 2004

The Pax Community
6404 N. 27th St.
Arlington, VA 22207

Department of the Treasury
P. O. Box 2508
Cincinnati, OH 45201

Person to Contact:

Gordon Schnur 31-07654
Customer Service Specialist

Toll Free Telephone Number:

8:00 a.m. to 6:30 p.m. EST
877-829-5500

Fax Number:

513-263-3756

Federal Identification Number:

52-1328354

Dear Sir or Madam:

This is in response to your request of March 30, 2004, regarding your organization's tax-exempt status.

In March 1984 we issued a determination letter that recognized your organization as exempt from federal income tax. Our records indicate that your organization is currently exempt under section 501(c)(3) of the Internal Revenue Code.

We classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in sections 509(a)(1) and 170(b)(1)(A)(i). This classification was based on the assumption that your organization's operations would continue as stated in your application. If your sources of support, character, method of operations, or purposes have changed, please let us know so we can consider the effect of the change on your organization's exempt and foundation status.

All exempt organizations (unless specifically excluded) are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more paid each employee during a calendar year. Your organization is not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

If your organization is a church or a qualified church-controlled organization as defined in section 3121(w)(3) of the Code, it may elect to exclude from social security taxes wages paid to its employees (other than for services performed in an unrelated trade or business). This election must be made by filing Form 8274 by the day before the date the organization's first quarterly employment tax return would be due under the revised law. If your organization makes this election, its employees who earn \$100 or more during a calendar year become liable for the payment of the self-employment tax on the wages the organization pays them.

Donors may deduct contributions to your organization as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to your organization or for its use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

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Your organization is not required to file federal income tax returns unless it is subject to the tax on unrelated business income under section 511 of the Code. If your organization is subject to this tax, it must file an income tax return on the Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining whether any of your organization's present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

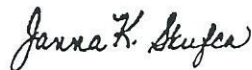
Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, these organizations are not automatically exempt from other federal excise taxes.

Section 6104 of the Internal Revenue Code requires organizations that received recognition of exemption on July 15, 1987, or later, to make available for public inspection a copy of the exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. Organizations that received recognition of exemption before July 15, 1987, and had a copy of their exemption application on July 15, 1987, are also required to make available for public inspection a copy of the exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. For additional information on disclosure requirements, please refer to Internal Revenue Bulletin 1999 - 17.

Because this letter could help resolve questions about your organization's exempt status and foundation status, you should keep it with the organization's permanent records.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,



Janna K. Skufca, Director, TE/GE
Customer Account Services