Dear Applicant:

Before we can determine whether your organization is exempt from Federal income tax, we must have enough information to show that you have met all legal requirements. You did not include the information needed to make that determination on your Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code.

To help us determine whether your organization is exempt from Federal income tax, please send us the requested information by the above date. We can then complete our review of your application.

If we do not hear from you within that time, we will assume you do not want us to consider the matter further and will close your case. In that event, as required by Code section 6104(c), we will notify the appropriate state officials that, based on the information we have, we cannot recognize you as an organization of the kind described in Code section 501(c)(3). As a result, the Internal Revenue Service will treat your organization as a taxable entity. If we receive the information after the response due date, we may ask you to send us a new Form 1023.

In addition, if you do not provide the requested information in a timely manner, we will consider that you have not taken all reasonable steps to secure the determination you requested. Under Code section 7428(b)(2), your not taking all reasonable steps in a timely manner to secure the determination may be considered as failure to exhaust administrative remedies available to you within the Service. Therefore, you may lose your rights to a declaratory judgment under Code section 7428.

All information should be furnished over the signature of a principal officer or other person acting with proper authorization.

Please mail the information requested in this letter to the following address:

Internal Revenue Service
ER/DD Division - MC 4913 DAL
1100 Commerce Street
Dallas, TX 75242
BOOTSTRAPS TO SHARE OF TUCSON INC

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Thank you for your cooperation.

Sincerely yours,

MARGERY CLARK
BOOTSTRAPS TO SHARE OF TUCSON INC

To be considered for tax-exempt status under section 501(c)(3), an organization must be both organized and operated exclusively for one or more of the purposes specified in that section. Also, its activities must be restricted to those permitted a section 501(c)(3) organization and its assets in operation and upon dissolution must be permanently dedicated to a section 501(c)(3) purpose.

Your organizational document does not meet the organizational test of section 501(c)(3) and, therefore, must be amended.

It will be necessary for you to amend your Articles of Inc. Please add the following items to your existing provisions.

A. This organization is organized exclusively for charitable and educational purposes within the meaning of section 501(c)(3) of the Internal Revenue Code.

B. "Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law) or (b) by a corporation contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code of 1986 (or corresponding provision of any future United States Internal Revenue Law)."

C. No part of the net earnings of the corporation shall inure to the benefit of; or be distributable to its members, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of a candidate for public office.

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

2. When you have filed your amendments with the appropriate state officials,

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please furnish us a copy of the amendments along with a copy of the Certificate of Amendment or other proof of filing issued to you by that office. If more than twenty-one (21) days are necessary to obtain State approval of your amended governing instruments, please contact the person whose name and telephone number are shown in the heading of his letter.

3. Newly formed organizations that can reasonably expect to be publicly supported must be given five year advance rulings. In connection with that, you should complete and return the enclosed Form 872-C.

4. Because you receive a substantial part of your support from a governmental unit or from public contributions, classification under sections 509 (a)(1) and 170(b)(1)(A)(vi) of the code appears appropriate. If you agree to such a classification, please have a principal officer submit a statement to that effect.

The foundation classification is an additional classification which all organizations that are tax exempt under section 501(c)(3) must have and does not affect the organization's exemption.

5. How do you determine that the men that participate in your program are truly homeless and in need? Explain.

6. How do you determine that the homeowners you provide your services to are in need and unable to provide these services for themselves? Explain.

7. Describe your "Bike Shop" operations. Explain in detail how this is helping the homeless.

8. Does your organization or will your organization train the men to enable them to carry out their various tasks and jobs? If so, describe the nature of the training program and who is responsible for carrying it out. Give the instructors name, qualifications and salary.