



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

Caboodle Ranch, Inc.
PO Box 299
Ponte Vedra, FL 32004

Date: March 22, 2007
Employer Identification Number: 20-5425161
Person to Contact:
Telephone Number:
Employee Identification Number: 58-09383
Response Due Date: April 12, 2007

Dear Applicant:

Before we can recognize your organization as being 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.

Letter 1312

Caboodle Ranch, Inc.

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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 with-in the Service. Therefore, you may lose your rights to a declaratory judgment under Code section 7428.

Please be sure to use the following address for your response, exactly as shown. Use of a different address, or entering the information on different lines, may result in substantial delays or loss of mail, or return of correspondence to you by the Post Office.

Internal Revenue Service
EO Group 7885, Stop 501-D, Room 1108
401 W Peachtree St, NW
Atlanta, GA 30308-3539

Thank you for your cooperation.

Sincerely,

Exempt Organization Specialist

Enclosure:
List of Missing Items

Letter 1312

All information submitted in support of your application for exemption must be furnished under the signature of a principal officer or other appointed person acting with proper authorization or be attached to a properly signed cover letter. Please be sure your response is signed by a principal officer (or trustee) or authorized representative.

1. Your organization made (ink pen) changes to the Articles of Incorporation submitted with Form 1023. Please submit an EXACT conformed copy of your Articles of Incorporation. A conformed copy of Articles of Incorporation reflects the seal and signature of the appropriate State official, and specifies the time and date filed with the State.
2. It will be necessary for you to amend your Articles of Incorporation in order to comply with the organizational requirements of section 501(c)(3) of the Code. If you have questions concerning these amendments please call.

Since the language specified, below, in paragraphs A, B, and C is not already included in your Articles of Incorporation; an amendment is necessary. Please amend your Articles of Incorporation since it is required.

It should be understood that amending your Articles of Incorporation to include the language below is required before a determination of your exempt status under section 501(c)(3) of the Code can be made. Any deviations should be submitted to this office for approval PRIOR to actual adoption.

ADD PARAGRAPH "A" TO ARTICLE III

- A. The purposes for which this organization is organized are exclusively religious, charitable, scientific, literary and/or educational within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue law.

ADD PARAGRAPH "B" AS AN ADDITIONAL ARTICLE

- B. Notwithstanding any other provisions of these articles, this organization shall not carry on any activities not permitted to be carried on by an organization 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.

ADD PARAGRAPH "C" AS AN ADDITIONAL ARTICLE

- C. Upon the dissolution of the organization, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986, or corresponding section of any future Federal tax code, or shall be distributed to the Federal, state, or local government for a public purpose. Any such assets not so disposed of shall be disposed of by a court of

competent jurisdiction of the county in which the principal office of the organization is then located, exclusively for such purposes.

Since you are incorporated, a copy of the Amendment to your Articles of Incorporation reflecting the seal and signature of the appropriate State official must be submitted within the specified time.

3. You requested classification as a private foundation; however, you plan to solicit financial support from the public. Private foundations, which are typically supported by a limited number of substantial contributors and do not solicit other contributions, are subject to certain excise taxes and a number of restrictions and reporting and record-keeping requirements, which do not apply to public charities.

501(c)(3) public charities are described in 509(a) of the Internal Revenue Code. Primarily contributions and grants generally, support a section 509(a)(1) and 170(b)(1)(A)(vi) of the Code organization. A section 509(a)(2) organization may solicit and receive tax-deductible contributions and grants. It is generally supported primarily by payments received for providing goods, services, or facilities to individuals or organizations in performance of its exempt function; for example, membership dues, admissions to performances or exhibits, fees for services, etc.

Based on the information in your application, you appear most likely to satisfy the requirements of sections 509(a)(1) and 170(b)(1)(A)(vi). If you wish to request an advance ruling under these Code sections, please submit a statement for this request. This statement should include the name of your organization, that you are requesting an advance ruling as a non-private foundation under sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code and be signed and dated by a principal officer.

4. Please have a principal officer sign, print their name and title, and date the enclosed Page 11 of Form 1023 in the area marked "For Organization". DO NOT sign the area marked "For Director, Exempt Organizations."
5. Your organization did not answer Form 1023, Page 8, Part VIII, Item 21. Do you or will you provide low-income housing or housing for the elderly or handicapped?

According to your application, your organization has a ranch that it being financed and the monthly payment is \$1,000 per month. Please address the following:

6. Who pays the \$1,000 per month?
7. Is the organization responsible for any part of the monthly payment? If so, how much?

8. Why isn't the \$1,000 per month payment included in your organization's budget (Form 1023, Page 9, Part IX, Line 20)? Explain fully.
9. According to your application (Form 1023, Page 4, Part V, Item 8a), your organization has leases, contracts, loans, etc. with the organization. Submit a copy of each lease, promissory note, contract, and any other agreement.
10. If your organization will make or pay for alterations and/or improvements to the property or facilities that you will not own, please indicate the arrangements you have made with the owner to compensate or reimburse your organization for the fair market value of modifications or additions which enhance the value of the property during the term of the lease or when the lease expires or is terminated.


11. If you are making (or will make) improvements or other alterations to facilities that you use but do not own, please indicate who is the owner of these improvements or alterations. To avoid prohibited inurement for the private benefit of the owner, either:
- 1) The lessor (owner) must pay for all improvements or other alterations to the property, or
 - 2) The lessor (owner) must compensate your organization (at the date of lease termination) for the increase in the fair market value of the property resulting from improvements or alterations made by you.

One of these options should be provided for in a written contract. If the existing contract allows the lessor to retain ownership of the improvements or alterations either explicitly or through the omission of provisions to the contrary, it will be necessary for you to amend your lease agreement to provide for one of the two options outlined above. A copy of the EXECUTED lease/amendment is needed before we can complete the review of your application.

If you feel your current contract provides adequate protection against inurement to the lessor, please provide a full discussion of the facts and pertinent law to support this position.

12. Please submit a detailed description of any verbal agreements and any proposed contracts or agreements. This description should include all the terms of the contract/agreement, the parties involved and their relationship to your officers and directors.

Caboodle

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13. If your organization will lease property from a related party, please also submit an appraisal for the property by a qualified independent appraiser setting forth:
- a. A detailed description of the property being leased.
 - b. The method under which the fair rental value was determined showing the computations.
 - c. A statement of the FAIR RENTAL VALUE (not resale value).
 - d. The qualifications of the appraiser.

CABOODLE RANCH, INC.
P.O. BOX 299
PONTE VEDRA, FL 32004

APRIL 3, 2007



ATTN: [REDACTED]
INTERNAL REVENUE SERVICE
EO GROUP 7885, STOP 501-D ROOM 1108
401 W PEACHTREE ST NW
ATLANTA, GA 30308-3539

RE: 20-5425161

DEAR [REDACTED]

IN RESPONSE TO YOUR LETTER DATED MARCH 22, 2007, WE WILL TRY TO ADDRESS ALL THE ISSUES IN THIS LETTER. THE CHANGES TO THE ORIGINAL ARTICLES MAY HAVE BEEN FROM MY DAUGHTER, CINDI WOLF, CHOSE NOT TO BE A DIRECTOR. THE ORIGINAL ARTICLES FILED WITH THE STATE INCLUDED HER, BUT THE ANNUAL REPORT TOOK HER OFF. WE ARE ORDEING CERTIFIED COPIES OF BOTH FROM THE STATE AS PER YOUR REQUEST.

WHEN WE FILED THE ORIGINAL ARTICLES WITH THE STATE, WE DID THEM ELECTRONICALLY AND THERE WAS NO ROOM IN THEIR SOFTWARE TO ADD THE PARAGRAPHS YOU NEED OR TO ADD ADDITIONAL ARTICLES. WE WOULD LIKE TO AMEND OUR BYLAWS TO INCLUDE THEM. WE WOULD LIKE TO KNOW IF THIS WILL BE ACCEPTABLE. IF NOT, WE MAY BE ABLE TO ASK THE STATE IF THEY WILL ACCEPT AMENDED ARTICLES.

I BELIEVE THAT YOU ARE CORRECT THAT WE DID NOT PICK THE CORRECT CODE SECTION. IF YOU WOULD BE KIND ENOUGH TO GIVE US AN ADVANCED RULING UNDER 509(a)(1) AND 170(b)(1)(A)vi OF THE INTERNAL REVENUE CODE. OUR NAME, FEIN AND DATE ARE AT THE TOP OF THIS LETTER AND MY SIGNATURE IS AT THE BOTTOM.

ENCLOSED ALSO IS MY SIGNATURE FOR PAGE 11 OF THE FORM 1023 APPLICATION.

WE WILL NOT PROVIDE LOW-INCOME HOUSING OR HOUSING FOR THE ELDERLY OR HANDICAPPED.

★ CURRENTLY, I AM PAYING THE \$1,000.00 PER MONTH ON THE PROPERTY. THE ACTUAL AMOUNT OF THE MORTGAGE IS \$945.00, BUT I PAY \$1,000.00 PER MONTH. CURRENTLY, THE ORGANIZATION IS NOT LIABLE FOR ANY PART OF THE PAYMENT. IN FACT, IT WILL NEVER BE LIABLE. WE WERE PROJECTING THAT IF MONIES CAME IN AND THE RANCH COULD BECOME SELF SUPPORTING, IT WOULD BE ABLE TO PAY A FAIR MARKET VALUE FOR THE RENT. THIS MAY NEVER HAPPEN.

★ WE INCORRECTLY CHECKED THAT THERE ARE LEASES, CONTRACTS OR LOANS WITH THE ORGANIZATION. THE ORGANIZATION HAS NEVER ENTERED INTO ANY AGREEMENTS WITH ANY MEMBERS, ORGANIZATIONS OR INDIVIDUALS. ANY ALTERATIONS TO THE PROPERTY WOULD INVOLVE MAKING MORE KENNELS AND RUNS TO HOUSE THE CATS AND WILL HAVE NO FUTURE VALUE TO ANYONE OTHER THAN VETS OR ANIMAL BOARDERS AND THE COSTS OF DISSEMBLY, TRANSPORTATION AND REASSEMBLY WOULD NOT CREATE ANY BENEFIT FOR THE OWNER WHEN THE LEASE (IF A LEASE EVER OCCURS) EVER TERMINATES. IF THERE IS A FAIR MARKET VALUE UPON DISSOLUTION OR A MOVE, THE MONIES FROM THE SALE OF THE IMPROVEMENTS SHALL BE DISTRIBUTED AS PER THE BYLAWS AND IRS REGULATIONS FOR NONPROFITS.

★ IF WE EVER ENTER INTO A CONTRACT OR LEASE, WE SHALL MAKE SURE THAT THE LESSOR SHALL EITHER PAY FOR THE IMPROVEMENTS OR SHALL COMPENSATE THE ORGANIZATION FAIR MARKET VALUE FOR ANY IMPROVEMENTS LEFT ON THE PROPERTY.

★ WE ARE CURRENTLY CONTACTING A CERTIFIED AND QUALIFIED APPRAISER TO DETERMINE FAIR MARKET VALUE OF THE PROPERTY IN CASE THE ORGANIZATION WILL HAVE THE ABILITY TO PAY RENT IN THE FUTURE.

PLEASE LET ME KNOW WHAT FURTHER INFORMATION YOU REQUIRE AND WHETHER I CAN INCLUDE THE ARTICLES IN MY BYLAWS OR IF I NEED TO AMEND MY ORIGINAL ARTICLES. I CAN BE REACHED AT (850) 971-4417. THANK YOU FOR YOUR ASSISTANCE IN THIS MATTER.

SINCERELY,



CRAIG GRANT

CABOODLE RANCH, INC.

20-5425161

FORM 1023 APPLICATION FOR RECOGNITION OF EXEMPTION

PART V PARAGRAPH 8

Caboodle Ranch, Inc. currently has 160 cats that have been rescued from animal shelters, individuals, restaurant dumpsters, and other public places. The ranch is approximately 25 acres and purchased by the Director/Incorporator/President. It is being financed and the monthly payment is \$1000.00 per month. There is currently an office trailer that is 10 by 32 feet, and it is being used for the cats' shelter and feeding area. There is also a shed that is 8 by 14 feet for the cats to live. There is a kennel that is 8 by 60 feet and has ten cages. When a cat comes to the ranch, it has to be contained for three weeks to get spayed or neutered, all shots, and to get acclimated to the area so they will not run away. Also they need to be quarantined, in case they have leukemia or other infectious diseases.

Eventually, when enough funds are raised from the website and private donations, the owner of the property to cover the cost of the mortgage and costs of all new cages, veterinary bills and the construction of a larger shelter. Fair market value of the ranch rental is most likely greater than the mortgage payment because of the additional sheds, trailers and kennels that were added to the property.

PART VII PARAGRAPH 4a

Caboodle Ranch, Inc. currently has a website that attracts calls and e-mails from cat owners wanting to get rid of their cats and cat lovers wanting to donate money. The website is caboodleranch.com. Currently the only volunteer is Craig Grant, who has done everything as far as purchasing the ranch, collecting the cats, constructing the sheds, shelters and kennels, and driving an average of 250 miles per day collecting cats and taking them to the ranch.

The website will be selling novelty items and accepting donations from individuals. Mr. Grant is going to actively pursue any government grants in addition to running the website. If the venture becomes successful enough, Caboodle Ranch will purchase additional acreage that will not belong to Mr. Grant, but will be handled as a nonprofit acquisition, which will be liquidated according to I.R.S. guidelines if the organization ceases operations.

PART X PARAGRAPH 4a

Purchased an additional 5 acres
in name of Carol Houpt - & he uses
donated funds to pay buy, pay the mort.
& property taxes. This property when purchased
is in the name of Caboodle Ranch as Grant promised.