

INTERNAL REVENUE SERVICE  
P. O. BOX 2508  
CINCINNATI, OH 45201

Post-it® Fax Note 7671		Taylor	# of pages 3
To	Jeff Gould		From
Co./Dept.			Co. CLASS Family Found.

EASURY

Date: AUG 03 2001

GLASS FAMILY FOUNDATION, INC.  
ONE NORTH PACK SQUARE, SUITE 410  
ASHEVILLE, NC 28801

Employer Identification Number:  
56-2196225DLN:  
201215054Contact Person:  
SANDRA TOWNLEY

ID# 75816

Contact Telephone Number:  
(877) 829-5500Accounting Period Ending:  
December 31Addendum Applies:  
No

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

We have further determined that, as indicated in your application, you are a private foundation within the meaning of section 509(a) of the Code. In this letter we are not determining whether you are an operating foundation as defined in section 4042(j)(3).

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. In the case of an amendment to your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, you should inform us of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA). However, since you are a private foundation, you are subject to excise taxes under chapter 42 of the Code. You also may be subject to other Federal excise taxes. If you have any questions about excise, employment, or other Federal taxes, please let us know.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your 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.

Contribution deductions are allowable to donors only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circum-

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## GLASS FAMILY FOUNDATION, INC.

stances. See Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, which sets forth guidelines regarding the deductibility, as charitable contributions, of payments made by taxpayers for admission to or other participation in fundraising activities for charity.

You are required to file Form 990-PF, Return of Private Foundation or Section 4947(a)(1) Trust Treated as a Private Foundation. Form 990-PF must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$20 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$10,000 or 5 percent of your gross receipts for the year, whichever is less. For organizations with gross receipts exceeding \$1,000,000 in any year, the penalty is \$100 per day per return, unless there is reasonable cause for the delay. The maximum penalty for an organization with gross receipts exceeding \$1,000,000 shall not exceed \$50,000. This penalty may also be charged if a return is not complete, so please be sure your return is complete before you file it.

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

You are required to make certain returns available for public inspection for three years after the later of the due date of the return or the date the return is filed. The returns required to be made available for public inspection are Form 990-PF, Return of Private Foundation or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation, and Form 4720, Return of Certain Excise Taxes on Charities and Other Persons Under Chapters 41 and 42 of the Internal Revenue Code. You are also required to make available for public inspection your exemption application, any supporting documents, and your exemption letter. Copies of these documents must be provided to any individual upon written or in person request without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax-Exempt Status for Your Organization, or you may call our toll free number shown above.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

This determination is based on evidence that your funds are dedicated to the purposes listed in section 501(c)(3) of the Code. To assure your continued exemption, you should maintain records to show that funds are expended only for those purposes. If you distribute funds to other

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organizations, your records should show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), there should be evidence that the funds will remain dedicated to the required purposes and that they will be used for those purposes by the recipient.

If distributions are made to individuals, case histories regarding the recipients should be kept showing names, addresses, purposes of awards, manner of selection, relationship (if any) to members, officers, trustees or donors of funds to you, so that any and all distributions made to individuals can be substantiated upon request by the Internal Revenue Service. (Revenue Ruling 56-304, C.B. 1956-2 page 306.)

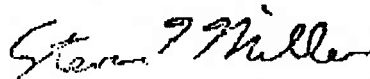
If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

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

Sincerely yours,



Steven T. Miller  
Director, Exempt Organizations

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North Carolina Department of Revenue

James B. Hunt, Jr.  
Governor

Muriel K. Offerman  
Secretary

August 18, 2000

GLASS FAMILY FOUNDATION INC  
C/O VAN WINKLE BUCK WALL STARNES AND DAVIS PA  
ATTN JOHN KELSO  
PO BOX 7376  
ASHEVILLE NC 28802-7376

Ladies and Gentlemen:

Thank you for furnishing information concerning the subject corporation's tax status.

This Department has assigned the corporation an exempt status for franchise and income tax purposes under Sections 105-125 and 105-130.11(a)(3), respectively, of the General Statutes of North Carolina. This determination applies only to the organization's status under the corporate income and franchise tax laws.

If it becomes subject to the tax on unrelated business income as provided in G. S. 105-130.11(b), it will be required to complete the income tax schedules of *North Carolina Corporation Franchise And Income Tax Return* (Form CD-405) and file the return on or before the 15th day of the fifth month after the close of the income year, subject to any extension of time which may be granted. It is not required to file *Return of Organization Exempt From Income Tax* (Form CD-427), unless requested to do so at a later date.

This exemption is contingent upon the corporation's operating within the scope of the applicable provisions of the Internal Revenue Code. This exempt status becomes invalid at the same time as, and upon a determination by the Internal Revenue Service that the organization does not qualify for a tax exempt status under the Internal Revenue Code of 1986 or corresponding provisions of any subsequent Federal Tax Laws.

In the event of any change in the Articles of Incorporation, in the nature of the functions for which exemption has been granted, or in the mailing address, this Department should be notified promptly.

Charles R. Craven  
Administrative Officer  
Office Examination Division  
(919) 733-4644

CRC/arh



**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.*

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**

1a Full name of organization (as shown in organizing document) <b>GLASS FAMILY FOUNDATION, INC.</b>		2 Employer identification number (EIN) (If none, see page 3 of the Specific Instructions.) <b>56 ; 2196225</b>
1b c/o Name (if applicable)		3 Name and telephone number of person to be contacted if additional information is needed  <b>( 828 ) 281-1453 Kenneth E. Glass</b>
1c Address (number and street) <b>One North Pack Square</b>	Room/Suite <b>Suite 410</b>	4 Month the annual accounting period ends  <b>December</b>
1d City, town, or post office, state, and ZIP + 4. If you have a foreign address, see Specific Instructions for Part I, page 3.  <b>Asheville, North Carolina 28801</b>		5 Date incorporated or formed <b>02-14-2000</b>
1e Web site address		6 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)
7 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.		
8 Is the organization required to file Form 990 (or Form 990-EZ)? . . . . . <input checked="" type="checkbox"/> N/A <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach an explanation (see page 3 of the Specific Instructions).		
9 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  \_\_\_\_\_ **Kenneth E. Glass, President** \_\_\_\_\_ **12/13/00** \_\_\_\_\_  
 (Signature) (Type or print name and title or authority of signer) (Date)