



COMPTROLLER OF PUBLIC ACCOUNTS
STATE OF TEXAS
AUSTIN, 78774

October 27, 1999

Mr. Sol Schwartz
Sol Schwartz & Associates, P.C.
7550 I.H. 10, Suite 1200
San Antonio, TX 78229

Dear Mr. Schwartz:

I am pleased to report that The Prichard Family Foundation, Taxpayer No. 1-74-2891651-8, qualifies for exemption from the franchise tax as a 501(c)(3) organization effective July 23, 1998. Since the account is in the process of being updated, you should disregard any franchise tax notices for periods covered by the exemption. In the event we have reason to believe the organization no longer qualifies for exemption, we will notify the registered agent that the exempt status is under review.

This corporation also qualifies for exemption from the state and local sales taxes effective July 23, 1998, as a 501(c)(3) organization. It may now issue an exemption certificate instead of paying the sales tax on taxable items if they relate to the purpose of the exempt organization and are not used for the personal benefit of a private stockholder or individual. The certificate does not require a number to be valid and may be reproduced in any quantity.

If the organization makes any sales of taxable items or services, please contact our Tax Assistance Section at 1-800-252-5555 to determine if a sales tax permit is needed. The regular number is 512/463-4600.

If the organization changes its name, registered agent, or registered office address, it is required to notify the Secretary of State.

If you have any questions, please call me toll free at 1-800-531-5441, extension 5-0252. My direct number is 512/475-0252.

Sincerely,

Sharon Paulson
Exempt Organizations Section

cc: ✓ The Prichard Family Foundation
340 Cape May Dr.
Corpus Christi, TX 78412-2638

TEXAS RESALE CERTIFICATE

Name of purchaser, firm or agency	Phone (Area code and number)																				
Address (Street & number, P.O. Box or Route number)																					
City, State, ZIP code																					
Texas Sales or Use Tax Permit Number (or out-of-state retailer's registration number or date applied for Texas Permit – must contain 11 digits if from a Texas permit)																					
<table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 5%;"></td><td style="width: 5%;"></td> </tr> </table>																					(Mexican retailer's must show their Federal Taxpayers Registry (RFC) number on the certificate and give a copy of their Mexican registration form to the seller.)

I, the purchaser named above, claim the right to make a non-taxable purchase for resale of the taxable items described below or on the attached order or invoice form:

Seller: _____

Street address: _____

City, State, ZIP code: _____

Description of items to be purchased on the attached order or invoice:

Description of the type of business activity generally engaged in or type of items normally sold by the purchaser:

The taxable items described above, or on the attached order or invoice, will be resold, rented, or leased by me within the geographical limits of the United States of America, its territories and possessions, or within the geographical limits of the United Mexican States, in their present form or attached to other taxable items to be sold.

I understand that if I make any use of the items other than retention, demonstration or display while holding them for sale, lease or rental, I must pay sales tax on the items at the time of use based upon either the purchase price or the fair market rental value for the period of time used.

I understand that it is a criminal offense to give a resale certificate to the seller for taxable items that I know, at the time of purchase, are purchased for use rather than for the purpose of resale, lease, or rental and, depending on the amount of tax evaded, the offense may range from a Class C misdemeanor to a felony of the second degree.

Purchaser sign here 	Title	Date
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This certificate should be furnished to the supplier. Do **not** send the completed certificate to the Comptroller of Public Accounts.

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

DEPARTMENT OF THE TREASURY

Date: **APR 15 1999**

THE PRICHARD FAMILY FOUNDATION
C/O SOL SCHWARTZ
SOL SCHWARTZ & ASSOCIATES PC
7550 I H 10 W STE 1200
SAN ANTONIO, TX 78229

Employer Identification Number:
74-2891651
DLN:
17053076001019
Contact Person:
LISA M VAN DER SLUYS ID# 31102
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
June 30
Addendum 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 4942(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 circumstances. 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

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THE PRICHARD FAMILY FOUNDATION

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 your annual return available for public inspection within 180 days after the date of publication of its availability, and you must publish the notice of availability no later than the date required for filing the return. You are also required to make available a copy of your exemption application, any supporting documents, and this exemption letter. Failure to make these documents available for public inspection may subject you to a penalty of \$20 per day for each day there is a failure to comply (up to a maximum of \$10,000 in the case of an annual return).

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

THE PRICHARD FAMILY FOUNDATION

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,

A handwritten signature in dark ink, appearing to read "C. Ashley Bell". The signature is written in a cursive style with a large initial "C" and a long, sweeping underline.

District Director