

Robert G. McKay, CPA

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April 3, 2005

Internal Revenue Service
Attn: Ling Yee
TE/GE Division, MS 7-4-01
450 Golden Gate Ave
San Francisco, CA 94102-3661

Re: Granite Curling Club of Seattle

Dear Agent Ling:

This letter is in response to your letter dated March 17, 2005 requesting additional information regarding Granite Curling Club of Seattle so that you can make a determination whether the organization is exempt from Federal income tax. Your letter had a response due date of April 6, 2005. At this time, some of the requested information is still outstanding, however the information that we were able to obtain is provided herein.

After discussing your letter and the filed application with the President of Granite Curling Club of Seattle, Doug Potter, it appears that there were a few misstatements in the application as filed. First of all, unbeknownst to me at the time the application was filed, the club previously held an exempt status under section 501(c)(7) of the Internal Revenue Code from 1975 to 1999. As such, Part I question 7 on Form 1023 should have been marked "yes."

In addition, Part III question 4 should have been marked "no" and Part III, question 5 should have been marked "yes." The organization became aware of the fact that numerous curling clubs throughout the nation have qualified as exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code and wishes to apply for such exemption as of the date of their application, not retroactive to their date of organization.

Lastly, under Part II, question 1, it was incorrectly stated that the organization is "now seeking to expand their operations with additional facilities." They are always trying to expand membership and will seek to expand facilities if they acquire sufficient membership and the necessary funds to do so.

Regarding the open items listed in your letter, we submit the following:

1. We are currently unable to find the 1962 Articles of Incorporation. We do have amended Articles dated December 18, 1968 and 1975 amendments changing the name from Granite Curling Club of Seattle, Inc. to Granite Curling Club of Seattle. We have included these amended articles herein. Please let us know if this is sufficient.
2. The organization has no plans to change the location of their activities from the

current location. The current facility is a building with five sheets of ice and a viewing area, as well as a parking lot.

3. The organization is not seeking exempt status back to 1962, but from the date of the application. They have geared all of their activities, beginning with construction of the facility in 1960 to improve the level of curling in the Seattle area through exposing people to the sport and providing leagues and instruction to develop their playing skills. Since 1962, they have hosted multiple national championships and all State of Washington championships. More national champion teams (28) have come from their club than from any other curling club. These activities occupy virtually 100% of their time.
4. Programs:
 - a. Training Seminars: The club has weekend training seminars three to four times per year for any curler. They have four more aimed explicitly at Junior curlers, which by definition of the World Curling Federation are those under 21 years of age. They charge a nominal fee for these training programs, typically between \$10 and \$20 for the general training seminars and less for the Junior seminars. These fees are paid to the club and are used toward their regular expenses.
 - b. Leagues: Leagues are run every night of the week except Saturday. There are fifteen league times.
 - c. Tournaments: The club runs weekend tournaments many weekends throughout the season. Their closing event of the season draws 56 teams, many from other countries, including Switzerland this year. They also have an annual exchange junior bonspiel (tournament) with the Langley Curling Club in Langley, British Columbia.
 - d. Junior Impact: Out of current total membership of about 400, approximately 50 (12%) are junior curlers. It is estimated approximately two-thirds are under 18. Two leagues are for juniors – one for beginners and one for more advanced curlers.
 - e. Time spent: The above mentioned activities account for 100% of time. The club has only three paid staff members: two ice makers and one bookkeeper. All other labor, including for training programs, is volunteer.
5. Regarding national and international competition questions:
 - a. The club will not prescribe rules and standards for competition.
 - b. The club selects representatives to the state organization, which in turn selects representatives to the national organization (The United States Curling Association.) A current club member is on the current board of the USCA. A member of the club was the representative to the World Curling Federation.
 - c. The club recently sponsored the National Men's and Women's championships in 1997 and the mixed championships in 2002. They will sponsor the Junior Men's and Women's championships in 2006.

- d. The club hosts the International Tankard every three years and the Langley Junior exchange bonspiel every other year. Teams from Canada participate in many of the club's tournaments.
 - e. The national and international competitions hosted involve teams that have qualified to participate by winning their respective qualifying play-in tournaments.
 - f. The club provides whatever administrative services necessary for all national and international competitions it hosts.
 - g. All junior teams and many adult teams use coaches from amongst their membership.
 - h. The club will not provide medical care and insurance to amateur athletes.
 - i. The club's ice makers follow the latest ice research. Members actively discuss new equipment options.
 - j. The club passes material from the national organization to its members and they also produce their own informational material to give to the members.
 - k. The club provides financial assistance to its teams going to the national championships.
6. Junior curlers: Out of its current total membership of about 400, approximately 50 are juniors. Of the juniors, approximately two-thirds are under 18.
7. Budgets: Future budgets will be based on the current year's income and expenditures plus 5% per year. The club uses a 4/30 fiscal year end, not a calendar year end. If actual budgets need to be submitted for the years ended 4/30/06 and 4/30/07, please let us know.
8. Extension of time to apply: As previously stated, the extension of time to apply question was incorrectly answered on the application submitted. The organization wishes to apply for exempt status effective from the date of the application, September 18, 2004.

If there is any additional information needed, please contact me directly at (212) 863-1238. Thank you for your assistance in this matter.

Sincerely,

Robert G. McKay, CPA