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Harvest, AL 35749
(888) 974-3536

EIN: 20-1941647

NARRATIVES

IRS Form 1023 Application for Recognition of Exemption

Date: December 31, 2005

This form is submitted in compliance with IRS Form 1023. Further information about SHELDON Foundation, Inc., and our activities can be obtained by visiting our website, <http://www.sheldonfoundation.org>.

Part IV. Narrative Description of Your Activities

What is the activity?

The primary mission of SHELDON Foundation is to provide the *intel|ert*[™] emergency alert service to non-profit organizations engaged in serving the public. *intel|ert*[™] is an intelligent, comprehensive, easy-to-use, telephonic alert system that was originally developed for the Civil Air Patrol as a means to rapidly alert members to search and rescue missions. With a single, toll-free call to *intel|ert*[™], a Group Leader (or a Designee thereof) can broadcast a customized alert message to dozens of Group Members in just minutes.

Who conducts the activity?

intel|ert[™] is operated by SHELDON Foundation directors, officers, and employees.

When is the activity conducted?

intel|ert[™] is an automated system that operates 24/7 on a specialized server.

Where is the activity conducted?

intel|ert[™] is operated out of the corporation's office in Harvest, AL. The service is available to all qualified organizations nationwide.

How does the activity further your exempt purpose?

intel|ert[™] supports organizations engaged in serving the public, such as the Civil Air Patrol, schools, fire departments, and others, by pro-

viding an economical and efficient means to rapidly alert members of their respective organizations during emergency situations.

What percentage of your total time is allocated to the activity?

Because *intel|ert*[™] is provided on a continuous basis (24/7) and because *intel|ert*[™] is the only service provided by the Foundation, 100% of SHELDON Foundation's time is allocated to this activity.

How is the activity funded?

intel|ert[™] operating costs are recovered primarily through the collection of monthly user fees. The following fee structure for the *intel|ert*[™] emergency alert service was adopted by the Board of Directors of SHELDON Foundation and is current as of March 19, 2005:

\$0.75 per active Group Member per month

Use of the service is unlimited – there are no per-call or per-minute fees. An invoice is delivered via email to each Group Leader on the 1st of each month.

In addition to user fees, the Foundation also accepts donations from directors, officers, employees, and outside sources.

List any alternate names under which you operate, including any "aka" (also known as) or "dba" (doing business as) names.

SHELDON Foundation does not operate under any alternate names.

Part V. Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors

Lines 2a. and 2b.

Family Relationships

- The President, James S. Rice, is the son of the Vice President, James A. Rice.
- The President, James S. Rice, is the son of the Secretary, Eva D. Pollock-Anderson.

Business Relationships

- The President, James S. Rice, has 52% membership interest in SHELDON Aviation, LLC
- The Vice President, James A. Rice, has 24% membership interest in SHELDON Aviation, LLC
- The Secretary, Eva D. Pollock-Anderson, has 24% membership interest in SHELDON Aviation, LLC

Line 3a.

Name: James S. Rice

Average hours worked: 15 hours per week

Duties: President, Treasurer, Assistant Secretary. Responsible for the general management of the affairs of the Foundation. Carries out the resolutions of the Board of Directors. During the absence or disability of the Secretary of the Foundation, has all of the powers and functions of the Secretary. Performs such duties as may be prescribed by the Board of Directors. Has the care and custody of all of the funds and securities of the Foundation and deposits said funds in the name of the Foundation in such bank accounts as the Board of Directors may from time to time determine. When duly authorized by the Board of Directors, signs and executes all contracts in the name of the Foundation; signs checks, drafts, notes, and orders for the payment of money, which have been duly authorized by the Board of Directors.

Name: James A. Rice

Average hours worked: 12 hours per year

Duties: Vice President. During the absence or disability of the President of the Foundation, has all of the powers and functions of the President. Performs such duties as may be prescribed by the Board of Directors.

Name: Eva D. Pollock-Anderson

Average hours worked: 12 hours per year

Duties: Secretary, Assistant Treasurer. Keeps the minutes of the Board of Directors. Serves all notices for the Foundation authorized by the Board of Directors and has charge of all books and records of the Foundation. During the absence or disability of the Treasurer of the Foundation, has all of the powers and functions of the Treasurer. Performs such duties as may be prescribed by the Board of Directors.

Part VI. Your Members and Other Individuals and Organizations That Receive Benefits From You

Line 1b.

The primary mission of SHELDON Foundation is to provide the *intel|ert*[™] emergency alert service to non-profit organizations engaged in serving the public. *intel|ert*[™] is an intelligent, comprehensive, easy-to-use, telephonic alert system that was originally developed for the Civil Air Patrol as a means to rapidly alert members to search and rescue missions. With a single, toll-free call to *intel|ert*[™], a Group Leader (or a Designee thereof) can broadcast a customized alert message to dozens of Group Members in just minutes.

Part VIII. Your Specific Activities

Line 4a.

A page/area will be available on our website where donors can make online contributions. Such contributions will not be solicited other than by casual word of mouth.

Line 4d.

By accepting donations on our website, the Foundation essentially conducts fundraising in all states and jurisdictions. Such fundraising activity is conducted by the Foundation, for the Foundation.

Lines 10 and 11.

The *intel|ert*[™] emergency alert system was developed by, and is owned by, the President, James S. Rice. The copyright for *intel|ert*[™] is the property of the President, James S. Rice.

The President, James S. Rice, donates the unfettered use of *intel|ert*[™] to the Foundation to further its exempt purpose.

Part IX. Financial Data

The accrual method was used to prepare the financial statements included in this application.

Part X. Public Charity Status

Line 1b.

SHELDON Foundation relies on legislation adopted by the State of Alabama to satisfy the requirements of Internal Revenue Code Section 508(e).