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January 4, 2017

VIA U.S. MAIL/EMAIL

John O'Hagan (john.ohagan@waterboards.ca.gov)
Taro Murano (taro.murano@waterboards.ca.gov)
Kenneth Petruzzelli (kenneth.petruzzelli@waterboards.ca.gov)
State Water Resources Control Board
1001 I Street
Sacramento, CA 95814

Shin-Roei Lee (shin-roei.lee@waterboards.ca.gov)
Stormer Feiler (stormer.feiler@waterboards.ca.gov)
North Coast Regional Water Quality Control Board
5550 Skylane Blvd., Suite A
Santa Rosa, CA 95403

Re: Douglas and Heidi Cole, Marble Mountain Ranch
Progress Report January 2017
Cleanup and Abatement Order R1-2016-0031 and Draft Order WR 2017-00XX-DWR, issued on August 30, 2016

Dear Messrs. O'Hagan, Murano, Petruzzelli, Feiler, and Ms. Lee:

Douglas and Heidi Cole (the "Coles"), owners and operators of Marble Mountain Ranch ("Ranch"), provide the following quarterly status report with regard to their efforts to implement resource improvements at the Ranch.

Actions taken since the previous Progress Report was submitted on September 30, 2016

1. Retention of a new consultant team

The Coles have been diligently researching and identifying a new team of consultants to assist them in their compliance efforts, since their previous team of consultants elected to abandon the Coles following release of Cleanup and Abatement Order R1-2016-0031 ("CAO") and Draft Order WR 2017-00XX-DWR ("Draft Order"). The Coles have retained the services of Michael Preszler with ECORP, Environmental Consulting and

Jim Kramer with Kramer Fish Services and continue to work with Rocco Fiori of Fiori Geosciences. Mr. Preszler will assist the Coles with all environmental permitting required for any resource improvements at the Ranch, while Mr. Kramer will provide independent review of any impacts to fishery resources to the Klamath River from Stanshaw Creek and the Coles' activities at the Ranch. These consultants will be integral in continuing to implement resource improvements at the Ranch and are well versed in the Klamath River environment, as well as regulatory matters such as those currently involving the Ranch.

2. Sedimentation study

In the Coles' response to the North Coast Regional Water Quality Board's ("Regional Water Board") CAO, and in their petition to the State Water Resources Control Board ("State Water Board") for a stay and review of the CAO, they indicated that their expert, Mr. Fiori, would not be able to complete his studies of the diversion until leaf off, wet conditions existed at the Ranch. Those conditions were present during a storm event at the Ranch on December 15 and 16, 2016. Mr. Fiori was present at the Ranch for that storm event and completed his inspection of the diversion on December 16, 2016. His conclusions, as outlined in his initial report dated May 14, 2016, were confirmed in his site visit to the Ranch on December 15 and 16, 2016. Mr. Fiori's report reflecting his final review of the Ranch's diversion will be released by January 31, 2017.

As more fully discussed below, Doug Cole, along with his attorneys and Mr. Preszler, met with State Water Board and Regional Water Board staff on December 16, 2016, while Mr. Fiori was completing his inspection of the Ranch's diversion. During that meeting, Stormer Feiler of the Regional Water Board indicated that he may be willing to visit the Ranch with Mr. Fiori following release of Mr. Fiori's report. Following the meeting and discussion with Mr. Fiori, Mr. Fiori would be agreeable to a site visit with Mr. Feiler and would like to conduct that visit before he releases his report. A request has been submitted to the State Water Board's counsel, Mr. Petruzzelli, to determine if this is possible. That request has been forwarded to an attorney for the Office of Chief Counsel, Nathan Jacobsen, and is pending further discussion and review with the Regional Water Board before a final decision is made.

3. Identification of possible alternative piping solution

The Coles have also been pursuing additional strategies to improve their diversion works. That effort includes discussions with the Farmers Conservation Alliance to determine whether their fish screen and ditch lining technology is a fit for the Ranch. Their design comes in a pre-fabricated structure that can be installed at an existing site. A diagram and examples of this possible solution are attached as **Exhibit A**.

The Coles and their counsel have been consulting with Roy Slayton at Farmers Conservation Alliance regarding this possible improvement to the diversion. Thus far, the effort to implement the fish screening and ditch lining improvement has been stymied by lack of response from the fishery agencies determining whether they will approve the pre-fabricated fish screen. Mr. Slayton has been in contact with both the National Marine Fisheries Service ("NMFS") and the California Department of Fish and Wildlife ("CDFW") and is awaiting a response from CDFW before conducting further engineering on the possibility of installing the fish screen at the Ranch.

4. Meeting with State and Regional Water Board Staff

On December 16, 2016, Doug Cole, Mr. Preszler, and Mr. Cole's counsel attended a meeting with staff from the State and Regional Water Board to discuss a way forward to addressing both the State and Regional Water Board's concerns, while taking into account the Coles' limited resources and continued efforts to cooperate with all stakeholders in making improvements at the Ranch. That discussion resulted in a possible way forward for settlement of both the Draft Order and CAO. The Coles, with the assistance of counsel and their consultants, will be submitting a proposed settlement with a revised time schedule to implement several of the key resource improvements in the CAO and Draft Order. This will allow the Coles time to effectively plan, permit, and fund these improvements without running afoul of any of the timelines currently contained in the CAO and Draft Order.

Prior to the meeting with the State and Regional Water Boards, the State Water Board's Office of Enforcement attorney, Ken Petruzzelli, provided the Coles' counsel with a substantial list of questions and a form used to determine the Coles' current financial status and ability to fund any resources improvements. The Coles are finalizing their answers to the questions that were provided along with the requested supporting documentation. They will be submitting a package of information answering the provided questions to Mr. Petruzzelli by February 1, 2017. The Coles have also completed the form demonstrating their financial status along with three years of tax returns. The ability to pay and three years of redacted tax returns are attached to this progress report as **Exhibit B**.

Planned Activities for the Period until the next Progress Report

The planned activities for implementing resource improvements at the Ranch before the next Progress Report is due on April 1, 2017 are:

1. Farmers Conservation Alliance Fish Screen Determination

The Coles will continue to work with Farmers Conservation Alliance to determine whether their fish screen and ditch lining technology will be approved for use by the fisheries agencies. If approved, Farmers Conservation Alliance will move forward with engineering the project to confirm that their screen will work at the Ranch and provide a cost estimate for the project. Following the completion of those plans, the Coles will rely on their consultant team and counsel to pursue permitting the project. The steps following Farmers

Conservation Alliance's engineering are a long term project that will not be completed before the next project report. The Coles will keep the State and Regional Water Boards informed of any forward progress on this effort. The Coles will also be consulting with an engineer to determine the cost and feasibility of piping the Stanshaw Creek diversion as an alternative to the Farmers Conservation Alliance technology.

2. Release of Mr. Fiori's final report and potential site visit with Mr. Feiler

Mr. Fiori completed his site inspection of the Ranch on December 16, 2016. He has indicated that his site visit confirms his tentative evaluation of the Ranch's diversion and is currently drafting his final report. Once he completes the report, and the Coles and their consultants are able to review it, the Coles will provide the report for the State and Regional Water Board's review.

The Coles are willing to allow Mr. Feiler to conduct an inspection of the diversion either before or after Mr. Fiori releases his report. Mr. Fiori's report will be completed in January unless Mr. Feiler and Mr. Fiori meet prior to issuance of the report. Meeting prior to issuance of the Fiori report would help eliminate a back and forth discussion between Mr. Fiori and Mr. Feiler and would be more efficient. Mr. Fiori's report encompasses two of the elements of the CAO: the sedimentation study and the slope stability analysis. Thus, the Coles anticipate that the sedimentation study and slope stability analysis required under the CAO will be completed by April 1, 2017. Though that date may change if completion of Mr. Fiori's report is dependent upon Mr. Feiler's review of the report and inspection of the Ranch.

3. Continued discussion and negotiation with the State and Regional Water Board regarding their orders

The Coles are in the process of reviewing all of the elements of the CAO and Draft Order with their new team of consultants and establishing timelines and priorities for the tasks contained in those orders. Based on this review, the Coles anticipate they will submit a proposed outline for settlement by the first week of February 2017. That outline will serve as a basis for further discussion and negotiation with the State and Regional Water Boards to ensure that the Coles can implement resource improvements that are properly designed, permitted and funded in a timely manner.

4. Development of implementation plans for agreed to projects in the settlement effort

Depending on a successful outcome of discussions and negotiations with the State and Regional Water Boards, the Coles will turn their efforts to developing implementation plans for the agreed to resource improvements at the Ranch. These next step in the effort to comply with the Draft Order and CAO will only take place once the State and Regional Water Boards are agreeable to the Coles' plans as outlined in a settlement document. The Coles will establish a plan for each resource improvement that includes deadlines and specific tasks within the projects contained in any settlement with the State and Regional Water Boards. These deadlines and tasks will guide the Coles in their steps moving forward.

If you have any questions regarding this progress report, please contact me at barbara@churchwellwhite.com or (916) 468-0625.

Regards,

Churchwell White LLP

Kerry Fuller for

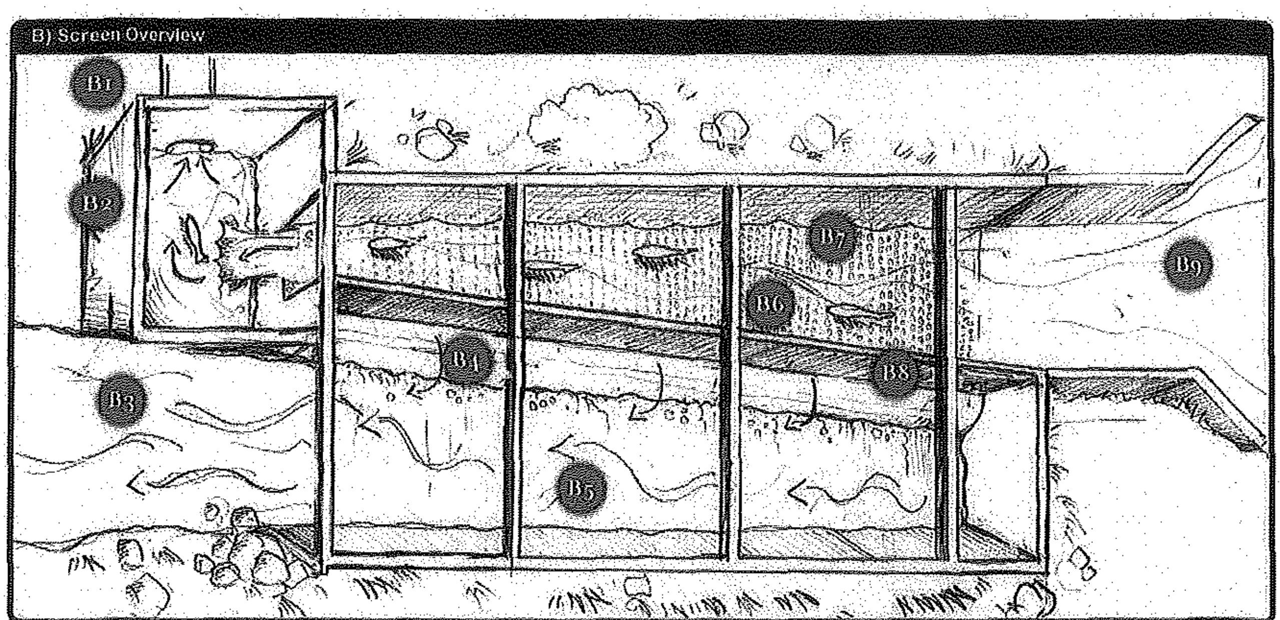
Barbara A. Brenner

KAF/dmg

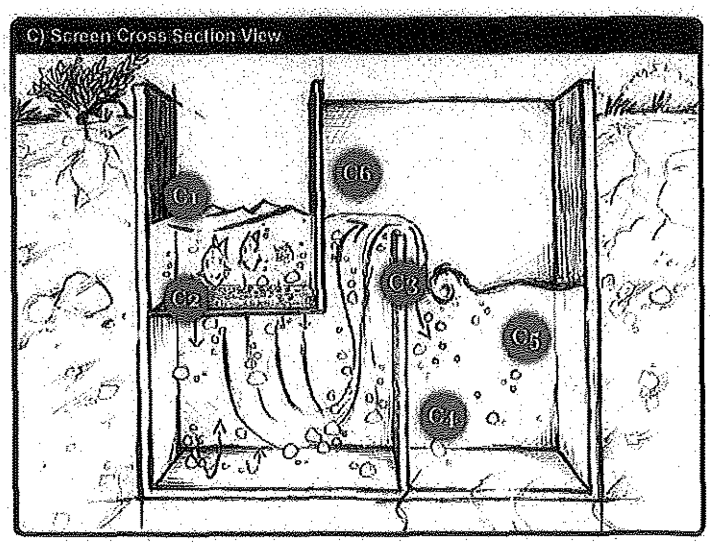
Enclosure: **Exhibit A:** Farmer's Conservation Alliance Fish Screen Installation Examples
Exhibit B: Ability to Pay and Three Years of Redacted Tax Returns

EXHIBIT A

COMPONENTS



The Farmers Screen™ fish screen has several components that work together to create the hydraulic conditions necessary for both fish protection and debris management without the need for a mechanical cleaning mechanism. These system components work in harmony to create consistent hydraulic conditions to effectively manage debris and protect fish.



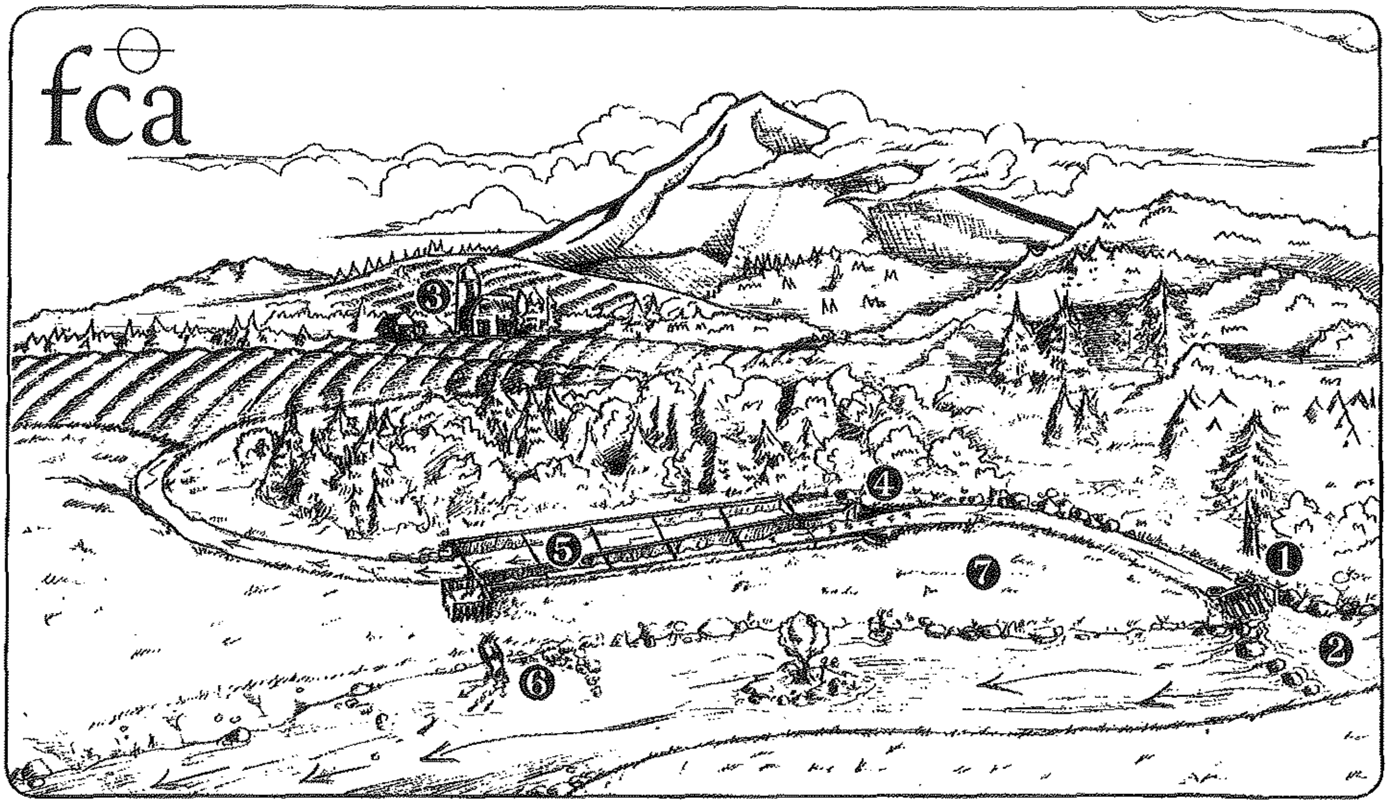


Illustration credit: Tommy Hood

FARMERS SCREEN SITING CRITERIA

❶ The proposed site must be located off-channel, and the flow to the screen must be controlled with a properly functioning head gate.

❷ There must be adequate flow in the stream to ensure that the proper amount of by-pass flow (necessary for the particular screen to operate properly), in addition to the desired screened flow, is available 100% of the time that the screen is operating. The by-pass flow required is a direct function of the screen design and will be determined when the flow range of the screen is determined.

❸ A screen owner/operator must be willing to agree to operate the screen as designed and as specified in the Operation Manual.

❹ The water at the leading edge of the screen must be of steady uniform flow at a velocity of between 3 and 7 feet per second. There must be sufficient gradient from the point of diversion to the leading edge of the screen to induce the required flow characteristics.

❺ A minimum total head differential (potential energy) of 0.3 feet, as measured from the flume water surface elevation to the attenuation bay water surface elevation is required for proper screen function in order to overcome head loss through the screen and into the attenuation bay.

❻ The slope of the source river or stream must exceed the slope of the diverted water conveyance such that the elevation differential between the screen surface elevation and the stream (at the point where the by-pass water return pipe enters the stream) is sufficient to meet NMFS criteria regarding by-pass flow hydraulics.

❼ There must be adequate land to locate the screen structure in a place that is protected from high flow events.

FOR MORE INFORMATION:

If your site meets these criteria, or if you would like help in evaluating your site conditions, FCA has an easy-to-use questionnaire that addresses these and all other relevant site issues.

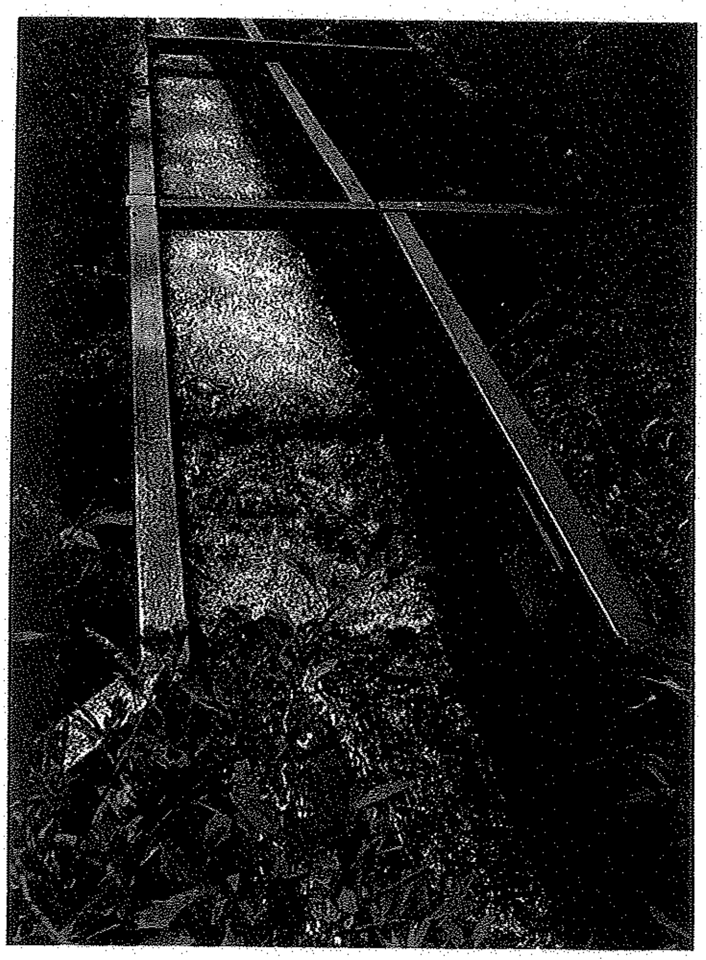
Tours of existing Farmers Screen installations, model demonstrations, and in person presentations are available to people interested in learning more about this innovative fish screening technology.

CONTACT FCA:

Phone: 541.716. 6085 • Email: info@fcasolutions.org
FarmerScreen.org • FCASolutions.org

GLENDALE

2 CFS, Two Section Modular Farmers Screen



Quick Facts:

- Location: Glendale, Idaho
- Basin: Weiser River
- Partners: Glendale Ditch Company, USFW, NRCS, North Central Highlands RC&D
- Installation Date: Fall of 2008

This Farmers Screen project addresses the following issues:

- Anadromous/ESA Species
- Irrigation
- Sediment & Debris
- Modular Design

The Glendale Ditch utilizes water diverted from the Weiser River in central Idaho. This ditch had not been screened prior to the installation of the two section modular Farmers Screen unit.

541.716.6085 • info@FCAsolutions.org • 11 Third St., Suite 101 Hood River, OR 97031 Google+

GLENDALE

2 CFS, Two Section Modular Farmers Screen

This project involved a lot of in-stream work to establish a new rock weir to direct flow into the Glendale Ditch. NRCS provided the design services and construction oversight. The new rock weir directs flow to the diversion where the water flows through a head gate and into a pipe. The water exits the pipe and enters the fish screen where the screened water flows on to an open canal and the cleaning water returns to the river via a pipe. This Farmers Screen has a maximum capacity of 4 CFS.

Quick Facts:

- Location: Glendale, Idaho
- Basin: Weiser River
- Partners: Glendale Ditch Company, USFW, NRCS, North Central Highlands RC&D
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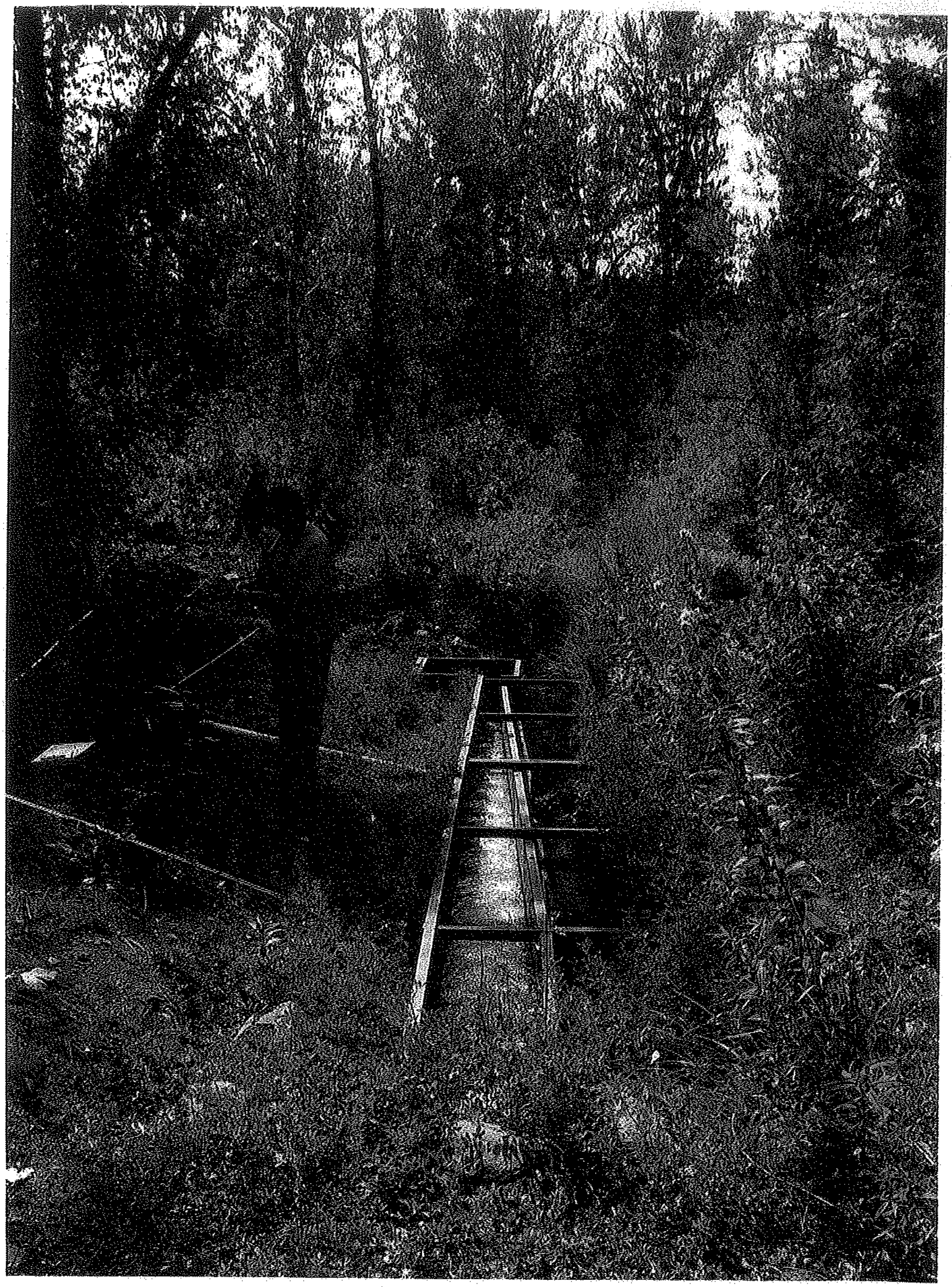
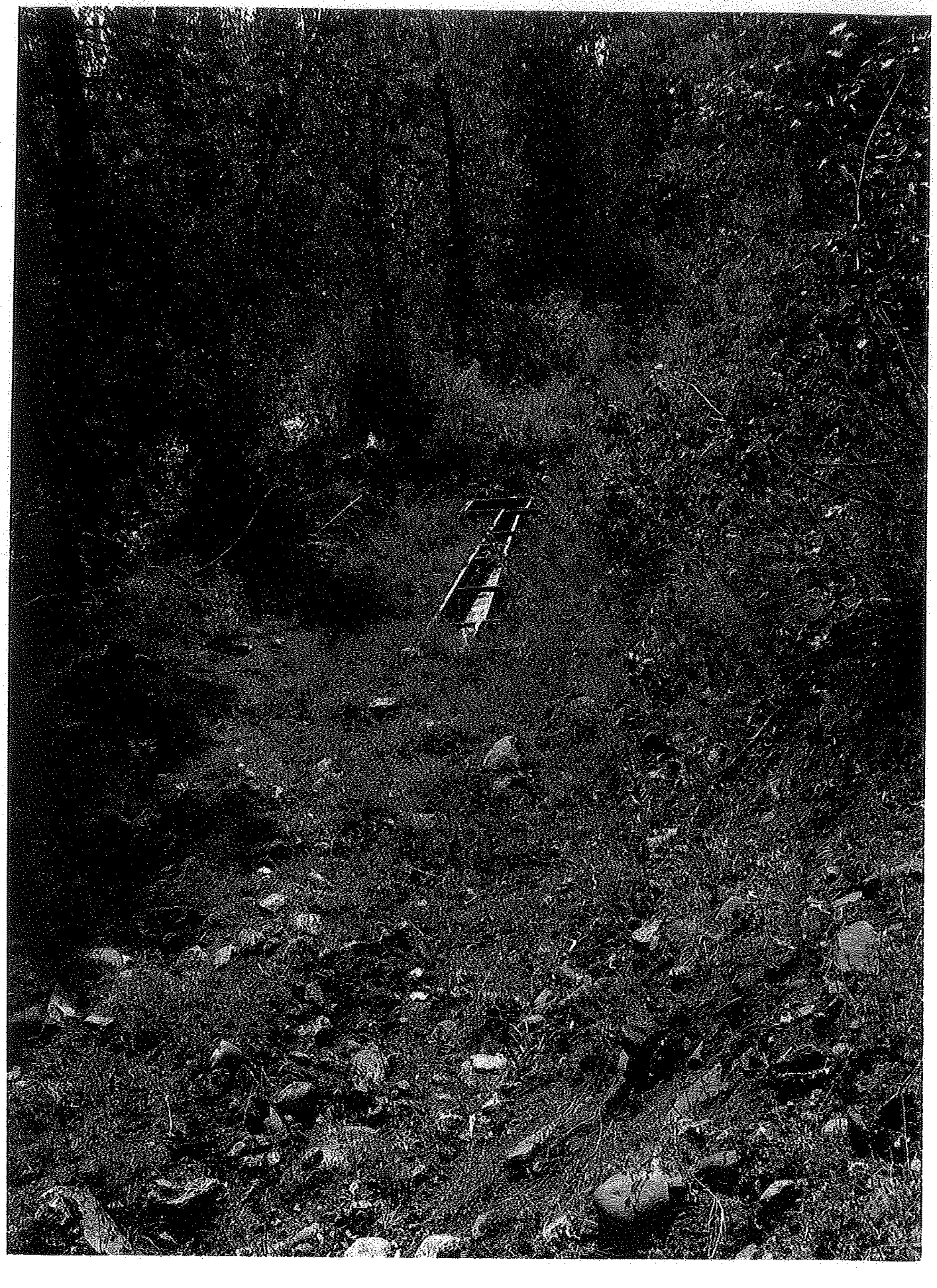
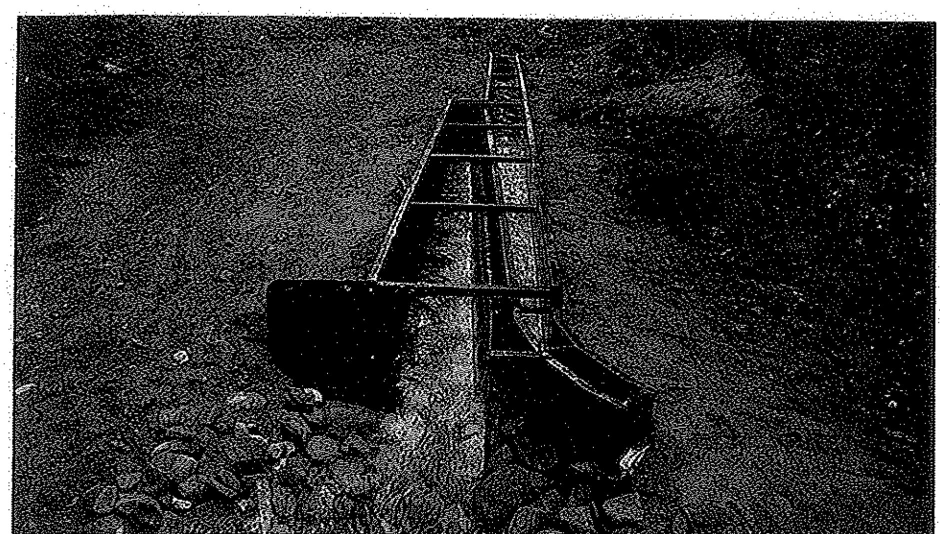




DEEPK

3.25 CFS Modular Screen



Quick Facts:

- **Location:** Fortine, MT
- **Basin:**Tobacco River Drainage
- **Partners:** Montana FWP, BPA through Libby Mitigation Project, the irrigator (James Smith) and Koocanusa Excavating
- **Installation Date:** October 2013

This Farmers Screen project addresses the following issues:

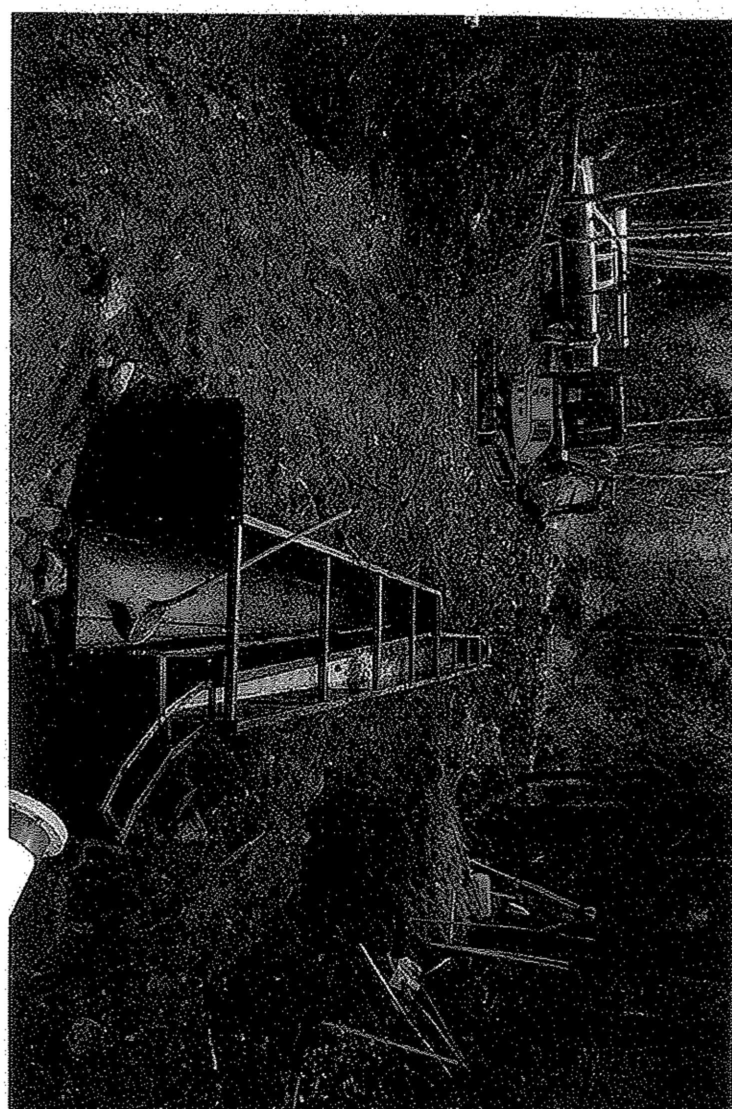
- ESA species
- Sediment & Debris

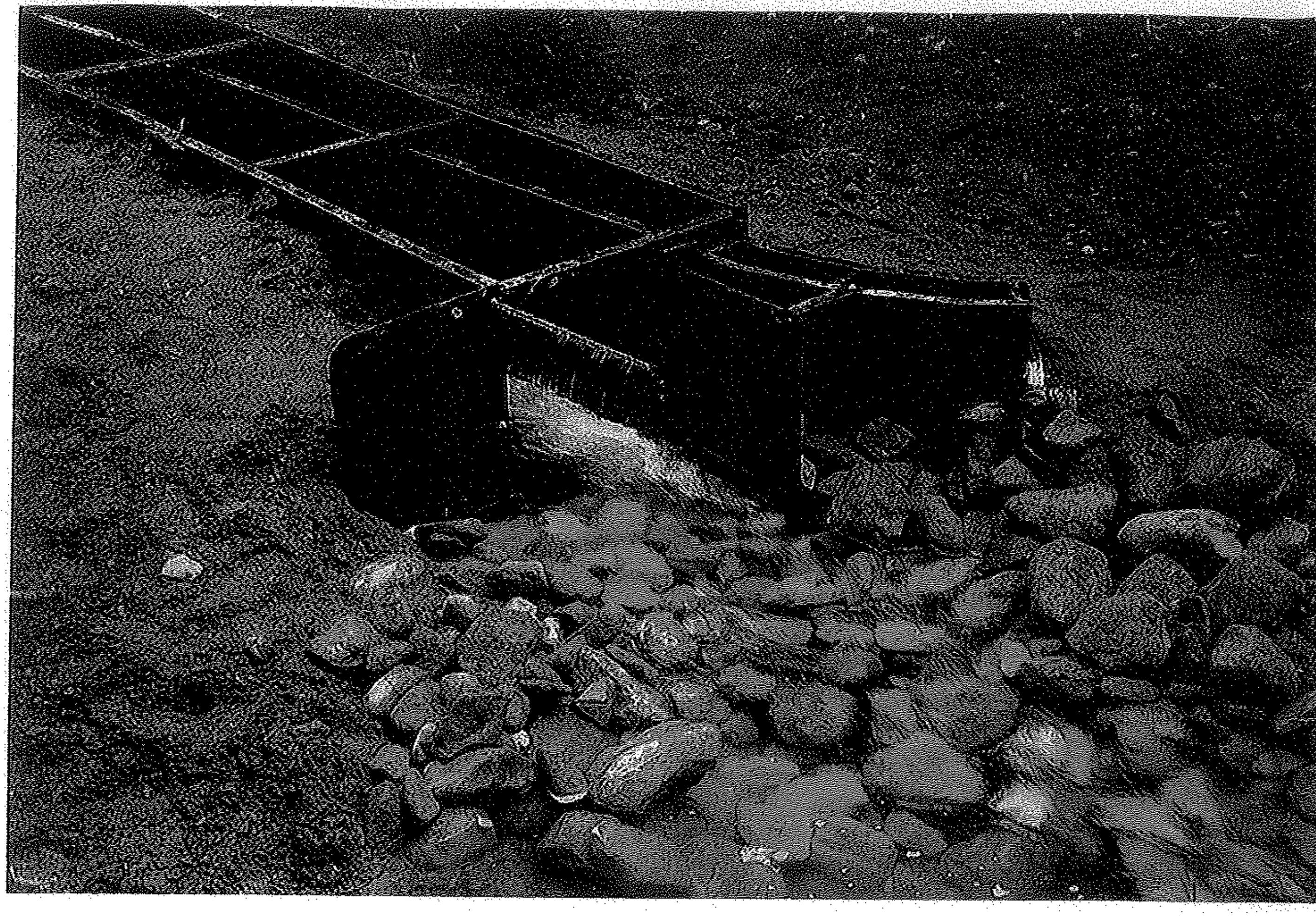
The Deep Creek diversion which supplies water to Black Lake was previously unscreened. This new two section modular Farmers Screen will ensure that resident westslope cutthroat trout, bull trout, brook trout, and rainbow trout will stay in Deep Creek.

Black Lake is used as a spawning and rearing pond for the Crystal Lakes Fish Hatchery which is a privately owned. Recently, Crystal Lakes Fish Hatchery partnered with Montana FWP to create a genetic reserve for arctic grayling and to provide a certified disease-free source of brook trout.

A new headgate and inlet pipe were installed, leading up to the new 3.25cfs modular screen. The new screen has 20 feet of straight inlet flume leading up to the two section 20' screen.

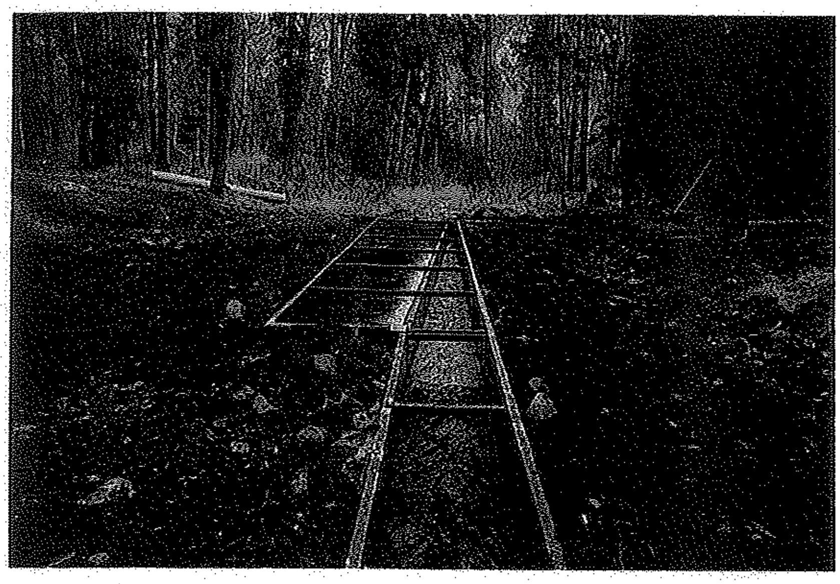
Crystal Lakes Hatchery Manager Bob LeBlanc sent us this terrific video of the screen operating in very icy conditions just after install.





CREEK

6 CFS Modular



FCA teamed up with project partners to install a modular Farmers Screen on this previously unscreened irrigation diversion. Providing safe in-stream fish passage to resident Bull trout, Westslope Cutthroat, Rainbow trout, and Brown trout, the 6 CFS Farmers Screen also provides reliably screened irrigation water to a local ranch.

Stony Creek is located in the Beaverhead-Deerlodge National Forest, twenty miles west of Phillipsburg, Montana, and is a tributary to Rock Creek which flows into the Clark Fork River. The entire local river system is an important recreational fishery in the state of Montana and project partners Trout Unlimited, USFS, USFWS, and Montana FWP were keen to see this passage barrier removed.

The new screen system consists of:

- A three-section modular Farmers Screen
- A rebuilt headgate
- In-stream rock weir passage structure
- A three section modular Farmers Screen
- A piped fish return

Quick Facts

- **Location:** Phillipsburg, MT
- **Basin:** Clark Fork
- **Engineering Partners:** Great West Engineering
- **Partners:** Trout Unlimited, USFS, USFWS, Montana FWP, FCA, Groomes Excavating Contractors
- **Installation Date:** November 2014

This Farmers Screen project addresses the following issues:

- Irrigation
- Sediment & Debris
- National Forest
- High Gradient
- Remote Site
- Bull Trout

This Farmers Screen helped to open 11 stream miles for safe fish passage with the removal of one passage barrier.

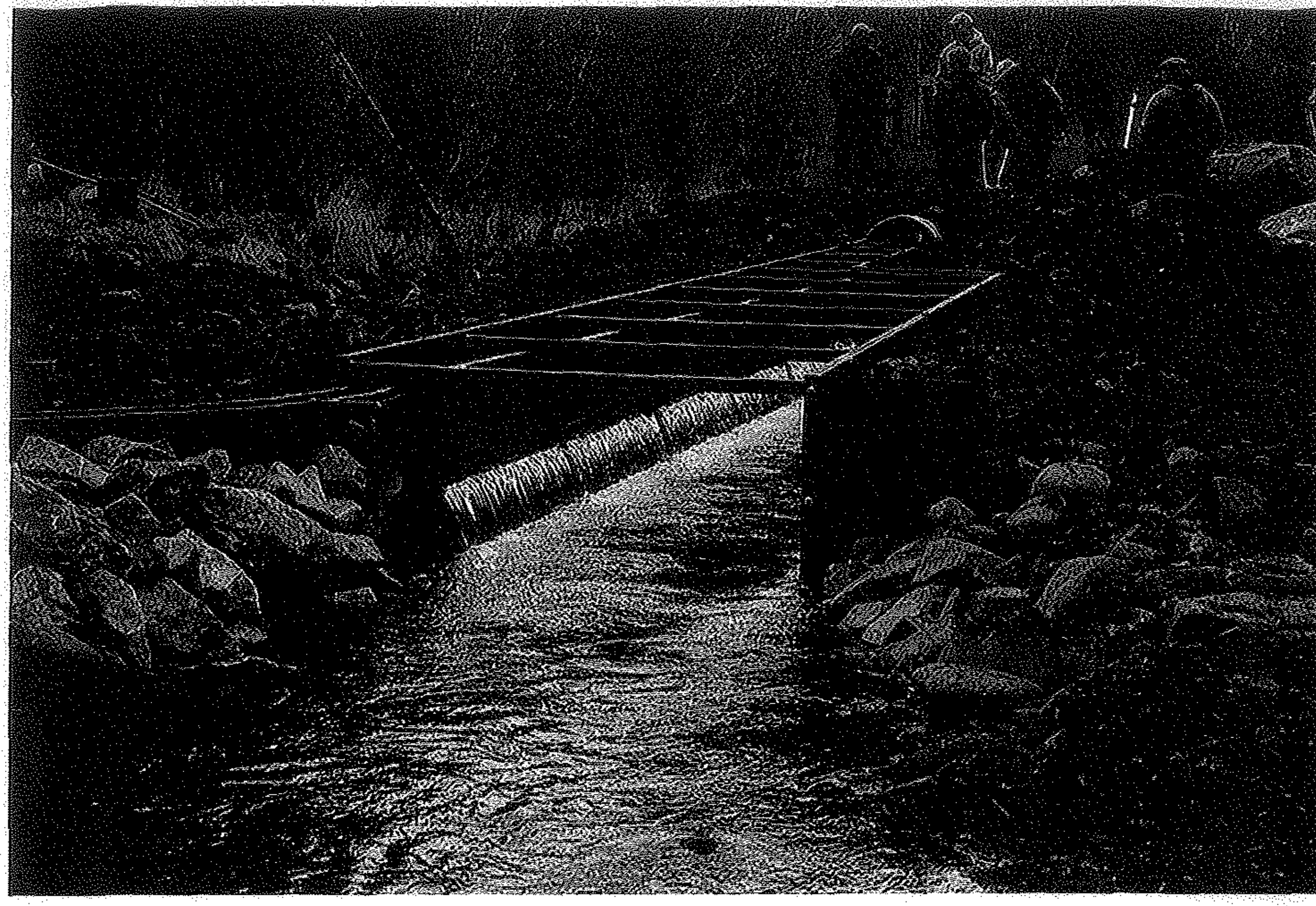


EXHIBIT B

BUSINESS ORGANIZATION
ABILITY TO PAY CLAIM
Financial Data Request Form

This form requests information regarding your financial status. The data will be used to evaluate your ability to pay for environmental clean-up or penalties. If there is not enough space for your answers, please use additional sheets of paper. Note that we may request further documentation of any of your responses. We welcome any other information you wish to provide supporting your case, particularly, if you feel your situation is not adequately described through the information requested here. If a particular question does not apply to your business, please indicate that it does not apply and give the reason. **Failure to answer all the questions clearly and completely may result in denial of your claim of inability to pay.**

Certification

Under penalties of perjury, I declare that this financial statement submitted by me as a responsible officer of the organization is a true, correct, and complete statement of all organization income and assets, real and personal, whether held in the company name or otherwise to the best of my knowledge and belief. I further understand that I will be subject to prosecution by the United States Government to the fullest extent possible under the law should I provide any information that is not true, correct, and complete to the best of my knowledge.

Douglas T. Cole
Signature

12/12/16
Date

Douglas T. Cole
Name (printed or typed)

CEO
Corporate Position

1. Business Name: Marble Mountain Ranch Inc

2. For Profit X Not for Profit ___

3. Business Address: 92520 State Hwy 96
Street
Somes Bar CA 95568
City State Zip

NOTE: Attach Schedule of all Business Addresses

4. Foreign N/A Domestic non additional

5. Legal Form of Business Organization during the last 5 years

X Corporation

___ Subchapter S Corporation

___ Partnership

___ Proprietorship

___ Trust

___ Other: ___

6. State of Incorporation California Date of Incorporation Feb 2, 2015

7. Name of Registered Agent: Douglas T. Cole

8. Address of Registered Agent: 92520 State Hwy 96
Street

Somes Bar CA 95568
City State Zip

530-469-3322
Phone

Name and address of principal stockholders and number of shares owned by each. (If more than 8 shareholders, list only those with 5 percent or more stock ownership). If your business is a partnership, list all partners and ownership percentage.

Total outstanding shares: 100

Name	Address	Shares
1. Douglas T. Cole	92520 St. Hwy 96, Somes Bar, CA. 95568	50
2. Heidi A. Cole	"	50
3.		
4.		
5.		
6.		
7.		
8.		

9.A. Name and address of current, (and for previous 5 years), officers and number of shares held by each. For partnerships, list all partners for last 5 years.

Name	Address	Shares	Term
Douglas T. Cole	92520 St. Hwy 96 Somes Bar, CA.	50	
Heidi A. Cole	92520 St. Hwy 96 Somes Bar, CA. 95568	50	

9.B. Name and address of current, (and for previous five years), members of board of directors and number of shares held by each.

Name	Address	Shares	Term
Douglas T. Cole	92520 St. Hwy 96 Somes Bar, CA 95568	50	
Heidi A. Cole	92520 St. Hwy 96 Somes Bar, CA 95568	50	

10. Has this organization ever issued a prospectus for the sale of stock? Yes ____ No X
If yes, list date, number and type of shares for each prospectus during the last five years.

Date	Number of Shares	Type of Shares
	N/A	

11.A. Registration on international, national or local stock exchange(s). Give details, including date of registration and/or de-listing.

1. ____
2. ____
3. N/A
4. ____

11.B. Total authorized shares for each type issued and present market value per share on each type of stock (or book value if not actively traded)

Types of Shares	Total Shares	Book Value	Market Value
1.			
2.	N/A		
3.			
4.			

C. Total outstanding shares of each type of stock currently being held as Treasury Stock.

N/A

D. Total outstanding shares of each type of stock.

N/A

E. Amount of bonded debt and principle bondholders.

N/A

12. List states and municipalities to which taxes have been paid and/or are being paid. Describe nature and amount of such taxes, state most recent year of payments thereof and whether tax payments are current.

Siskiyou County Tax collector: property taxes = $10,140.48
Siskiyou County Tax collector: Modular home taxes = $ 351.44

TAXES ARE CURRENT. NEXT INSTALLMENTS ARE DUE ON Feb. 1, 2017.

13. Has this organization filed United States income tax returns during the last five years?
Yes X No ____

To what I.R.S. Office(s)

____

What Years? 2015,

Are Federal Taxes current? Yes X No ____

Provide **SIGNED** Federal income tax returns and **ALL** associated schedules for the last five years.

14. Name and address of:

A. Organization=s Independent Certified Public Accountants
Al Dorff, CPA. 1181 Puerta del Sol #140,
San Clemente, CA. 92673 Ph. 949.498.5585 x 124

B. Organization=s Attorney(s) presently and during the past five years.
Barbara Brenner, Churchwell White, 1414 K Street,
3rd floor, Sacramento, CA. 95814

15. Has this organization filed Financial Forms with any organization or government entity? List name of organization or entity, date and type of Financial Form.

N/A

16. Does this organization have a Profit and Loss Statement and Balance Sheet for the most recent calendar or fiscal year and for specified past years? Past five years:

Submit one copy of each. (Audited documents are preferred.)

A. Assets

See C.P.A. prepared tax returns

		2015	2014	2013	2012	2011
Cash	$					
Securities	$					
Facilities	$					
Depreciation	$					
Equipment	$					
Depreciation	$					
Inventory	$					
Accounts Receivable	$					
Other	$					
TOTAL ASSETS	$					

B. Liabilities and Stockholder's Equity

		2015	2014	2013	2012	2011
Loans Principle	$					
Monthly Payment	$					
Mortgages Principle	$					
Monthly Payment	$					
Accounts Payable	$					
Deferred Taxes	$					
Insurance Premiums	$					
Other	$					

C. Stockholder's Equity

		2015	2014	2013	2012	2011
Common Stock	$					
Paid-in Capital	$					
Retained Earnings	$					

		2015	2014	2013	2012	2011
TOTAL LIABILITIES & EQUITY	$					

17. Loans Payable:

A.

Owed to: Kubota Credit	Purpose: mini. excavator
Term: 60 months	Interest Rate: 0 %
Collateral: excavator	Cosigner:
Monthly Payments: $ 405.94	
Original Amount: $ 14,000	Date: June 2016
Present Balance $ 9,000	

B.

Owed to: Chase	Purpose: Truck loan
Term: 60 months	Interest Rate: 2.89 %
Collateral: 2016 GMC truck	Cosigner:
Monthly Payments: $ 716.00	
Original Amount: $39,962	Date: 3/13/16
Present Balance $22,000	

C.

Owed to: First Tennessee	Purpose: Fund Water consultants
Term: 36 mos	Interest Rate:
Collateral: M.M.R. real estate	Cosigner: N.D. Cole
Monthly Payments: ≈500.—	
Original Amount: $45,000	Date: 11/12/16
Present Balance $45,000	

D.

Owed to: Kubota credit	Purpose: tractor back-hoe
Term: 60 months	Interest Rate: 0%
Collateral: tractor	Cosigner:
Monthly Payments: 716.56	
Original Amount: $42,800	Date: Oct 2015
Present Balance $35,000	

18. Mortgages Payable:

A.

Owed To: Nationstar Mortgage	Address of Property: 92520 Hwy 96 Somes Bar, CA. 95568
Term: 30 years	Interest Rate: 3.375 %
Collateral: home	Cosigner: N.D. Cole et al
Monthly Payments: $1,421.51	
Original Amount: $255,000	Date: June 2016
Present Balance: $246,802	

B. Additional loans

Owed To: Chardnwell Wright	Address of Property:
Term:	Interest Rate:
Collateral: none	Cosigner:
Monthly Payments:	
Original Amount: $40,000	Date: 11/12/16
Present Balance: ≈ $37,000	water rights defense, balance carried forward.

C.

Owed To:	Address of Property:
Term:	Interest Rate:
Collateral:	Cosigner:
Monthly Payments:	
Original Amount:	Date:
Present Balance:	

D.

Owed To:	Address of Property:
Term:	Interest Rate:
Collateral:	Cosigner:
Monthly Payments:	
Original Amount:	Date:
Present Balance:	

19. Income/Expenses:

Gross Income		2015	2014	2013	2012	2011
Net Sales	$					
Interest Income	$					
Dividends	$					
Other	$					
Operating Expenses						
Wages	$					
Overhead	$					
Lease Payments	$					
Interest Expense	$					
Cost of Sales	$					
Net Income	$					

20. In addition, provide the following firm size information:

Number of Employees	15 seasonal, 3 full-time employees				
Size of Warehouse(s)					
Volume Shipped					
Other					

21. Does this organization maintain bank accounts? Give names and addresses of banks, savings and loan associations, and other such entities, within the United States or elsewhere.

A. Checking

Name of Bank	Address of Bank	Account #	Balance
chase	3607 Crater Lake Hwy. medford, oregon 97504	322271625	$2,000

B. Savings/Certificate of Deposit

Name of Bank	Address of Bank	Account #	Balance

C. Other Accounts

Name of Institution	Address of Institution	Account #	Balance

D. Savings & Loan Associations or other such entities

Name of Institution	Address of Institution	Account #	Balance

E. Trust Account(s)

Name of Institution	Address of Institution	Account #	Balance

F. Other Account(s)

Name of Institution	Address of Institution	Account #	Balance

)

22. List all commercial paper, negotiable or non-negotiable, in which the organization has any interest whatsoever, presently in transit or in the possession of any banking institution. Describe such paper and the organization=s interest therein, and state its present location. List all loans receivable in excess of $10,000.00 and specify if due from an officer, stockholder, or director.

23. Has this organization engaged in any Joint Loan Agreements, including Letters of Credits, with any other organization(s)? If yes, describe all such agreements.

24. Does this organization have any debt coinsured by another organization? If yes, describe such arrangements.

25. List all equity participation in other organizations, both domestic and foreign, in which this organization has an interest, including the type, amount and terms of such interest.

26. List all debt participation in other organizations, both domestic and foreign, in which this organization has an interest, including the type, amount and terms of such interest.

____

____

____

____

27. Is this organization presently:

A. Active
(Answer No for inactive, but still in existence) Yes X No ____

B. Void and/or terminated by State authority. Yes____ No ____

C. Otherwise dissolved Yes____ No ____

1. Date ____________________

2. By Whom ____________________

3. Reason ____________________

28. A. List corporate salaries, bonuses to and/or drawings of the following personnel for the last five taxable years:

Position	Name	2015	2014	2013	2012	2011
President	Doug Cole	-net	losses-	see returns to IRS.		
Vice President						
Chairman						
Secretary	Heidi Cole					
Treasurer						

see tax returns & schedules

B. List the five most highly compensated employees or officers other than the above, describe position and list annual salary and/or bonus for the last five taxable years:

Name	Position/Title	2015	2014	2013	2012	2011
None						

C. Describe the nature of the compensation paid to the persons listed in (A) and (B) above and set forth any stock options, pensions, profit sharing, royalties, or other deferred compensation rights of said persons.

N/A

29. List the organizations commercial activity, (fields of activity resulting in income), and SIC Code.

Commercial Activity	SIC Code
Primary Dude Ranch	70320102
Other 1.	
Other 2.	
Other 3.	

30. List all other supplementary fields of activity in which this organization is engaged, either directly, through it affiliates, stating the name(s) and states(s) of incorporation of such subsidiaries or affiliates:

Contract services to Cal Fire and United States Forest Service for fire camps Fire camp income/expense is included in Marble Mountain Ranch gross incomes/expenses.

31. Has this organization at any time been the subject of any proceeding under the provisions of any State Insolvency Law, or the federal Bankruptcy Act, as amended? If so, supply the following information as to each such proceeding:

A. Date (Commencement) N/A

B. Date (Termination) ______

C. Discharge or other disposition, if any, and operative effect thereof:

______

D. State Court ______ County Docket No. ______

E. Federal Court ______ County Docket No. ______

32. A. List all real estate, and personal property of an estimated value in excess of $ 10,000 owned or under contract to be purchased by this organization with names and addresses of seller and contract price and where located:

(1) Real estate known as "Marble mountain Ranch" at 92520 Hwy 96, Somes Bar, CA. 95568

(2) See attached Siskiyou County business property tax schedule.

MARBLE MOUNTAIN RANCH BUSINESS PROPERTY
Feb 2016

100 HP HYDRO ELECTRIC PLANT AND THES CONTROLS
65 KW GENERATOR
AC/DC ARC WELDER
ACETYLENE TORCH
DE WALT 12" RADIAL ARM SAW
WOOD SPLITTER
DISC, BRUSH HOG, BOX SCRAPER
2 LAWN MOWERS
2008 JOHN DEER RIDING MOWER (purchased July 2008)
1940 JOHN DEER TRACTOR
4 WHEEL BARRELS AND MISC GARDEN TOOLS
10 REFRIGERATORS
1 CHEST FREEZER
1 COMMERCIAL REFRIGERATOR
2 COMMERCIAL STOVES
DINING ROOM SEATING AND TABLES FOR 25
2 COMMERCIAL CLOTHES DRYERS
2 COMMERCIAL CLOTHES WASHERS
25 TWIN BEDS
5 QUEEN OR FULL SIZED BEDS
LINENS FOR 30 BEDS
DRESSERS, NIGHT STANDS, LAMPS FOR 12 CABINS
MISC PICNIC TABLES
I-MAC COMPUTER AND PRINTER
2 @ 5000 GAL WATER STORAGE TANKS
3 @ SAND FILTERS
300 FEET OF 3" HOOK-LATCH AG PIPE
2 "BIG GUN" SPRINKLERs
STOCK: 15 MIXED BREED HORSES AND TACK FOR 15 HORSES (approx. 16,000 – evolving as horses age)
2 USED UTILITY TRAILERS
1 ICE MACHINE (approx. $1000 new-2008)
2 used STHIL POLE SAWs (approx. $500)
Sthil string weed eater ($450 new in 2012
2009 Rogue Jet boat (new purchase price was $40K)
2008 Hyde drift boat (new acquisition 2012 for $3500)
3 misc older rafts with gear, approx. value $4,500
2012 Sotar Raft (new acquisition 2012 for $3800)
2015 Sotar Raft (new acquisition 2015 for $4380)
2015 Kubota tractor (new acquisition 2015 $41,600)
2014 BBQ smoker ($3000 purchase)
1998 used mobile home-serial number GWOR23N20422 (new acquisition 2012 for $18,000)
Two 20' cargo containers, $7000 total purchase price

SIGNED: Doug Cole DATE: 12/12/16

33. List and describe all judgments, recorded and unrecorded, this organization is a party of:
A. Against the organization

N/A

B. In favor of the organization

N/A

34. List and describe all other encumbrances (including but not limited to security interest, whether perfected or not) against any such personal property owned by the organization as is listed in 30 (A) above.

N/A

35. List all life insurance, now in force on any or all officers, directors, and/or Akey@ employees, setting forth face amounts, names of life insurance companies and policy numbers where this organization has an Ainsurable interest@ and/or paying the premium or part of same. Where applicable, indicate under which policy(s) this organization is beneficiary, type of policy(s) this organization is a beneficiary, yearly premium, and location of policy(s). In addition, state the cash value if any and the conditions of any borrowing options available under each policy.

N/A

36. For the following types of policies, list all primary and excess insurance policies, the deductible amount, per occurrence and aggregate coverage limit for each policy.

A. Comprehensive General Liability

see attached general liability accord showing $1000,000 coverage.

B. Environmental Impairment Liability

N/A

C. Other policies for which coverage might apply including participation in risk retention pools.

N/A

37. List all transfers of assets (real) and/or (personal) (over $10,000.00) made by this organization, OTHER THAN IN THE ORDINARY COURSE OF BUSINESS, during the last three calendar years and state to whom transfer was made. Describe compensation paid by recipient and to whom.

Date	Value	Property Transferred	To Whom	Compensation Paid

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 06/23/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER

EILERT INSURANCE GROUP
16450 MONTEREY RD, SUITE 4
MORGAN HILL, CA 95037
(408) 776-9090 PHONE (408) 776-9075 FAX

CONTACT NAME: PATRICK EILERT
PHONE (A/C, No, Ext): 408-776-9090 FAX (A/C, No): 408-776-9075
E-MAIL ADDRESS: CSR@EILERTINSURANCE.COM
PRODUCER CUSTOMER ID #:

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: PHILADELPHIA INSURANCE CO	18058
INSURER B: STATE COMPENSATION INSURANCE FUND	
INSURER C:	
INSURER D:	
INSURER E:	
INSURER F:	

INSURED

MARBLE MTN RANCH, LLC
92520 STATE HWY 96
SOMES BAR, CA. 95568

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY / PRO-JECT / LOC	X		PHPK1183082	06/25/2014	06/25/2015	EACH OCCURRENCE	$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
							MED EXP (Any one person)	$ 5,000
							PERSONAL & ADV INJURY	$ 1,000,000
							GENERAL AGGREGATE	$ 2,000,000
							PRODUCTS - COMP/OP AGG	$ 2,000,000
								$
A	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS X SCHEDULED AUTOS X HIRED AUTOS NON-OWNED AUTOS			PHPK1183082	06/25/2014	06/25/2015	COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
							MED PAY	$ 5,000
								$
	UMBRELLA LIAB / OCCUR EXCESS LIAB / CLAIMS-MADE DEDUCTIBLE RETENTION $						EACH OCCURRENCE	$
							AGGREGATE	$
								$
								$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		1953146-14	06/01/2014	06/01/2015	X WC STATU-TORY LIMITS / OTH-ER	
							E.L. EACH ACCIDENT	$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
AS USUAL TO INSUREDS OPERATIONS

CERTIFICATE HOLDER

HAPPY CAMP RANGER DISTRICT
PO BOX 377
HAPPY CAMP, CA 96039
FAX: 530-489-1796

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Patrick W Eilert

38. Is this business organization a party in any law suit now pending?
Yes (Give details below) ______ No __X__

39. List names and addresses of any persons or other business entity, holding funds in escrow or in trust for this organization, or any of its subsidiaries or affiliates.

N/A

40. Other information requested:

Form **1120S**

Department of the Treasury
Internal Revenue Service

U.S. Income Tax Return for an S Corporation

▶ Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.
▶ Information about Form 1120S and its separate instructions is at www.irs.gov/form1120s.

OMB No. 1545-0123

2015

For calendar year 2015 or tax year beginning , and ending

A 02/02/2015	Name	D	[redacted]
B 713900	MARBLE MOUNTAIN RANCH, INC.	E	02/02/2015
C attached ☐	[redacted]	F	$ 2,594,301.
	[redacted] [redacted]		

G ☒ ☐

H (1)☐ (2)☐ (3)☐ (4)☐ (5)☐ filed

I ▶ 2

Caution: only

Income

1 a	Gross receipts or sales 627,649. b Return and allowances 257. c Bal. Subtract line 1b from line 1a ▶	1c	627,392.
2		2	4,179.
3		3	623,213.
4		4	
5		5	
6	Total income (loss). ▶	6	623,213.

Deductions (See instructions for limitations)

7		7	
8		8	35,895.
9		9	58,464.
10		10	
11		11	
12	STATEMENT 2	12	15,766.
13		13	16,853.
14		14	186,804.
15	Depletion (Do not deduct oil and gas depletion.)	15	
16		16	6,661.
17		17	
18		18	
19	STATEMENT 3	19	387,774.
20	Total deductions. ▶	20	708,217.
21	Ordinary business income (loss).	21	-85,004.

Tax and Payments

22 a		22a			
b		22b			
c				22c	
23 a		23a			
b		23b			
c		23c			
d				23d	
24	▶ ☐			24	
25	Amount owed.			25	
26	Overpayment.			26	
27	Credited to 2016 estimated tax ▶ Refunded ▶			27	

CLIENT COPY

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

▶ Date ▶ PRESIDENT Title

May the IRS discuss this return with the preparer shown below (see instr.)? ☒ Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed ☐	PTIN [redacted]
Firm's name ▶ ALLAN K. DORFF, CPA INC.			Firm's EIN ▶	
Firm's address ▶ [redacted]			Phone no. [redacted]	

JWA 511701 12-23-15

For Paperwork Reduction Act Notice, see separate instructions. 1120S

[redacted] 2015.04010 MARBLE MOUNTAIN RANCH, INC. MARBLEM1

MARBLE MOUNTAIN RANCH, INC. [redacted] 2

Schedule B **Other Information**

		Yes	No
1	(a) [X] (b) [ ] (c) [ ]		
2	(a) RECREATION (b) GUEST RANCH ADVENTURES		
3			X
4 a			X

(i)	(ii) Employer	(iii) incorporation	(iv) Percentage of Stock Owned	(v) If Percentage in (iv) is 100%, Enter the Date (if any) a Qualified Subchapter S Subsidiary Election Was Made

		Yes	No
b	a		X

(i)	(ii) Employer	(iii)	(iv) Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

		Yes	No
5a			X
(i)	▶		
(ii)	▶		
b			X
(i)	▶		
(ii)	▶		
6	Form 8918,		X
7	discount ▶ [ ]		
	Form 8281,		
8	(a) or		
	and (b)		
9	por		
10	both		
a			
b			X
11			
	ducti		X
12			X
13a		X	
b		X	

1120S

511711
12-23-15 JWA

[redacted] 2015.04010 MARBLE MOUNTAIN RANCH, INC. MARBLEM1

MARBLE MOUNTAIN RANCH, INC. [redacted] 3

Schedule K | **Shareholders' Pro Rata Share Items**

					Total amount
Income (Loss)	1			1	-85,004.
	2			2	
	3a		3a		
	b		3b		
	c			3c	
	4			4	
	5 a			5a	
	b		5b		
	6			6	
	7			7	
	8a			8a	
	b		8b		
	c		8c		
	9			9	
	10	Other income (loss) (see instructions) ... Type		10	
Deductions	11			11	
	12a	STATEMENT 4		12a	6,592.
	b			12b	
	c	Section 59(e)(2) expenditures (1) Type			
	(2)			12c(2)	
	d	Other deductions (see instructions) Type		12d	
Credits	13a			13a	
	b			13b	
	c			13c	
	d	Other rental real estate credits (see instructions) Type		13d	
	e	Other rental credits (see instructions) Type		13e	
	f			13f	
	g	Other credits (see instructions) Type		13g	
Foreign Transactions	14a				
	b			14b	
	c			14c	
	d	egor		14d	
	e			14e	
	f			14f	
	g			14g	
	h			14h	
	i			14i	
	j			14j	
	k			14k	
	l	☐ ☐		14l	
	m			14m	
	n				
Alternative Minimum Tax (AMT) Items	15a			15a	29,472.
	b			15b	
	c			15c	
	d			15d	
	e			15e	
	f			15f	
Items Affecting Shareholder Basis	16a			16a	
	b			16b	
	c	Nondeductibl STATEMENT 5		16c	179.
	d			16d	
	e			16e	

511721 12-23-15 JWA

For 1120S

[redacted] 2015.04010 MARBLE MOUNTAIN RANCH, INC. MARBLEM1

SCHEDULE C (Form 1040)
Department of the Treasury Internal Revenue Service (99)

Profit or Loss From Business
(Sole Proprietorship)

▶ Information about Schedule C and its separate instructions is at *www.irs.gov/schedulec*.
Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

OMB No. 1545-0074
2014
Attachment Sequence No. **09**

Name of proprietor: DOUGLAS T. COLE
Social security number (SSN): [redacted]

A Principal business or profession, including product or service (see instructions): RECREATION
B Enter code from instructions ▶ 713900
C Business name. If no separate business name, leave blank.: MARBLE MOUNTAIN RANCH
D Employer ID number (EIN), (see instrs)
E Business address (including suite or room no.) ▶
City, town or post office, state, and ZIP code

F Accounting method: (1) [X] Cash (2) [ ] Accrual (3) [ ] Other (specify) ▶
G Did you 'materially participate' in the operation of this business during 2014? If 'No,' see instructions for limit on losses. [X] Yes [ ] No
H If you started or acquired this business during 2014, check here ▶ [ ]
I Did you make any payments in 2014 that would require you to file Form(s) 1099? (see instructions) [ ] Yes [X] No
J If 'Yes,' did you or will you file required Forms 1099? [ ] Yes [ ] No

Part I Income

1	Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked ▶ [ ]	1	474,017.
2	Returns and allowances	2	1,305.
3	Subtract line 2 from line 1	3	472,712.
4	Cost of goods sold (from line 42)	4	4,110.
5	**Gross profit.** Subtract line 4 from line 3	5	468,602.
6	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions) SEE STATEMENT 1	6	6,347.
7	**Gross income.** Add lines 5 and 6 ▶	7	474,949.

Part II Expenses. Enter expenses for business use of your home only on line 30.

8	Advertising	8	9,003.	18	Office expense (see instructions)	18	3,044.
9	Car and truck expenses (see instructions)	9	13,196.	19	Pension and profit-sharing plans	19	
10	Commissions and fees	10	12,997	20	Rent or lease (see instructions):		
11	Contract labor (see instructions)	11		a	Vehicles, machinery, and equipment	20a	
12	Depletion	12		b	Other business property	20b	
13	Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	57,823.	21	Repairs and maintenance	21	69,473.
14	Employee benefit programs (other than on line 19)	14		22	Supplies (not included in Part III)	22	9,368.
15	Insurance (other than health)	15	30,979.	23	Taxes and licenses	23	20,474.
16	Interest:			24	Travel, meals, and entertainment:		
a		16a	16,499.	a	Travel	24a	668.
b	Other	16b	1,088.	b	Deductible meals and entertainment (see instructions)	24b	786.
17	Legal & professional services	17	21,935.	25	Utilities	25	37,522.
				26	Wages (less employment credits)	26	17,794.
				27a	Other expenses (from line 48)	27a	151,105.
				b	**Reserved for future use**	27b	

28	**Total expenses** before expenses for business use of home. Add lines 8 through 27a ▶	28	473,754.
29	Tentative profit or (loss). Subtract line 28 from line 7	29	1,195.
30	Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). **Simplified method filers only:** enter the total square footage of: (a) your home: ______ and (b) the part of your home used for business: ______. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30	30	
31	**Net profit or (loss).** Subtract line 30 from line 29. • If a profit, enter on both **Form 1040, line 12** (or **Form 1040NR, line 13**) and on **Schedule SE, line 2.** (If you checked the box on line 1, see instructions). Estates and trusts, enter on **Form 1041, line 3.** • If a loss, you **must** go to line 32.	31	1,195.

32 If you have a loss, check the box that describes your investment in this activity (see instructions).
- If you checked 32a, enter the loss on both **Form 1040, line 12,** (or **Form 1040NR, line 13**) and on **Schedule SE, line 2.** (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on **Form 1041, line 3.**
- If you checked 32b, you **must** attach **Form 6198.** Your loss may be limited.

32a [ ] All investment is at risk.
32b [ ] Some investment is not at risk.

Schedule C (Form 1040) 2014 DOUGLAS T. COLE [redacted] Page 2

Part III Cost of Goods Sold (see instructions)

33	Method(s) used to value closing inventory: a ☐ Cost b ☐ Lower of cost or market c ☐ Other (attach explanation)		
34	Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If 'Yes,' attach explanation		☐ Yes ☐ No
35	Inventory at beginning of year. If different from last year's closing inventory, attach explanation	35	
36	Purchases less cost of items withdrawn for personal use	36	4,110.
37	Cost of labor. Do not include any amounts paid to yourself	37	
38	Materials and supplies	38	
39	Other costs	39	
40	Add lines 35 through 39	40	4,110.
41	Inventory at end of year	41	
42	**Cost of goods sold.** Subtract line 41 from line 40. Enter the result here and on line 4	42	4,110.

Part IV Information on Your Vehicle.

Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) ▶ ____________

44 Of the total number of miles you drove your vehicle during 2014, enter the number of miles you used your vehicle for:

a Business ____________ b Commuting (see instructions) ____________ c Other ____________

45 Was your vehicle available for personal use during off-duty hours? ☐ Yes ☐ No

46 Do you (or your spouse) have another vehicle available for personal use? ☐ Yes ☐ No

47a Do you have evidence to support your deduction? ☐ Yes ☐ No

b If 'Yes,' is the evidence written? ☐ Yes ☐ No

Part V Other Expenses.

List below business expenses not included on lines 8-26 or line 30.

SEE STATEMENT 2

48 **Total other expenses.** Enter here and on line 27a	48	151,105.

Schedule C (Form 1040) 2014

FDIZ0112L 10/30/14

DOUGLAS T. AND HEIDI A. COLE [redacted]

STATEMENT 1 - RECREATION
SCHEDULE C, LINE 6
OTHER INCOME

RESALE GIFT MERCHANDISE	$	6,347.
TOTAL	$	6,347.

STATEMENT 2 - RECREATION
SCHEDULE C, PART V
OTHER EXPENSES

ACCOUNTING	$	775.
AMMUNITION/SHOOTING RANGE EXPENSES		4,379.
BANK CHARGES		137.
CASUAL LABOR		6,400.
DUES AND SUBSCRIPTIONS		1,426.
FEES - DOT		301.
FISHING EXPENSES		3,323.
FOOD & LODGING SUPPLIES-DAY TRIPS		63,640.
GIFTS/DONTATIONS/PROMOTION		4,050.
GROUNDS MAINTENANCE		3,409.
MISCELLANEOUS		105.
RAFTING EXPENSES		1,319.
SMALL SPORTING EQUIPMENT EXPENSES		2,393.
SPECIAL USE PERMITS-USFS/BLM		6,533.
SQUIRES REPAYMENT EXPENSES		9,405.
STOCK FEED		33,393.
TELECOM		6,290.
TOOLS		992.
UNIFORMS		956.
VET EXPENSES		1,879.
TOTAL	$	151,105.

STATEMENT 3
FORM 4562, PART I
ELECTION TO EXPENSE CERTAIN TANGIBLE PROPERTY (SECTION 179)

DESCRIPTION OF PROPERTY	COST	ELECTED COST
7-YEAR BEE EQUIPMENT	2,154.	$ 2,154.
7-YEAR KAYAKS	6,623.	6,623.
7-YEAR GENERATOR	9,000.	9,000.
7-YEAR CARGO CONTAINER	3,550.	3,550.
7-YEAR SMOKER	3,950.	3,950.
	TOTAL	$ 25,277.

SCHEDULE C (Form 1040)
Department of the Treasury Internal Revenue Service (99)

Profit or Loss From Business
(Sole Proprietorship)

▶ For information on Schedule C and its instructions, go to www.irs.gov/schedulec.
▶ Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

OMB No. 1545-0074
2013
Attachment Sequence No. 09

Name of proprietor: DOUGLAS T COLE
Social security number (SSN): [redacted]

A Principal business or profession, including product or service (see instructions): RECREATION : SERVICE
B Enter code from instructions ▶ 713900

C Business name. If no separate business name, leave blank.: MARBLE MOUNTAIN RANCH
D Employer ID number (EIN), (see instr.)

E Business address (including suite or room no.) ▶ [redacted]
City, town or post office, state, and ZIP code

F Accounting method: (1) [X] Cash (2) [ ] Accrual (3) [ ] Other (specify) ▶

G Did you "materially participate" in the operation of this business during 2013? If "No," see instructions for limit on losses . . . [X] Yes [ ] No
H If you started or acquired this business during 2013, check here ▶ [ ]
I Did you make any payments in 2013 that would require you to file Form(s) 1099? (see instructions) . . . [ ] Yes [X] No
J If "Yes," did you or will you file required Forms 1099? . . . [ ] Yes [ ] No

Part I Income

1	Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked ATTACHMENT ▶ [ ]	1	434,530.
2	Returns and allowances	2	
3	Subtract line 2 from line 1	3	434,530.
4	Cost of goods sold (from line 42)	4	
5	**Gross profit.** Subtract line 4 from line 3	5	434,530.
6	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions) ATTACHMENT	6	2,750.
7	**Gross income.** Add lines 5 and 6 ▶	7	437,330.

Part II Expenses

Enter expenses for business use of your home only on line 30.

8	Advertising	8	5,895.	18	Office expense (see instructions)	18	3,950.
9	Car and truck expenses (see instructions)	9	16,179.	19	Pension and profit-sharing plans	19	
10	Commissions and fees	10	16,039.	20	Rent or lease (see instructions):		
11	Contract labor (see instructions)	11	13,423.	a	Vehicles, machinery, and equipment	20a	
12	Depletion	12		b	Other business property	20b	
13	Depreciation and section 179 expense deduction (not included in Part III) (see inst)	13	40,120.	21	Repairs and maintenance	21	22,972.
				22	Supplies (not included in Part III)	22	
				23	Taxes and licenses ATTACHMENT	23	21,217.
14	Employee benefit programs (other than on line 19)	14		24	Travel, meals, and entertainment:		
				a	Travel	24a	1,972.
15	Insurance (other than health)	15	34,542.	b	Deductible meals and entertainment (see instructions)	24b	780.
16	Interest:			25	Utilities	25	31,296.
a	Mortgage (paid to banks, etc.)	16a		26	Wages (less employment credits)	26	11,717.
b	Other	16b	254.	27a	Other expenses (from line 48)	27a	145,334.
17	Legal and professional services	17	18,545.	b	Reserved for future use	27b	

28	**Total expenses** before expenses for business use of home. Add lines 8 through 27a ▶	28	384,235.
29	Tentative profit or (loss). Subtract line 28 from line 7	29	53,095.
30	Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). **Simplified method filers only:** enter the total square footage of: (a) your home: ______ and (b) the part of your home used for business: ______. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30	30	
31	**Net profit or (loss).** Subtract line 30 from line 29. • If a profit, enter on both Form 1040, line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2. (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3. • If a loss, you must go to line 32.	31	53,095.

32 If you have a loss, check the box that describes your investment in this activity (see instructions).
• If you checked 32a, enter the loss on both Form 1040, line 12, (or Form 1040NR, line 13) and on Schedule SE, line 2. (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3.
• If you checked 32b, you must attach Form 6198. Your loss may be limited.

32a [ ] All investment is at risk.
32b [ ] Some investment is not at risk.

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Part III Cost of Goods Sold (see instructions)

33 Method(s) used to value closing inventory: a [X] Cost b [ ] Lower of cost or market c [ ] Other (attach explanation)

34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation . . . [ ] Yes [X] No

35	Inventory at beginning of year. If different from last year's closing inventory, attach explanation	35	
36	Purchases less cost of items withdrawn for personal use	36	
37	Cost of labor. Do not include any amounts paid to yourself	37	
38	Materials and supplies	38	
39	Other costs	39	
40	Add lines 35 through 39	40	
41	Inventory at end of year	41	
42	**Cost of goods sold.** Subtract line 41 from line 40. Enter the result here and on line 4	42	

Part IV Information on Your Vehicle. Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) ▶ ____________

44 Of the total number of miles you drove your vehicle during 2013, enter the number of miles you used your vehicle for:

a Business ____________ b Commuting (see instructions) ____________ c Other ____________

45 Was your vehicle available for personal use during off-duty hours? . . . [ ] Yes [ ] No

46 Do you (or your spouse) have another vehicle available for personal use? . . . [ ] Yes [ ] No

47a Do you have evidence to support your deduction? . . . [ ] Yes [ ] No

b If "Yes," is the evidence written? . . . [ ] Yes [ ] No

Part V Other Expenses. List below business expenses not included on lines 8-26 or line 30.

SEE STATEMENT		145,334.
48 Total other expenses. Enter here and on line 27a	48	145,334.

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