

INTERNAL REVENUE SERVICE  
District Director

Department of the Treasury

McCaslin Industrial Park  
2 Cupania Circle  
Monterey Park, CA 91755  
Attn:EOG-4

Date: 9/29/97

WILLAMETTE-SALEM CHAPTER,  
EXPERIMENTAL AIRCRAFT ASSOCIATION  
c/o Mike Pongracz  
180 Lincoln St. S.  
Salem, OR 97302

Case Number:  
317101877  
Person to Contact:  
Ahmed H. Ahmed  
Telephone Number:  
(213) 725-7002  
Response Due Date:  
10/20/97

Dear applicant:

Before we can determine whether your organization is exempt from Federal income tax, we must have enough information to show that you have met all legal requirements. We need additional information to make a determination on your request for tax exemption under section 501(c)(3) of the Internal Revenue Code.

To help us determine whether your organization is exempt from Federal income tax, please send us the requested information by the above date. We can then complete our review of your application.

If we do not hear from you within that time, we will assume you do not want us to consider the matter further and will close your case. In that event, as required by Code section 6104(c), we will notify the appropriate state officials that, based on the information we cannot recognize you as an organization of the kind described in Code section 501(c)(3). As a result, the Internal Revenue Service will treat your organization as a taxable entity.

In addition, if you do not provide the requested information in a timely manner, we will consider that you have not taken all reasonable steps to secure the determination you requested. Under Code section 7428(b)(2), your not taking all reasonable steps in a timely manner to secure the determination may be considered as failure to exhaust administrative remedies available to you within the Service. Therefore, you may lose your rights to a declaratory judgment under Code section 7428.

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

Thank you for your cooperation.

Very truly yours,

Exempt Organizations Specialist

For an organization to qualify as one described in section 501(c)(3) of the Code, its governing instrument must contain certain provisions. The following will explain what you must do to meet this requirement.

It will be necessary for you to amend your articles of incorporation. Please add the following items to your existing provisions.

"This organization is organized exclusively for charitable purposes within the meaning of section 501(c)(3) of the Internal Revenue Code."

"Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law) or (b) by a corporation contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code of 1986 (or corresponding provision of any future United States Internal Revenue law)."

"Upon the dissolution of this corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code (or corresponding section of any future tax code), or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed by the Court of Common Pleas of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes."

Amendments made by corporations must be approved by, and filed with, the appropriate state official. Please submit a copy of the approved amendment as soon as you receive it from the appropriate state agency.

Submit copies of any brochures, pamphlets, newsletters, advertisements, or any other literature regarding your organization.

State how you will use receipts in excess of operating expenses.

Describe the research projects engaged in or planned by your organization.

Explain how and by whom research projects are determined and selected.