

December 4, 1997

Mr. Ahmed H. Ahmed
IRS Exempt Organizations Specialist

BY FAX: (213) 725-0676

CASE NUMBER: 317101877

Dear Mr. Ahmed,

In response to our phone conversation this morning, I will attempt to clarify four areas of concern with our application:

#1. There will be no private benefit from the research we are conducting with The Independence Flyer group. The group will build one proof-of-concept aircraft, and this will remain the property of the Experimental Aircraft Association Chapter 292. Once this design is proven and thoroughly flight tested, we will then finalize the plans and offer them for sale to the general public. Fifteen individual members within the chapter have expressed a desire to--entirely with their own funds--purchase a set of plans and individually then build their own Independence Flyer. We then intend to collectively fly to Oshkosh, WI since this is an extremely popular venue where new designs are introduced. Our goal here is to make flying more affordable to the general public.

#2. **Explain "We intend to offer plans for a modest fee, probably around \$35 . . ."** We don't expect to make a huge killing here, and the costs of production and distribution of blueprints and an instruction manual will probably equal this amount. We arrived at this very preliminary figure by comparing similar products on the current open market.

#3. The current fund raising for our new chapter hangar involves no disqualified members.

#4. I have checked with our parent organization, the Experimental Aircraft Association, in Oshkosh, WI, and they informed me that they do not carry their 900+ subordinate chapters under their own 501(c)(3) umbrella. All individual chapters must apply for their own 501(c)(3) status.

I trust that answers your concerns.

Sincerely,

Mike Pongracz, Chapter Secretary