



FRANCHI'st TAX BOARD

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*ACTAMfNTO. CAUFOMNA Mt14

September 5# 19*9

Royal Canyon Property Owners Association
c/o Edwards, Edwards & Ashton
420 Forth Br? nd Aoulcvard, Suite 500
Clendale, California

Re: Exemption from Franchise Tax

Gentlemen:

It Is the opinion of this office, baaed upon the evidence presented, that you are exempt from State franchise tax under the provisions of Section 23701f of the Revenue and Taxation Code, aa it la shown that you are organized and operated exclusively aa a civic leagee*

Accordingly, you will not be required to file iranchlse tax returns unless you change the character of your organisation, the purposes for which you were organized, or your method of operation. Tou are rcquirfd to report any such changes Immediatelly to this iff ice in order that their effect upon your exempt statue may be determined.

If In any year your gross Income exceeds \$25,000, you arc required t*» file an information return on Form 199 on or before the 15th day of the 5th month following the close of your fiscal year. The** forma will be mailed to you if you provide uo vlth your current postal address*

If the organisation is not yet incorporated or has not yet qualified to do buslnesa in California, this t7provel irill expire unless incorporation or qualification is completed within thirty days.

Very truly yours,

\La>nu«
y/Jfounes C. Stewart
(J Counsel

JCSt

cct Secretary of State
<c,f,g,l,J,l,a)