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[Redacted] PO Box 13163, Rm. 643.  
Baltimore, MD 21203

CERTIFIED MAIL

2 DEC 1986

Gentlemen:

We have considered your application for exemption from Federal income tax under the provisions of section 501(a) and as an organization described in section 501(c)(4) of the Internal Revenue Code.

Section 501(c)(4) of the Code exempts organizations not organized for profit but operated exclusively for the promotion of social welfare.

Section 1.501(c)(4)-1(a)(2)(i) of the Federal Income Tax Regulations describes a social welfare organization as one that is operated primarily for the purpose of civic betterment and social improvement.

Your organization is organized and operated to manage and maintain the general and limited common elements of your townhouses. This includes the maintenance, preservation, care and upkeep of the common elements.

Revenue Ruling 74-17, 1974-1 C.B. 131 has held that by virtue of the essential nature and structure of a condominium system and by the maintenance and care of the common elements of the condominium, the provisions of private benefits for the unit owners is evident. Rev. Rul. 74-17 also held that a condominium association cannot be said to be operated exclusively for the promotion of social welfare.

Since your organization is similar to the association cited in the above Ruling, your organization is also not organized or operated exclusively for the promotion of social welfare. Your organization is operating for the primary interests of the unit owners and as such constitutes the provisions of private benefits of your members.

Accordingly, your organization is not qualified for exemption under section 501(c)(4) of the Code. Furthermore, you are not qualified for exemption under any other related paragraph of section 501(c).

Code	Initiator	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer
Surname	[Redacted]	[Redacted]					
Date		12/2/86					

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You are required to file Federal income tax returns on Form 1.20 (or other appropriate form) within two and one-half months following the end of your annual accounting period.

Publication 892, which accompanies this letter, describes your appeal rights fully, should you decide to appeal this ruling.

If we do not hear from you within thirty days of the date of this letter, this will become our final determination on the matter.

Sincerely yours,

  
District Director

Enclosure:  
Publication 892