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As per model
Mar 31*

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March 29, 1978

ART BEAL FOUNDATION
238 1/2 Sandercock
San Luis Obispo, CA 93401

RE: FEDERAL TAX EXEMPTION

Dear John:

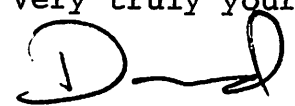
I have received a call from Earl Knight of the Internal Revenue Service Center in Los Angeles regarding our application for exemption from federal taxation. He indicated that the file is in order and that the exemption will be granted, but we must supply him with some additional information.

He requested that I give him a report on the status of the nomination of Nit Wit Ridge to the National Registry of Historical Places. He indicated that if it had been accepted, it would be a favorable mark in the file and would more easily justify his granting our exemption.

He also questioned whether the Art Beal Foundation pays Art Beal anything for his support or pays any of Mr. Beal's bills. I indicated that I did not think the Foundation was making any such payments and that Mr. Beal was allowed to live at Nit Wit Ridge in exchange for his being the caretaker of the property. If this is erroneous or needs clarification, please set me straight and I will notify Mr. Knight as soon as I hear from you.

Please forward the above information to me at your earliest convenience so that we may finalize the federal application for exemption.

Very truly yours,



DAVID FITZPATRICK

DF/rh