

## EXEMPTION APPLICATION

(To be made only by a principal officer of the organization claiming exemption)

To be filed in duplicate with the District Director for your District.

For use of organizations applying for exemption under section 501(a) and described in section 501(c) (3) of the Internal Revenue Code of 1954, which are organized and operated exclusively for one or more of the following purposes (check purpose(s)):

- |                                      |   |                                     |  |
|--------------------------------------|---|-------------------------------------|--|
| <input type="checkbox"/> Religious   | <input checked="" type="checkbox"/> Charitable                                | <input type="checkbox"/> Scientific | <input type="checkbox"/> Testing for Public Safety |
| <input type="checkbox"/> Educational | <input type="checkbox"/> For the prevention of cruelty to children or animals | <input type="checkbox"/>            | <input type="checkbox"/> Literary                  |

EVERY ORGANIZATION THAT CLAIMS TO BE EXEMPT MUST FURNISH THE INFORMATION AND DATA SPECIFIED IN DUPLICATE. IF ANY ORGANIZATION FAILS TO SUBMIT THE INFORMATION AND DATA REQUIRED, THIS APPLICATION WILL NOT BE CONSIDERED ON ITS MERITS AND WILL BE RETURNED.

1. Full name of organization  
**University Students' Co-operative Association**

2. Complete address (Number and street, post office box, city, State, etc.)  
**2424 Ridge Road, Berkeley 9, California**

3. Date submitted  
**see appendix attached**

4a. Is the organization incorporated?  
 Yes  No

b. If "Yes," in which State and under which law (General corporation, not for profit, membership, educational, eleemosynary, etc.)? Cite statutory provisions.  
**Pursuant to the Non-Profit Corporation Law of the State of California**

c. If not incorporated, what is form of organization?

d. Date incorporated or organized  
**November 21, 1934**

5a. Has organization filed Federal income tax return(s)?  
 Yes  No

b. If "Yes," form number of return filed and Internal Revenue District where filed.  
**Form 990, San Francisco office**

c. Year(s) filed regularly since  
**1947**

6. AFTER JULY 1, 1950, DID THE CREATOR OF YOUR ORGANIZATION (if a trust), OR A CONTRIBUTOR TO YOUR ORGANIZATION, OR A BROTHER OR SISTER (Whole or Half blood), SPOUSE, ANCESTOR, OR LINEAL DESCENDANT OF SUCH CREATOR OR CONTRIBUTOR, OR A CORPORATION CONTROLLED DIRECTLY OR INDIRECTLY BY SUCH CREATOR OR CONTRIBUTOR—(If answer to any of the following is "YES," attach detailed statement.)

	Yes	No		Yes	No
a. Borrow any part of your income or corpus?		<input checked="" type="checkbox"/>	d. Purchase any securities or other property from you?		<input checked="" type="checkbox"/>
b. Receive any compensation for personal services from you?		<input checked="" type="checkbox"/>	e. Sell any securities or other property to you?		<input checked="" type="checkbox"/>
c. Have any part of your services made available to him?		<input checked="" type="checkbox"/>	f. Has any part of your income or corpus diverted to him by any transaction?		<input checked="" type="checkbox"/>
7. Has the organization issued membership, stock or other certificates evidencing voting power in the organization?	<input checked="" type="checkbox"/>		If "Yes," are they transferable for money or other consideration?		<input checked="" type="checkbox"/>
8a. Is the organization the outgrowth or continuation of any form of predecessor(s)?	<input checked="" type="checkbox"/>		If "Yes," attach a statement indicating the name of your predecessor(s), the period during which it was in existence, and the reasons for its termination. Submit copies of all papers by which the transfer of assets, if any, was effected.		
b. Is capital stock issued and outstanding?		<input checked="" type="checkbox"/>	If "Yes," attach a statement indicating (1) class or classes of such stock, (2) the number and par value of the shares, (3) the consideration for which issued, and (4) whether any dividends have been paid or whether your certificate of organization authorizes such payment on any class of such stock.		
c. Has any distribution of your property ever been made to shareholders or members?		<input checked="" type="checkbox"/>	If "Yes," attach a statement containing full details, including (1) amounts or value, (2) source of funds or property distributed, and (3) basis of and authority for distribution.		
d. Did you receive 10 percent or more of your assets from any settlor, member, stockholder, director, officer, etc., of your organization, or from any organization or individual enumerated in question 6?		<input checked="" type="checkbox"/>	If "Yes," attach a statement indicating name(s) and giving details of the form of acquisition and reasons therefor.		
e. Does any part of your receipts represent payment for services of any character rendered by the organization?	<input checked="" type="checkbox"/>		If "Yes," attach a statement explaining in detail.		
f. Is the organization now, or has it ever been, engaged in carrying on propaganda, or otherwise either advocating or opposing pending or proposed legislation?	<input checked="" type="checkbox"/>		If "Yes," attach a statement furnishing a detailed explanation of such activities, and furnish copies of literature, if any, distributed by the organization.		
g. Does the organization participate in or intervene in (including the publishing or distributing of statements) any political campaign on behalf of any candidate for public office?		<input checked="" type="checkbox"/>	If "Yes," attach a statement furnishing a detailed explanation and furnish copies of literature, if any, distributed by the organization.		
h. Have any payments been made to members or shareholders for services rendered the organization?	<input checked="" type="checkbox"/>		If "Yes," attach a statement furnishing a detailed explanation of the amount so paid and the character of the services rendered.		
i. Does any part of the net income of the organization inure to the benefit of any private shareholder or individual?		<input checked="" type="checkbox"/>	If "Yes," attach a statement explaining in detail.		
j. Do you control, have you controlled, are you controlled by or have you been controlled by any organization(s)?		<input checked="" type="checkbox"/>	If "Yes," attach a statement explaining in detail.		
k. Are you in any manner affiliated with any organization(s)?	<input checked="" type="checkbox"/>		If "Yes," attach a statement explaining in detail.		

9. YOU MUST SUBMIT COPIES IN DUPLICATE OF ALL ADMINISTRATIVE OPINIONS AND SUBMIT CITATIONS OF ALL JUDICIAL DECISIONS AS WELL AS COPIES OF APPLICATIONS OR REQUESTS FOR SUCH OPINIONS AND DECISIONS (IF ANY) RELATING TO THE FOLLOWING QUESTIONS.

a. Has the organization ever received or requested any exempt or special status under the law of the State of its incorporation or operation, such as income or property tax exemption?	Yes	No	b. Is the organization under the supervisory jurisdiction of any State, county, or city regulatory body, such as the social welfare agency, board of regents; etc., or has such status ever been requested?	Yes	No
	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Has any court (including a Court of Probate, Surrogate's Court, etc.) ever declared that the organization was organized and operated for charitable, etc., purposes or has such status ever been requested?				<input checked="" type="checkbox"/>	<input type="checkbox"/>

10. HAVE YOU ATTACHED COPIES IN DUPLICATE OF THE FOLLOWING WHICH YOU ARE REQUIRED TO SUBMIT?

a. If incorporated, a copy of your articles of incorporation, or if not incorporated, a copy of your constitution, articles of association, declaration of trust, or other document setting forth your aims and purposes. (Conformed copies must be furnished of the original document, all amendments thereto, and any changes presently proposed.)	Yes	No	e. A brief statement of the specific purposes for which the organization was formed. (Do not quote from or make reference to the articles of incorporation or bylaws for this question.)	Yes	No
	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. A copy of your bylaws or other similar code of regulations. (Conformed copies must be furnished of the original document, all amendments thereto, and any changes presently proposed.)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	f. A statement explaining in detail each fund-raising activity and each business enterprise engaged in, accompanied by copies of all agreements, if any, with other parties for the conduct of each fund-raising activity or business.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. A complete statement of assets and liabilities as of the end of each annual accounting period.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	g. A statement which describes in detail the nature of your activities, activities which you sponsor, and proposed activities.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d. A statement of receipts and expenditures for each annual accounting period of operation. This statement should set forth clearly the sources of receipts and purposes of expenditures. These items should include but are not limited to:  (1) Where funds have been loaned or borrowed, the reason for the transaction, the security given, and interest required.  (2) The extent to which the receipts or income is derived from nonmembers through ticket sales, facilities furnished, or other income producing activities.  (3) Where applicant is a party to a lease, the other party being an officer, member, shareholder, or employee of the applicant or its predecessor, the amount received or paid for the lease, reasons for the transaction, and a statement as to the fair market value of the property and how that value was determined.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	h. A statement which explains fully any specific activities that the organization has engaged in or sponsored and which have been discontinued. (Give dates of commencement and termination and the reasons for discontinuance.)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
			i. A statement which describes the purposes, other than in payment for services rendered or supplies furnished, for which the organization's funds are expended.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
			j. A copy of each lease, if any, in which you are the lessee or lessor of property (real, personal, gas, oil, or mineral) or in which you own an interest under such lease, together with copies of all agreements with other parties for development of the property.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
			k. A statement which clearly indicates what State statutes or court decisions govern the distribution of assets upon dissolution. (This statement may be omitted if the organization's charter, certificate, or other instrument of organization makes provision for such distribution.)	<input type="checkbox"/>	<input type="checkbox"/>
11. Are you claiming an exemption as an exclusively educational organization where a regular curriculum and faculty are not normally maintained or where a regularly enrolled body of pupils or students is not normally in attendance at the place where the educational activities are regularly carried on?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	If "Yes," have you attached required specimen copies of any books, pamphlets, leaflets, or other printed matter issued or distributed during each annual accounting period of operation?	<input type="checkbox"/>	<input type="checkbox"/>
12. If the organization is a hospital or a home for the aged, state the number of patient days during each annual accounting period of operation of:	a. Full pay patients		b. Part pay patients	c. Charity patients (admitted as such)	

INSTRUCTIONS

**A. Time and Place for Filing.**—An application will not be considered for exemption if the organization has had less than 12 months of active operation (not mere existence or activity preparatory to major endeavors) for the purpose for which it was created, unless the organization is eligible for tentative exemption as a community or public type of organization as described in Rev. Rul. 54-164, C.B. 1954-1, 88.  
When this application is completed and all information and data required are attached, file in duplicate with your District Director of Internal Revenue. As soon as practicable after the information and data are received, the organization will be advised of the Commissioner's determination and of the annual returns which will be required to be filed.

**B. Attachments.**—Every attachment should show the name and address of the organization, the date, an identifiable heading, and that it is an attachment to Form 1023.  
In addition to the documents and statements listed which must be filed, any additional information citing court decisions, rulings, opinions, etc., may be filed for purposes of expediting processing of the application.

**C. Power of Attorney.**—If the organization expects to be represented in person or by correspondence by an agent or an attorney, a power of at-

torney specifically authorizing the agent or attorney to represent the organization must be filed.

**D. Claim for Exemption.**—A mere claim or contention by an organization that it is exempt from income tax under section 501 (a) of the Internal Revenue Code of 1954 and the corresponding provisions of prior revenue acts will not relieve the organization from filing income tax returns and paying the tax.

**E. Requests for withholding of information.**—Any information which is contained in a supporting document and which is determined by the Commissioner to relate to any trade secret, patent, process, style of work, or apparatus, may upon request be withheld from public inspection if the Commissioner determines that the disclosure of such information would adversely affect the organization. Such request must (1) clearly identify the material to be withheld (the document, page, paragraph, and line), (2) include the reasons for the organization's position that the information is of the type which may be withheld from public inspection, and (3) be filed with the supporting documents in which the material to be withheld is contained.

SIGNATURE AND VERIFICATION

I declare under the penalties of perjury that this application (including any accompanying statements) has been examined by me and is, to the best of my knowledge and belief, a true, correct, and complete application, made in good faith pursuant to the Internal Revenue Code and the regulations thereunder.

April 19, 1960  
(Date)

John J. Balworth  
(Signature of officer)

President  
(Title)

APPENDIX

Attachment to Form 1023 (application of University Students' Co-operative Association for a classification as a charitable organization)

April 18, 1960

3. Original application submitted, September 18, 1958. Articles of Incorporation amended, State of California, March 17, 1960. Amended application submitted April 18, 1960.
  
- 8a. The name of the predecessor organization was the "University of California Students' Co-operative Association". It was in existence from January of 1933 until November 21, 1934, the date on which the present corporation was incorporated. There was no formal transfer of assets or papers involved in this transaction for the simple reason that this was merely the incorporation of a previously existing association.
  
- 8b. The resources of revenue stem primarily from board and lodging fee. In addition, each member who may avail themselves of telephone and/or parking privileges must also pay for this service. The membership fee, which represents capitalization, is \$5 per member. In the financial statement which accompanies this application, there is a complete breakdown of revenue and expenses of the organization.
  
- 8c. ~~This organization has not been engaged in carrying on propaganda or advocating or opposing legislation as a part of its activities. However, to answer the question correctly, it is true that on one occasion, a request was made to the Federal legislators to include in the National Housing legislation a section which would permit student organizations supplying low-cost housing to college or university students on a non-discriminatory basis to qualify for loans for the construction of residence halls at a beneficial interest rate.~~
  
- 8d. Not as a shareholder; however, members of the organization often work in sub-management and other positions. These people are paid, although the stipend is nominal.
  
- 8e. The University Students' Co-operative Association is affiliated with the North American Students' Co-operative League and the Associated Co-operatives:

1. It is affiliated with the North American Students' Co-operative League in a desire to maintain contact with other similar groups throughout the nation. There is no national charter, and no obligations are demanded on either side. Apart from a news letter publication and an occasional gathering of student leaders there is little activity.
2. Associated Co-operatives is a regional co-operative purchasing organization organized and controlled by local organizations to provide savings in the wholesaling of food and other merchandise. The USCA is a member; its membership requires no demands short of the requirement to purchase a minimum amount of merchandise each year and to invest capital proportionately so that the regional organization can operate. In addition to savings accruing from participation in the services of the regional, the local member-society obtains the services of the educational agencies of Associated Co-operatives, the California Co-operative League and the Co-operative League of the United States. These are considerable, consisting of news organs, magazines, periodicals, books, motion pictures, conference-sessions on education, workshops in the activities of co-operatives, summer camps, and the supplying of speakers for special occasions. Membership is by contract which can be rescinded mutually; the local societies are owners, and government is by a board of directors elected at an annual meeting of the delegate assembly of Associated Co-operatives. The delegate assembly consists of delegates from the local member organizations.

9a. Attached hereto is a copy of the ruling of the California Franchise Tax Board in answer to our request for exemption of State income tax.

10c & d. A single copy of our last audit report is enclosed herein. We have already forwarded one to you.

10e. This organization was formed for the following purposes:

1. To eliminate prejudice and discrimination by providing low-cost housing to all University students regardless of race, creed, color, or national origin.
2. To pioneer the concept of equality and democracy in housing for all University students.
3. By example, provide evidence that people of all backgrounds can live together harmoniously and peacefully.

4. To assist students of limited means in acquiring a University education by providing a simple and desirable living environment at a cost lower than that provided elsewhere in the community.
  5. To continue a policy of educating the community in the desirability of the type of living provided by the organization.
  6. To expand the facilities of the organization as rapidly as possible in order to care for the great need for low-cost housing for University students, particularly those from minority groups.
  7. To cultivate the concepts of responsible citizenship by promoting the principle of democratic control by the members of the organization so that they will be exposed to the forces which will assist them in being productive citizens of the community in the years after college life.
  8. To extend the operations of the organization as rapidly as possible and thus relieve the University from the need to provide, to that degree, State financed facilities for students at this campus.
- 10f. In the broadest sense funds are raised for the conduct of the operations by requiring payment of board and lodging fees by members. (This has been answered in question 8e above.) In addition each member pays a \$5.00 membership fee and posts a small deposit during his stay in the organization. Beyond this funds are presently being raised to provide building capital so that the organization may expand its facilities to meet the tremendously increasing enrollments at the University of California. Without the service provided by the USCA, it is believed that a considerable number of the future qualified applicants to the University will be unable to afford a university education.
- 10g. The following is a description of some of the major activities, beyond the obviously one of providing room and lodging for students, of the University Students' Co-operative Association:
1. The University Students' Co-operative Association from time to time has offered, either alone or in conjunction with service organizations, various scholarships to its worthy members. These scholarships, eight of which were offered this last year, are granted on the basis of scholarship, need, and participation in the leadership and activities of the organization. In addition to these scholarships, five loan funds are operated for members who need modest amount for necessaries. The total of these funds is approximately \$2000. The funds are widely used.
  2. Each unit of the organization encourages scholastic achievement at the University of California. Methods used to this end are: a) enforcement of quiet and study hours from 7 p.m. to 7 a.m. daily except weekends;

b) the establishment of study rooms and libraries for members; the libraries, to be sure, are modest and the study rooms spartan, but they represent the desire of the membership of the organization to create an atmosphere conducive to the development of good study habits and the facilitation of the learning process; c) the governing bodies of the USCA and its various units advocate and encourage high scholastic attainment among its members.

3. The University of California periodically publishes the listings of the scholastic standing of groups associated with the University. From time to time the units of the USCA have excelled in this regard, and on occasions have simultaneously topped the listings of both the men and the women. Lately one of our units in particular has been constantly outstanding in this area. ~~It should also be noted that three of the last four winners (1956-1959 inc.) of the University Gold Medal award for academic achievement have been members of one of the units of the USCA.~~
4. Each unit of the USCA provides for an Educational Committee; in addition, the corporation itself has an Educational and Cultural Committee. The chairman of this latter committee sits on the Board of Directors of the organization. It is the duty of these agencies to provide educational and cultural activities for members during the course of the academic year. In the main these activities consist of forums and discussions on issues currently stimulating, speeches by leading personalities and educators, concerts designed toward encouraging musical talent among members, programs devoted to co-operative education, and extra curricula sessions with University professors. Examples of those who have participated with us are national political leaders, widely known authors, scientists, aeronautical engineers, professors, co-operative educators, local community leaders, and on occasions, visiting dignitaries from foreign countries. The number of events of this type vary each year; the probable average is approximately twenty.

A recent scientific activity on the part of the organization is the stimulation and encouragement of members of the organization in the publication of a scientific journal distributed for the purpose for encouraging students throughout the world in increasing their knowledge of the great scientific developments of the day. Contributors to this magazine are students of high school, college and graduate age. Initially the magazine was mimeographed in the office of the USCA; at present it is being printed, but members of the organization make up the copy and format of the magazine using the quarters and equipment of the organization. This particular magazine is known as "The Particle". Its success is stimulating a companion publication in the field of humanities. This endeavor is being encouraged and assisted by the USCA; its staff members counsel and aid the students in their work.

5. During the University semester, members of the organization who have become skilled in their various educational fields assist the beginners

and lower classmen. This tutoring activity is carefully organized, reaching a peak toward the end of the semester when seminars are held on a wide variety of subjects. These seminars are conducted by members and are highly popular. They serve the useful purpose of transmitting knowledge on fundamental University subjects from one group to another. It is an accepted part of our program that those most skilled in academic subjects help those who do not have the equivalent skill or training. Thus all are aided in the acquisition of an adequate education.

6. By example, and by the dissemination of literature and other communication media, to promote the welfare of all University students in the type of group living exemplified by the University Students' Co-operative Association, and in particular to encourage the community to accept an integrated housing program.

10h. The organization has not terminated any specific activities, there may have been an increase or decrease in emphasis, but no actual activities has been terminated.

10i. The bulk of the funds of the organization is expended for services rendered; however, a portion of the budget each year is utilized to provide an educational and cultural atmosphere for the members of the organization. In addition, an appropriation is made to communicate to the community the purposes for which the organization stands. Finally, funds are expended in the laying of plans for future expansion.

10j. This organization has four leaseholds. It is assumed that since all are standard type leases, it will not be necessary to reproduce each in detail. However, the pertinent data contained in each lease is enclosed herein.

Lease No. 1

Property: realty and building located at 2527 Ridge Road, Berkeley  
Lessor: Murial W. Ratcliff  
Lessee: University Students' Co-operative Association  
Term: July 1, 1956 to and including June 30, 1961  
Rent: \$655 monthly  
Capacity: 78 women students and house mother.

Lease No. 2

Property: realty and building located at 2140 Oxford Street, Berkeley  
Lessor: Clark W. Anderson  
Lessee: University Students' Co-operative Association  
Term: July 1, 1954 to and including June 30, 1957 and modified to extend to and including June 30, 1960  
Rent: \$425 monthly through June 30, 1957 and \$487.50 through June 30, 1962  
Capacity: 108 men students.

Lease No. 3

Property: realty and building located at 2528 Ridge Road, Berkeley  
Lessor: Regents of the University of California  
Lessee: University Students' Co-operative Association  
Term: month to month  
Rent: \$125 monthly  
Capacity: 19 men students

Lease No. 4

Property: realty and building located at 2532 Ridge Road, Berkeley  
Lessor: Regents of the University of California  
Lessee: University Students' Co-operative Association  
Term: month to month  
Rent: \$100 monthly  
Capacity: 15 men students