

## Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code

OMB No. 1545-0056  
 Expires 5-31-96  
 If exempt status is approved, this application will be open for public inspection.

Read the instructions for each Part carefully.  
**A User Fee must be attached to this application.**  
 If the required information and appropriate documents are not submitted along with Form 8718 (with payment of the appropriate user fee), the application may be returned to you.

**Complete the Procedural Checklist on page 7 of the instructions.**

### Part I Identification of Applicant

|  |  |  |
|--|--|--|
| <b>1a</b> Full name of organization (as shown in organizing document)<br>Friends of Olympia Farmers Market   |  | <b>2</b> Employer identification number (If none, see instructions.)<br>91 : 1688616   |
| <b>1b</b> c/o Name (if applicable)<br>Steve Wilcox   |  | <b>3</b> Name and telephone number of person to be contacted if additional information is needed<br><br>Pamela A. Cairns<br>( 206 ) 628-2788 |
| <b>1c</b> Address (number, street, and room or suite no.)<br>P.O. Box 925  |  |  |
| <b>1d</b> City or town, state, and ZIP code<br>Olympia, WA 98507   |  | <b>4</b> Month the annual accounting period ends<br>December   |
| <b>5</b> Date incorporated or formed<br>7/7/95   | <b>6</b> Activity codes (See instructions.)<br>915   123   124 |  |
| <b>7</b> Check here if applying under section:<br>a <input type="checkbox"/> 501(e)    b <input type="checkbox"/> 501(f)    c <input type="checkbox"/> 501(k)  |  |  |
| <b>8</b> Did the organization previously apply for recognition of exemption under this Code section or under any other section of the Code?<br>If "Yes," attach an explanation. . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                        |  |  |
| <b>9</b> Is the organization required to file Form 990 (or Form 990-EZ)?<br>If "No," attach an explanation (see instructions). . . . . <input type="checkbox"/> N/A <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  |  |  |
| <b>10</b> Has the organization filed Federal income tax returns or exempt organization information returns?<br>If "Yes," state the form numbers, years filed, and Internal Revenue office where filed. . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |  |  |

**11** Check the box for the type of organization. BE SURE TO ATTACH A CONFORMED COPY OF THE CORRESPONDING DOCUMENTS TO THE APPLICATION BEFORE MAILING (See Specific Instructions, Part I, Line 11.) Get Pub. 557, Tax-Exempt Status for Your Organization, for examples of organizational documents.)

- a  **Corporation**—Attach a copy of the Articles of Incorporation (including amendments and restatements) showing approval by the appropriate state official; also include a copy of the bylaws.
- b  **Trust**—Attach a copy of the Trust Indenture or Agreement, including all appropriate signatures and dates.
- c  **Association**—Attach a copy of the Articles of Association, Constitution, or other creating document, with a declaration (see instructions) or other evidence the organization was formed by adoption of the document by more than one person; also include a copy of the bylaws.

If the organization is a corporation or an unincorporated association that has not yet adopted bylaws, check here

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

Please Sign Here   
 (Signature) (Title or authority of signer) 11-15-95 (Date)

**Part II** Activities and Operational Information

- 1 Provide a detailed narrative description of all the activities of the organization—past, present, and planned. Do not merely refer to or repeat the language in the organizational document. Describe each activity separately in the order of importance. Each description should include, as a minimum, the following: (a) a detailed description of the activity including its purpose; (b) when the activity was or will be initiated; and (c) where and by whom the activity will be conducted.

See attached.

- 
- 2 What are or will be the organization's sources of financial support? List in order of size.

Contributions from the general public.

- 
- 3 Describe the organization's fundraising program, both actual and planned, and explain to what extent it has been put into effect. Include details of fundraising activities such as selective mailings, formation of fundraising committees, use of volunteers or professional fundraisers, etc. Attach representative copies of solicitations for financial support.

See attached.

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**Part II** Activities and Operational Information (Continued)

Give the following information about the organization's governing body:

a Names, addresses, and titles of officers, directors, trustees, etc.

See attached.

b Annual compensation

c Do any of the above persons serve as members of the governing body by reason of being public officials or being appointed by public officials?  Yes  No  
If "Yes," name those persons and explain the basis of their selection or appointment.

Jeanette Hawkins is an Olympia City Council person. The Board's policy is to appoint one member of the City or County Council or a Port Commissioner to be a member of the Board. Since the City is active in the establishment and continuing operations of the Olympia Farmers Market, the position likely will continue to be filled by a City Council person.

d Are any members of the organization's governing body "disqualified persons" with respect to the organization (other than by reason of being a member of the governing body) or do any of the members have either a business or family relationship with "disqualified persons"? (See Specific Instructions, Part II, Line 4d.)  Yes  No  
If "Yes," explain.

5 Does the organization control or is it controlled by any other organization?  Yes  No  
Is the organization the outgrowth of (or successor to) another organization, or does it have a special relationship with another organization by reason of interlocking directorates or other factors?  Yes  No  
If either of these questions is answered "Yes," explain.

Three members of the Friends' Board of Directors are members of The Farmers Market, a non-profit organization that runs the Olympia Farmers Market. The interlocking directors are less than a majority on the Friends' Board

6 Does or will the organization directly or indirectly engage in any of the following transactions with any political organization or other exempt organization (other than a 501(c)(3) organization): (a) grants; (b) purchases or sales of assets; (c) rental of facilities or equipment; (d) loans or loan guarantees; (e) reimbursement arrangements; (f) performance of services, membership, or fundraising solicitations; or (g) sharing of facilities, equipment, mailing lists or other assets, or paid employees?  Yes  No  
If "Yes," explain fully and identify the other organizations involved.

Is the organization financially accountable to any other organization?  Yes  No  
If "Yes," explain and identify the other organization. Include details concerning accountability or attach copies of reports if any have been submitted.

**Part II** Activities and Operational Information (Continued)

8 What assets does the organization have that are used in the performance of its exempt function? (Do not include property producing investment income.) If any assets are not fully operational, explain their status, what additional steps remain to be completed, and when such final steps will be taken. If "None," indicate "N/A."

Cash, held in bank account

9 Will the organization be the beneficiary of tax-exempt bond financing within the next 2 years?  Yes  No

10a Will any of the organization's facilities or operations be managed by another organization or individual under a contractual agreement?  Yes  No

b Is the organization a party to any leases?  Yes  No  
If either of these questions is answered "Yes," attach a copy of the contracts and explain the relationship between the applicant and the other parties.

11 Is the organization a membership organization?  Yes  No  
If "Yes," complete the following:

a Describe the organization's membership requirements, and attach a schedule of membership fees and dues.

b Describe the organization's present and proposed efforts to attract members, and attach a copy of any descriptive literature or promotional material used for this purpose.

c What benefits do (or will) the members receive in exchange for their payment of dues?

12a If the organization provides benefits, services, or products, are the recipients required, or will they be required, to pay for them?  N/A  Yes  No  
If "Yes," explain how the charges are determined, and attach a copy of the current fee schedule.

b Does or will the organization limit its benefits, services, or products to specific individuals or classes of individuals?  N/A  Yes  No  
If "Yes," explain how the recipients or beneficiaries are or will be selected.

13 Does or will the organization attempt to influence legislation?  Yes  No  
If "Yes," explain. Also, give an estimate of the percentage of the organization's time and funds that it devotes or plans to devote to this activity.

14 Does or will the organization intervene in any way in political campaigns, including the publication or distribution of statements?  Yes  No  
If "Yes," explain fully.

**Part III** Technical Requirements

1 Are you filing Form 1023 within 15 months from the end of the month in which your organization was created or formed?  Yes  No  
If you answer "Yes," do not answer questions on lines 2 through 7.

2 If one of the exceptions to the 15-month filing requirement shown below applies, check the appropriate box and proceed to question 8.

Exceptions—You are not required to file an exemption application within 15 months if the organization:

- a Is a church, interchurch organization of local units of a church, a convention or association of churches, or an integrated auxiliary of a church (see instructions);
- b Is not a private foundation and normally has gross receipts of not more than \$5,000 in each tax year; or
- c Is a subordinate organization covered by a group exemption letter, but only if the parent or supervisory organization timely submitted a notice covering the subordinate.

3 If the organization does not meet any of the exceptions on line 2, are you filing Form 1023 within 27 months from the end of the month in which the organization was created or formed?  Yes  No

If "Yes," your organization qualifies under section 4.01 of Rev. Proc. 92-85, 1992-42 I.R.B. 32, for an automatic 12-month extension of the 15-month filing requirement. Do not answer questions 4 through 7.

If "No," answer question 4.

4 If you answer "No" to question 3, has the organization been contacted by the IRS regarding its failure to file Form 1023 within 27 months from the end of the month in which the organization was created or formed?  Yes  No

If "No," your organization qualifies for an extension of time to apply under the "reasonable action and good faith" requirements of section 5.01 of Rev. Proc. 92-85. Do not answer questions 5 through 7.

If "Yes," answer question 5.

5 If you answer "Yes" to question 4, does the organization wish to request relief from the 15-month filing requirement?  Yes  No

If "Yes," give the reasons for not filing this application prior to being contacted by the IRS. See Specific Instructions, Part III, Line 5, before completing this item. Do not answer questions 6 and 7.

If "No," answer question 6.

6 If you answer "No" to question 5, your organization's qualification as a section 501(c)(3) organization can be recognized only from the date this application is filed with your key District Director. Therefore, do you want us to consider the application as a request for recognition of exemption as a section 501(c)(3) organization from the date the application is received and not retroactively to the date the organization was created or formed?  Yes  No

7 If you answer "Yes" to the question on line 6 above and wish to request recognition of section 501(c)(4) status for the period beginning with the date the organization was formed and ending with the date the Form 1023 application was received (the effective date of the organization's section 501(c)(3) status), check here  and attach a completed page 1 of Form 1024 to this application.

**Part III** Technical Requirements (Continued)

- 8 Is the organization a private foundation?  
 Yes (Answer question on line 9.)  
 No (Answer question on line 10 and proceed as instructed.)

- 9 If you answer "Yes" to the question on line 8, does the organization claim to be a private operating foundation?  
 Yes (Complete Schedule E)  
 No

After answering the question on this line, go to Part IV.

- 10 If you answer "No" to the question on line 8, indicate the public charity classification the organization is requesting by checking the box below that most appropriately applies:

**THE ORGANIZATION IS NOT A PRIVATE FOUNDATION BECAUSE IT QUALIFIES:**

- |   |  |  |
|---|--|--|
| a | <input type="checkbox"/> As a church or a convention or association of churches (CHURCHES MUST COMPLETE SCHEDULE A.)   | Sections 509(a)(1) and 170(b)(1)(A)(i)                       |
| b | <input type="checkbox"/> As a school (MUST COMPLETE SCHEDULE B.)   | Sections 509(a)(1) and 170(b)(1)(A)(ii)                      |
| c | <input type="checkbox"/> As a hospital or a cooperative hospital service organization, or a medical research organization operated in conjunction with a hospital (MUST COMPLETE SCHEDULE C.)  | Sections 509(a)(1) and 170(b)(1)(A)(iii)                     |
| d | <input type="checkbox"/> As a governmental unit described in section 170(c)(1).  | Sections 509(a)(1) and 170(b)(1)(A)(v)                       |
| e | <input type="checkbox"/> As being operated solely for the benefit of, or in connection with, one or more of the organizations described in a through d, g, h, or i (MUST COMPLETE SCHEDULE D.)   | Section 509(a)(3)  |
| f | <input type="checkbox"/> As being organized and operated exclusively for testing for public safety.  | Section 509(a)(4)  |
| g | <input type="checkbox"/> As being operated for the benefit of a college or university that is owned or operated by a governmental unit.  | Sections 509(a)(1) and 170(b)(1)(A)(iv)                      |
| h | <input checked="" type="checkbox"/> As receiving a substantial part of its support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public.   | Sections 509(a)(1) and 170(b)(1)(A)(vi)                      |
| i | <input type="checkbox"/> As normally receiving not more than one-third of its support from gross investment income and more than one-third of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions). | Section 509(a)(2)  |
| j | <input type="checkbox"/> The organization is a publicly supported organization but is not sure whether it meets the public support test of block h or block i. The organization would like the IRS to decide the proper classification.  | Sections 509(a)(1) and 170(b)(1)(A)(vi) or Section 509(a)(2) |

If you checked one of the boxes a through f in question 10, go to question 15. If you checked box g in question 10, go to questions 12 and 13. If you checked box h, i, or j, go to question 11.

**Part IV** Financial Data

Complete the financial statements for the current year and for each of the 3 years immediately before it. If in existence less than 4 years, complete the statements for each year in existence. If in existence less than 1 year, also provide proposed budgets for the 2 years following the current year.

**A. Statement of Revenue and Expenses**

|   | Current tax year            | 3 prior tax years or proposed budget for 2 years |               |             | (e) TOTAL |
|---|-----------------------------|--|---------------|-------------|-----------|
|   | (a) From 7/7/95 to 12/31/95 | (b) 19.96...                                     | (c) 19.97.... | (d) 19..... |           |
| <b>Revenue</b>  |                             |  |               |             |           |
| 1 Gifts, grants, and contributions received (not including unusual grants—see instructions) . . . . .   | 18,000                      | 30,000   | 50,000        |             | 98,000    |
| 2 Membership fees received . . . . .  |                             |  |               |             |           |
| 3 Gross investment income (see instructions for definition) . . . . .   | 200                         | 500  | 800           |             | 1,500     |
| 4 Net income from organization's unrelated business activities not included on line 3 . . . . .   |                             |  |               |             |           |
| 5 Tax revenues levied for and either paid to or spent on behalf of the organization . . . . .   |                             |  |               |             |           |
| 6 Value of services or facilities furnished by a governmental unit to the organization without charge (not including the value of services or facilities generally furnished the public without charge) . . . . . |                             |  |               |             |           |
| 7 Other income (not including gain or loss from sale of capital assets) (attach schedule) . . . . .   |                             |  |               |             |           |
| 8 Total (add lines 1 through 7)   | 18,200                      | 30,500   | 50,800        |             | 99,500    |
| 9 Gross receipts from admissions, sales of merchandise or services, or furnishing of facilities in any activity that is not an unrelated business within the meaning of section 513                               |                             |  |               |             |           |
| 10 Total (add lines 8 and 9) . . . . .  | 18,200                      | 30,500   | 50,800        |             | 99,50     |
| 11 Gain or loss from sale of capital assets (attach schedule) . . . . .   |                             |  |               |             |           |
| 12 Unusual grants . . . . .   |                             |  |               |             |           |
| 13 Total revenue (add lines 10 through 12) . . . . .  | 18,200                      | 30,500   | 50,800        |             | 99,50     |
| <b>Expenses</b>   |                             |  |               |             |           |
| 14 Fundraising expenses . . . . .   | 9,000                       | 15,000   | 25,000        |             |           |
| 15 Contributions, gifts, grants, and similar amounts paid (attach schedule) . . . . .   |                             | 10,000   | 20,000        |             |           |
| 16 Disbursements to or for benefit of members (attach schedule) . . . . .   |                             |  |               |             |           |
| 17 Compensation of officers, directors, and trustees (attach schedule) . . . . .  |                             |  |               |             |           |
| 18 Other salaries and wages . . . . .   |                             |  |               |             |           |
| 19 Interest . . . . .   | 200                         | 500  | 800           |             |           |
| 20 Occupancy (rent, utilities, etc.) . . . . .  |                             |  |               |             |           |
| 21 Depreciation and depletion . . . . .   |                             |  |               |             |           |
| 22 Other (attach schedule) . . . . .  |                             |  |               |             |           |
| 23 Total expenses (add lines 14 through 22) . . . . .   | 9,200                       | 25,500   | 45,800        |             |           |
| 24 Excess of revenue over expenses (line 13 minus line 23)  | 9,000                       | 5,000  | 5,000         |             |           |

**Part IV** Financial Data (Continued)

**B. Balance Sheet (at the end of the period shown)**

Current tax year  
Date 11/10/95

**Assets**

|    |   |    |        |
|----|---|----|--------|
| 1  | Cash . . . . .  | 1  | 12,820 |
| 2  | Accounts receivable, net . . . . .                            | 2  |        |
| 3  | Inventories . . . . .   | 3  |        |
| 4  | Bonds and notes receivable (attach schedule) . . . . .        | 4  |        |
| 5  | Corporate stocks (attach schedule) . . . . .                  | 5  |        |
| 6  | Mortgage loans (attach schedule) . . . . .                    | 6  |        |
| 7  | Other investments (attach schedule) . . . . .                 | 7  |        |
| 8  | Depreciable and depletable assets (attach schedule) . . . . . | 8  |        |
| 9  | Land . . . . .  | 9  |        |
| 10 | Other assets (attach schedule) . . . . .                      | 10 |        |
| 11 | <b>Total assets</b> (add lines 1 through 10) . . . . .        | 11 |        |

**Liabilities**

|    |  |    |       |
|----|--|----|-------|
| 12 | Accounts payable . . . . .                                   | 12 | 120   |
| 13 | Contributions, gifts, grants, etc., payable . . . . .        | 13 |       |
| 14 | Mortgages and notes payable (attach schedule) . . . . .      | 14 |       |
| 15 | Other liabilities (attach schedule) (Bricks) . . . . .       | 15 | 6,584 |
| 16 | <b>Total liabilities</b> (add lines 12 through 15) . . . . . | 16 | 6,704 |

**Fund Balances or Net Assets**

|    |  |    |       |
|----|--|----|-------|
| 17 | Total fund balances or net assets . . . . .  | 17 | 6,116 |
| 18 | <b>Total liabilities and fund balances or net assets</b> (add line 16 and line 17) . . . . . | 18 | 6,116 |

If there has been any substantial change in any aspect of the organization's financial activities since the end of the period shown above, check the box and attach a detailed explanation . . . . .



Friends of Olympia Farmers Market  
EIN 91-1688616  
Form 1023  
Part II  
Question 1.

Maintenance of Public Building. Friends of Olympia Farmers Market, ("Friends") will maintain the building that the Olympia Farmers Market leases from the City of Olympia, Washington. The City of Olympia issued bonds to purchase the building with the intention of leasing it to the Olympia Farmers Market. Friends intends to contribute up to \$200,000 to the City of Olympia towards retirement of the bonds.

Friends will also perform necessary maintenance and repairs to the property owned by the City. In addition, as funds are available, Friends will enhance the building by remodeling and adding additional amenities. For example, Friends plans to add extra restroom facilities and overhead heaters. Friends hopes to use some of its funds for future expansion of the building.

Educational Activities. Friends intends to present agricultural education programs to the general public. In addition, Friends intends to perform agricultural research and provide education through demonstration gardens.

Friends of Olympia Farmers Market  
EIN 91-1688616  
Form 1023  
Part II  
Question 3.

Friends is accepting donations from the general public. Individuals or organizations who donate a certain minimum amount are entitled to have their name engraved on a brick which will form a part of the floor of the Market. Also, other items may be sponsored. For example, an individual or organization willing to donate funds for specific items such as furniture or landscape materials will get their name on a plaque so indicating.

Friends of Olympia Farmers Market  
EIN 91-1688616  
Form 1023  
Part II  
Question 4.

|  |       |
|--|-------|
| Steve Wilcox, President and Director<br>P.O. Box 925<br>Olympia, WA 98507        | \$-0- |
| Jo Ann Woodall, Vice President and Director<br>P.O. Box 925<br>Olympia, WA 98507 | \$-0- |
| Jeff Johnson, Secretary and Director<br>P.O. Box 925<br>Olympia, WA 98507        | \$-0- |
| Kevin Lyon, Treasurer and Director<br>P.O. Box 925<br>Olympia, WA 98507          | \$-0- |
| Bob Sullivan, Director<br>P.O. Box 925<br>Olympia, WA 98507                      | \$-0- |
| Joe Ford, Director<br>P.O. Box 925<br>Olympia, WA 98507                          | \$-0- |
| Jeanette Hawkins, Director<br>P.O. Box 925<br>Olympia, WA 98507                  | \$-0- |

INTERNAL REVENUE SERVICE  
DISTRICT DIRECTOR  
2 CUPANIA CIRCLE  
MONTEREY PARK, CA 91755-7406

DEPARTMENT OF THE TREASURY

FRIENDS OF OLYMPIA FARMERS MARKET  
C/O STEVE WILCOX  
P.O. BOX 925  
OLYMPIA, WA 98507

Date of this Notice:  
DEC. 20, 1995  
Person to Contact:  
EO DESK OFFICER  
Telephone Number:  
(213) 725-1758  
Case Number:  
955352051  
File Folder Number:  
958675449  
Days to Process: 100

Application for Recognition of Exemption from Federal Income Tax

We have received your application for recognition of exemption from Federal income tax and have assigned it the case number listed above. You should refer to that number in any communication with us concerning your application.

We will review your application and send you a reply as soon as possible. However, we must process applications in the order that we receive them.

You may normally expect to hear from us within the above processing time. If you do not hear from us within that period and choose to write again, please include a copy of this letter with your correspondence. Also, please provide a telephone number and the most convenient time to call if we need to contact you.

Thank you for your cooperation.

INTERNAL REVENUE SERVICE  
DISTRICT DIRECTOR  
2 CUPANIA CIRCLE  
MONTEREY PARK, CA 91755-7406

DEPARTMENT OF THE TREASURY

Date:

1-12-96

FRIENDS OF OLYMPIA FARMERS MARKET  
C/O STEVE WILCOX  
P.O. BOX 925  
OLYMPIA, WA 98507

Employer Identification Number:  
91-1688616  
Case Number:  
955352051  
Contact Person:  
TERRY IZUMI  
Contact Telephone Number:  
(714) 826-1448  
Response Due Date:  
2/2/96

Dear Applicant:

Before we can determine whether your organization is exempt from Federal income tax, we must have enough information to show that you have met all legal requirements. You did not include the information needed to make that determination on your Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code.

To help us determine whether your organization is exempt from Federal income tax, please send us the requested information by the above date. We can then complete our review of your application.

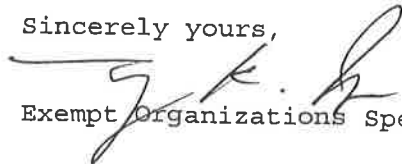
If we do not hear from you within that time, we will assume you do not want us to consider the matter further and will close your case. In that event, as required by Code section 6104(c), we will notify the appropriate state officials that, based on the information we have, we cannot recognize you as an organization of the kind described in Code section 501(c)(3). As a result, the Internal Revenue Service will treat your organization as a taxable entity. If we receive the information after the response due date, we may ask you to send us a new Form 1023.

In addition, if you do not provide the requested information in a timely manner, we will consider that you have not taken all reasonable steps to secure the determination you requested. Under Code section 7428(b)(2), your not taking all reasonable steps in a timely manner to secure the determination may be considered as failure to exhaust administrative remedies available to you within the Service. Therefore, you may lose your rights to a declaratory judgment under Code section 7428.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Thank you for your cooperation.

Sincerely yours,



Exempt Organizations Specialist

Letter 1312 (DO/CG)

Additional information needed

1)

For an organization to qualify as one described in section 501(c)(3) of the Code, its governing instrument must contain certain provisions. The following will explain what you must do to meet this requirement.

It will be necessary for you to amend your Articles of Incorporation. Please add the following items to your existing provisions.

"This organization is organized exclusively for charitable purpose within the meaning of section 501(c)(3) of the Internal Revenue Code.

"Notwithstanding any other provision of these Articles, the organization shall not carry on any other activities not permitted to be carried on by an organization exempt from Federal income tax as an organization described in section 501(c)(3) of the Internal Revenue Code (or corresponding section of any future federal tax code.

"Upon the dissolution and winding up of this organization, after paying or adequately providing for the debts and obligations of the organization, the remaining assets shall be distributed to a nonprofit fund, foundation or corporation organized and operated exclusively for the purposes specified in section 501(c)(3) of the Internal Revenue Code and which has established its tax-exempt status under that section.

Amendments made by corporations must be approved by and filed with the appropriate state official. Please submit a copy of the approved amendment as soon as you receive it from the appropriate state agency.

2)

Please submit copies of any brochures, pamphlets, newsletters, advertisements, or any other literature regarding your organization.

3)

You stated that your organization's activity should be fall under because your organization's activities are lessening the Burdens of Government.

Section 1.501(c)(3)-1(a) of the Income Tax Regulations provides that in order to be exempt as an organization described in section 501(c)(3), the organization must be one that is both organized and operated exclusively for one or more of the purposes specified in that section.

Section 1.501(c)(3) of the Income Tax Regulations also states that an organization is not operated exclusively for one or more exempt 501(c)(3) purpose if its net earnings inure in whole or in part to the benefit of private shareholders or individuals. Section 1.501(c)(3)-1(d) states that an organization is not organized or operated exclusively for one or more exempt purposes unless it serves a public rather than a private interest.

Determination of whether an organization is lessening the burdens of government requires consideration of whether the organization's activities that a governmental unit considers to be its burdens, and whether such activities actually "lessen" such governmental burden. An organization that provides funds to a county's law enforcement agencies to police illegal narcotics traffic lessens the burdens of government, and therefore, is described in IRC 501(c)(3). (Rev. Rul. 85-1, 1985-1 C.B.177). Similarly, an organization that provides legal assistance to guardians ad item who represent abused and neglected children before a juvenile court that requires their appointment lessens the burdens of government and is also described in IRC 501(c)(3) (See Rev. Rul. 85-2, 1985-1 C. B. 178)

Rev. Rul. 77-111, 1977-1 C.B.144 states: an organization was formed to increase business patronage in a deteriorated area by providing information on shopping in the area and providing a telephone information service on transportation and accommodations. Another organization was formed to revive declining sales in a particular area and purchased land for the construction of a retail center. Neither organization qualified for exemption under IRC 501(c)(3).

Please answer following:

A)

Please describe each of your activities, and explain

in detail how each activity fall under 1) Lessening the burdens of government, 2) lessening of community deterioration and juvenile delinquency, or 3) lessening of neighborhood tension.

B)

You stated that your organization will perform necessary maintenance and repairs to the property owned by the city. Please answer following:

a) Please submit lease agreement.

b) Please state that per lease agreement, who will be responsible for the above repair/maintenance? If it is not done by your organization will city require to pay for the above repair/maintenance? Please explain in detail.

c) You also stated that your organization plan to pay for adding additional amenities such as extra restroom facilities and overhead heater. Was city plan to add above facilities and overhead heater? Please submit supporting documents from the city.

4)

You stated that your organization plan to present agricultural education program to the general public. Do you plan to charge fee for the above program? If so, how does your organization program differ from an organization normally operates for profit?

5)

You stated that your organization plans to involve in research activities. Please submit following:

a)

Describe the research projects engaged in or planned by your organization.

b)

Explain how and by whom research projects are determined and selected.

c)

State whether you plan to have contract or sponsored research. If so, furnish names of sponsors or grantors,



terms of contracts or grants, and copies of any executed contracts or grants.

d)

Explain what disposition will be made of the results of your research. Will you give preference to any organization or individual either as to results or time of release? If so, please explain.

e)

State who will retain ownership or control of any patents, copyrights, processes, or formulas resulting from your research.

January 26, 1996

FRIENDS OF OLYMPIA FARMERS MARKET  
P.O. Box 925  
Olympia, Wa. 98507

MR. TERRY IZUMI  
EXEMPT ORGANIZATIONS SPECIALIST  
INTERNAL REVENUE SERVICE  
2 CUPANIA CIRCLE  
MONTEREY PARK, CA 91755-7406

Dear Mr. Izumi:

The changes that you have suggested that we make to our Articles of Incorporation have been approved by the Board of Directors on this date. I will be forwarding a copy of the approved amendment as soon as I receive it from the appropriate state agency.

Enclosed is a copy of a brick application for our "Paving the Way" program. This is the only literature regarding the organization that has been distributed.

It is the intention of the FRIENDS OF OLYMPIA FARMERS MARKET (FOFM) to make contributions to the City of Olympia to help pay for the new Olympia Farmers Market building presently being constructed in downtown Olympia. The facility will be owned by the City of Olympia and will be located on land owned by the Port of Olympia. Any and all improvements funded by the FOFM will become the property of the City of Olympia.

Since the selected construction bid exceeded the original estimates, a number of items included in the original design had to be postponed for later funding. The City is committed to providing these items in the future and with the help of FOFM, the burden of providing these items will be lessened.

With its "Paving the Way" program, the FOFM is presently

selling to the general public the opportunity to put their message on a brick paver that will be located along a walkway in the new facility. Budget constraints caused the City to chose a much cheaper black top option for the walkways. Over time, the FOFM "Paving the Way" program will fund the more expensive brick pavers that were a part of the original design and still a part of the City's long term goal for the facility. The paver program also encourages the local residents to take pride in this public facility and instills in the community a sense of ownership.

As stated above, the City of Olympia will be the owner of the new facility. As such they will be responsible for the maintenance and repair of this public asset. They will fund this function from whatever revenues they have available.

There is no lease agreement between FOFM and the City of Olympia. FOFM represents those citizens who will frequent this facility and, on their behalf, will contribute to the City for the care of this facility. FOFM will contribute toward only those items that the City intends to include in their facility. Landscaping, brick pavers, and public benches, are suggested items that were in the original plan, but were postponed due to budget constraints. Other items such as the rest room facilities were funded with construction funds.

FOFM intends to offer educational resources to the general public for no fee, in an effort to increase awareness of local farming and gardening issues. We intend to work with local schools and state agricultural extension organizations. Most of this effort will be through demonstrations and lectures held at the new facility.

The research contemplated by the FOFM is limited to a history project on the Olympia Farmers Market. Though the Market is only 20 years old, it has its roots in an earlier Olympia Public Market that existed in the first half of the twentieth century. Awareness of the local market heritage increases the appreciation and understanding of today's market supporter. As the Olympia community embraces the new Market facility and sees the importance that a public market has

played in it's past; the community has the opportunity to gather together and neighborhood isolation and tensions will be reduced. We anticipate distributing the results of this research free of charge to the general public. The basic research would be made available to serious researchers.

The scope of the history research project will be set by the Board of Directors of the FOFM. Funding of this project will be provided by FOFM. There are presently no other sponsors or grantors for this research and there are no contracts executed. Ownership of any research will remain with the FOFM.

I am presently in the process of attaining supporting documentation from the City of Olympia and will forward that information when available.

Sincerely,

Steve Wilcox  
President, Friends of Olympia Farmers Market

# "PAVING THE WAY"



Name: \_\_\_\_\_

Address: \_\_\_\_\_ City/State: \_\_\_\_\_

Zip: \_\_\_\_\_ Phone: (     ) \_\_\_\_\_

How would you like the inscription to read ? Up to 20 letters and/or spaces per line

One line = \$30.00    Two lines = \$35.00    Three lines = \$40.00

|    |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|----|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| 1. |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2. |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 3. |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

Notes:

- You may purchase and donate as many bricks as you wish.
- Bricks will be installed prior to the following Market season
- Once purchased, bricks are the property of the "Friends of the Olympia Farmers Market"
- Tax Exempt status has been applied for and approval is pending. Currently, bricks are *not tax deductible*. Businesses may deduct the cost if used as advertising.
- A system will be put in place to let you know where and how to find "your" brick(s). The *Friends of Olympia Farmers Market* reserves the right to refuse any dedications that are deemed to be inappropriate or in poor taste.



Please make checks payable to : *Friends of Olympia Farmers Market*  
P.O. Box 925  
Olympia, Wa. 98507  
(360) 786-6054



City of  
**OLYMPIA**

P.O. Box 1967, Olympia, WA 98507-1967

January 29, 1996

Terry Izumi, Exempt Organizations Specialist  
Internal Revenue Service  
2 Cupania Circle  
Monterey Park, CA 91755-7406

RE: Friends of Olympia Farmers Market Application for 501(c)(3) Status

Dear Mr. Izumi:

Steve Wilcox, President of the Friends of Olympia Farmers Market (FOFM), has requested that I answer some questions you have regarding that organization's support of the Market and their efforts in lessening the financial burden of the City of Olympia for that facility's completion and maintenance.

The City of Olympia owns the facility being constructed on Port of Olympia property. As a consequence, we are also responsible for the maintenance and repair of the building. The FOFM's plan to pay for this maintenance would enhance our fiscal status during the year.

According to Sue Rants, City of Olympia Project Manager for the Farmers Market new construction, the original construction contract consisted of a basic bid as well as several alternates that either added to or deleted from the basic bid. Due to budget limitations, the improvements described below were not included in the contract:

- Wood structure and canvas covers in front of the food vendors;
- Individual metered gas services to each food vendor space;
- Individual electrical meters to each food vendor space;
- Extended overhang at the east and west ends of the market;
- Labor and material for vendor tables within the main market building;
- Light fixtures over individual vendor tables within the main market building;
- Planter/bench structures outside of the main market building;
- Unit pavers in circulation isles of the main market building;
- Painting of the building interior and exterior; and
- Landscaping.

The Project Manager and City Council had hoped to add back some of the above items of work depending upon the availability of contingency funds. However, the likelihood of this occurring is quite slim. The bulk of the contingency fund has been allocated.



City Council  
City Manager  
City Attorney  
Administrative Services

753-8450  
753-8447  
753-8449  
753-8325

Community Planning & Development  
Fire  
Human Resources  
Parks/Recreation/Cultural Services

753-8314  
753-8348  
753-8442  
753-8380

Police  
Public Works  
Area Code

753-8300  
753-8362  
(360)

Terry Izumi, IRS  
Page 2

The FOFM plan to raise funds for some of these projects as well as supporting the overall facility will greatly assist the City of Olympia in its efforts to operate the Farmers Market Facility.

If I can provide any further assistance or answer questions pertaining to the FOFM application to the IRS, please do not hesitate to telephone me at (360) 753-8554.

Sincerely,



**KENNETH L. BLACK**  
Community Development Coordinator

gbm

cc: Steve Wilcox, President, FOFM  
Ric Castellano, Olympia Farmers Market Director  
Sue Rants, Project Manager

State of Washington  
Corporations Division  
Office of the Secretary of State

ARTICLES OF AMENDMENT  
OF  
FRIENDS OF OLYMPIA FARMERS MARKET

Pursuant to the provisions of RCW 24.03, the WASHINGTON NONPROFIT CORPORATION ACT, the following Articles of Amendment to the Articles of Incorporation are herewith submitted for filing:

**ARTICLE 1:** The name of the corporation is Friends of Olympia Farmers Market.

**ARTICLE 2:** The text of each amendment as adopted is as follows:

Article 6.3 of the Articles of Incorporation shall be amended in its entirety to read as follows:

Distribution on Dissolution. Net Earnings.  
Dissolution. No part of net earnings or income of the corporation shall inure to the benefit of any private individual. Upon dissolution of this corporation, assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by the superior court of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

**ARTICLE 3:** The corporation has no members.

**ARTICLE 4:** The above amendments were adopted by unanimous resolution of the Board of Directors on January 26, 1996.

I certify that I am an officer of the above-named corporation and that I am authorized to execute these Articles on behalf of the corporation.

DATED this 26 day of January, 1996.

By Steve Wilcox  
Steve Wilcox, President



State of Washington  
Corporations Division  
Office of the Secretary of State

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OF  
FRIENDS OF OLYMPIA FARMERS MARKET

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DATED this 26 day of January, 1996.

By Steve Wilcox  
Steve Wilcox, President

**WAIVER AND CONSENT  
TO ACTIONS IN LIEU OF SPECIAL MEETING  
OF DIRECTORS OF  
FRIENDS OF OLYMPIA FARMERS MARKET**

The undersigned, being the directors of Friends of Olympia Farmers Market (the "corporation"), by signature hereunder, do hereby waive notice of and attendance at the special meeting of directors, and further consent to the actions described and adoption of the resolutions set forth below.

This waiver and consent shall have the same effect as a unanimous vote, as if a duly convened meeting of the directors was held at the principal place of business of the corporation pursuant to RCW 24.03.120.

**AMENDED ARTICLES OF INCORPORATION**

WHEREAS, the directors have found it to be in the best interest of the corporation to amend the Articles of Incorporation in a form attached as Exhibit A; now, therefore, it is hereby

RESOLVED, that the directors hereby adopt the Amended Articles of Incorporation attached as Exhibit A, and the Secretary submit the Amended Articles of Incorporation to a vote of the members and if adopted by the members is instructed to file the Amended Articles of Incorporation with the State of Washington Secretary of State.

CONSENTED TO as of the 26 day of January, 1996.

  
\_\_\_\_\_  
DIRECTOR: Steve Wilcox

  
\_\_\_\_\_  
DIRECTOR: Jo Ann Woodall

\_\_\_\_\_  
DIRECTOR: Jeff Johnson

  
\_\_\_\_\_  
DIRECTOR: Kevin Lyon

DIRECTOR: Bob Sullivan

*Joe Ford*

DIRECTOR: Joe Ford

*Jeanette Hawkins*

DIRECTOR: Jeanette Hawkins

INTERNAL REVENUE SERVICE  
DISTRICT DIRECTOR  
2 CUPANIA CIRCLE  
MONTEREY PARK, CA 91755-7406

DEPARTMENT OF THE TREASURY

Date: MAR 9 1995

FRIENDS OF OLYMPIA FARMERS MARKET  
C/O STEVE WILCOX  
C/O PAMELA A. CAIRNS  
WILLIAMS, KASTNER & GIBBS  
P.O. BOX 21926  
SEATTLE, WA 98111-3926

Employer Identification Number:  
91-1688616  
Case Number:  
955352051  
Contact Person:  
TERRY IZUMI  
Contact Telephone Number:  
(714) 826-1448

Accounting Period Ending:  
December 31  
Foundation Status Classification:  
170(b)(1)(A)(vi)  
Advance Ruling Period Begins:  
July 7, 1995  
Advance Ruling Period Ends:  
December 31, 1999  
Addendum Applies:  
No

Dear Applicant:

Based on information you supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

Because you are a newly created organization, we are not now making a final determination of your foundation status under section 509(a) of the Code. However, we have determined that you can reasonably expect to be a publicly supported organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

Accordingly, during an advance ruling period you will be treated as a publicly supported organization, and not as a private foundation. This advance ruling period begins and ends on the dates shown above.

Within 90 days after the end of your advance ruling period, you must send us the information needed to determine whether you have met the requirements of the applicable support test during the advance ruling period. If you establish that you have been a publicly supported organization, we will classify you as a section 509(a)(1) or 509(a)(2) organization as long as you continue to meet the requirements of the applicable support test. If you do not meet the public support requirements during the advance ruling period, we will classify you as a private foundation for future periods. Also, if we classify you as a private foundation, we will treat you as a private foundation from your beginning date for purposes of section 507(d) and 4940.

Grantors and contributors may rely on our determination that you are not a private foundation until 90 days after the end of your advance ruling period. If you send us the required information within the 90 days, grantors and contributors may continue to rely on the advance determination until we make a final determination of your foundation status.

Letter 1045 (DO/CG)

FRIENDS OF OLYMPIA FARMERS MARKET

If we publish a notice in the Internal Revenue Bulletin stating that we will no longer treat you as a publicly supported organization, grantors and contributors may not rely on this determination after the date we publish the notice. In addition, if you lose your status as a publicly supported organization, and a grantor or contributor was responsible for, or was aware of, the act or failure to act, that resulted in your loss of such status, that person may not rely on this determination from the date of the act or failure to act. Also, if a grantor or contributor learned that we had given notice that you would be removed from classification as a publicly supported organization, then that person may not rely on this determination as of the date he or she acquired such knowledge.

If you change your sources of support, your purposes, character, or method of operation, please let us know so we can consider the effect of the change on your exempt status and foundation status. If you amend your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, let us know all changes in your name or address.

As of January 1, 1984, you are liable for social security taxes under the Federal Insurance Contributions Act on amounts of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the private foundation excise taxes under Chapter 42 of the Internal Revenue Code. However, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please let us know.

Donors may deduct contributions to you as provided in section 170 of the Internal Revenue Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Donors may deduct contributions to you only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, gives guidelines regarding when taxpayers may deduct payments for admission to, or other participation in, fundraising activities for charity.

You are not required to file Form 990, Return of Organization Exempt From Income Tax, if your gross receipts each year are normally \$25,000 or less. If you receive a Form 990 package in the mail, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

If you are required to file a return you must file it by the 15th day of

FRIENDS OF OLYMPIA FARMERS MARKET

the fifth month after the end of your annual accounting period. We charge a penalty of \$10 a day when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty we charge cannot exceed \$5,000 or 5 percent of your gross receipts for the year, whichever is less. We may also charge this penalty if a return is not complete. So, please be sure your return is complete before you file it.

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

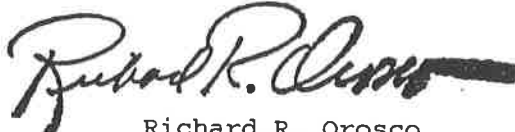
You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, we will assign a number to you and advise you of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

If we said in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help us resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,



Richard R. Orosco  
District Director