
Request for Re-Instatement of

Section 501(c)(4) Status

for

Cherry Grove Property Owners Association, Inc.

Manatt, Phelps & Phillips, LLP
7 Times Square, 23rd Floor
New York, NY 10036

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Tab A: Power of Attorney

Tab B: Form 1024

Application for Recognition of Exemption Under Section 501(a)

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 the organization.

Complete the Procedural Checklist on page 6 of the instructions.

Part I. Identification of Applicant (Must be completed by all applicants; also complete appropriate schedule.)
 Submit only the schedule that applies to your organization. Do not submit blank schedules.

Check the appropriate box below to indicate the section under which the organization is applying:

- a Section 501(c)(2)—Title holding corporations (Schedule A, page 7)
- b Section 501(c)(4)—Civic leagues, social welfare organizations (including certain war veterans' organizations), or local associations of employees (Schedule B, page 8)
- c Section 501(c)(5)—Labor, agricultural, or horticultural organizations (Schedule C, page 9)
- d Section 501(c)(6)—Business leagues, chambers of commerce, etc. (Schedule C, page 9)
- e Section 501(c)(7)—Social clubs (Schedule D, page 11)
- f Section 501(c)(8)—Fraternal beneficiary societies, etc., providing life, sick, accident, or other benefits to members (Schedule E, page 13)
- g Section 501(c)(9)—Voluntary employees' beneficiary associations (Parts I through IV and Schedule F, page 14)
- h Section 501(c)(10)—Domestic fraternal societies, orders, etc., not providing life, sick, accident, or other benefits (Schedule E, page 13)
- i Section 501(c)(12)—Benevolent life insurance associations, mutual ditch or irrigation companies, mutual or cooperative telephone companies, or like organizations (Schedule G, page 15)
- j Section 501(c)(13)—Cemeteries, crematoria, and like corporations (Schedule H, page 16)
- k Section 501(c)(15)—Mutual insurance companies or associations, other than life or marine (Schedule I, page 17)
- l Section 501(c)(17)—Trusts providing for the payment of supplemental unemployment compensation benefits (Parts I through IV and Schedule J, page 18)
- m Section 501(c)(19)—A post, organization, auxiliary unit, etc., of past or present members of the Armed Forces of the United States (Schedule K, page 19)
- n Section 501(c)(25)—Title holding corporations or trusts (Schedule A, page 7)

1a Full name of organization (as shown in organizing document) Cherry Grove Property Owners Association, Inc.	2 Employer identification number (EIN) (if none, see Specific Instructions on page 2) 11 - 2487681			
1b c/o Name (if applicable)	3 Name and telephone number of person to be contacted if additional information is needed Michael A. Lehmann (Power of Att'y) (212) 830-7258			
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">1c Address (number and street)</td> <td style="width: 50%;">Room/Suite</td> </tr> </table>		1c Address (number and street)	Room/Suite	
1c Address (number and street)		Room/Suite		
1d City, town or post office, state, and ZIP + 4 If you have a foreign address, see Specific Instructions for Part I, page 2.				
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">1e Web site address None</td> <td style="width: 33%;">4 Month the annual accounting period ends December</td> <td style="width: 33%;">5 Date incorporated or formed January 25, 1946</td> </tr> </table>	1e Web site address None	4 Month the annual accounting period ends December	5 Date incorporated or formed January 25, 1946	
1e Web site address None	4 Month the annual accounting period ends December	5 Date incorporated or formed January 25, 1946		

6 Did the organization previously apply for recognition of exemption under this Code section or under any other section of the Code? **Yes** **No**
 If "Yes," attach an explanation.

7 Has the organization filed Federal income tax returns or exempt organization information returns? **Yes** **No**
 If "Yes," state the form numbers, years filed, and Internal Revenue office where filed.

8 Check the box for the type of organization. ATTACH A CONFORMED COPY OF THE CORRESPONDING ORGANIZING DOCUMENTS TO THE APPLICATION BEFORE MAILING.

- a **Corporation**— Attach a copy of the Articles of Incorporation (including amendments and restatements) showing approval by the appropriate state official; also attach 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 that the organization was formed by adoption of the document by more than one person. Also include a copy of the bylaws.

If this 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

..... **Joshua Davis, President**

(Signature)

(Type or print name and title or authority of signer)

(Date)

Part II. Activities and Operational Information (Must be completed by all applicants)

- 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. List each activity separately in the order of importance based on the relative time and other resources devoted to the activity. Indicate the percentage of time for each activity. Each description should include, as a minimum, the following: **(a)** a detailed description of the activity including its purpose and how each activity furthers your exempt purpose; **(b)** when the activity was or will be initiated; and **(c)** where and by whom the activity will be conducted.

See Tab D, Attachment #1.

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- 2 List the organization's present and future sources of financial support, beginning with the largest source first.
See Tab D, Attachment #2.
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Part II. Activities and Operational Information (continued)

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

a Names, addresses, and titles of officers, directors, trustees, etc.	b Annual compensation
<p>See Tab D, Attachment #3.</p>	

4 If the organization is the outgrowth or continuation of any form of predecessor, state the name of each predecessor, the period during which it was in existence, and the reasons for its termination. Submit copies of all papers by which any transfer of assets was effected.
N/A

5 If the applicant organization is now, or plans to be, connected in any way with any other organization, describe the other organization and explain the relationship (e.g., financial support on a continuing basis; shared facilities or employees; same officers, directors, or trustees).
See Tab D, Attachment #4.

6 If the organization has capital stock issued and outstanding, state: **(1)** class or classes of the stock; **(2)** number and par value of the shares; **(3)** consideration for which they were issued; and **(4)** if any dividends have been paid or whether your organization's creating instrument authorizes dividend payments on any class of capital stock.
N/A

7 State the qualifications necessary for membership in the organization; the classes of membership (with the number of members in each class); and the voting rights and privileges received. If any group or class of persons is required to join, describe the requirement and explain the relationship between those members and members who join voluntarily. Submit copies of any membership solicitation material. Attach sample copies of all types of membership certificates issued.
See Tab D, Attachment #5.

8 Explain how your organization's assets will be distributed on dissolution.
See Tab D, Attachment #6.

Part II. Activities and Operational Information (continued)

9 Has the organization made or does it plan to make any distribution of its property or surplus funds to shareholders or members? Yes No
 If "Yes," state the full details, including: (1) amounts or value; (2) source of funds or property distributed or to be distributed; and (3) basis of, and authority for, distribution or planned distribution.

10 Does, or will, any part of your organization's receipts represent payments for services performed or to be performed? . Yes No
 If "Yes," state in detail the amount received and the character of the services performed or to be performed.

11 Has the organization made, or does it plan to make, any payments to members or shareholders for services performed or to be performed? Yes No
 If "Yes," state in detail the amount paid, the character of the services, and to whom the payments have been, or will be, made.

12 Does the organization have any arrangement to provide insurance for members, their dependents, or others (including provisions for the payment of sick or death benefits, pensions, or annuities)? Yes No
 If "Yes," describe and explain the arrangement's eligibility rules and attach a sample copy of each plan document and each type of policy issued.

13 Is the organization under the supervisory jurisdiction of any public regulatory body, such as a social welfare agency, etc.? Yes No
 If "Yes," submit copies of all administrative opinions or court decisions regarding this supervision, as well as copies of applications or requests for the opinions or decisions.

14 Does the organization now lease or does it plan to lease any property? Yes No
 If "Yes," explain in detail. Include the amount of rent, a description of the property, and any relationship between the applicant organization and the other party. Also, attach a copy of any rental or lease agreement. (If the organization is a party, as a lessor, to multiple leases of rental real property under similar lease agreements, please attach a single representative copy of the leases.)

15 Has the organization spent or does it plan to spend any money attempting to influence the selection, nomination, election, or appointment of any person to any Federal, state, or local public office or to an office in a political organization? . . Yes No
 If "Yes," explain in detail and list the amounts spent or to be spent in each case.

See Tab D, Attachment #7.

16 Does the organization publish pamphlets, brochures, newsletters, journals, or similar printed material? Yes No
 If "Yes," attach a recent copy of each.

Part III. Financial Data (Must be completed by all applicants)

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

Revenue	(a) Current Tax Year	3 Prior Tax Years or Proposed Budget for Next 2 Years			(e) Total
	From 1/1/13 To 12/31/13	(b) 2012	(c) 2011	(d) 2010	
1 Gross dues and assessments of members	0	0	0	0	0
2 Gross contributions, gifts, etc.	\$995	\$7,915	\$1,210	\$10,117	\$20,237
3 Gross amounts derived from activities related to the organization's exempt purpose (attach schedule) (Include related cost of sales on line 9.)	0	0	0	0	0
4 Gross amounts from unrelated business activities (attach schedule)	0	0	0	0	0
5 Gain from sale of assets, excluding inventory items (attach schedule)	0	0	0	0	0
6 Investment income (see page 3 of the instructions)	0	0	0	\$1,510	\$1,510
7 Other revenue (attach schedule).	0	0	0	0	0
8 Total revenue (add lines 1 through 7)	\$995	\$7,915	\$1,210	\$11,627	\$21,747
Expenses					
9 Expenses attributable to activities related to the organization's exempt purposes.	\$240	\$1,030	\$3,633	\$4,986	\$9,889
10 Expenses attributable to unrelated business activities	0	0	0	0	0
11 Contributions, gifts, grants, and similar amounts paid (attach schedule).	0	0	0	0	0
12 Disbursements to or for the benefit of members (attach schedule)	0	0	0	0	0
13 Compensation of officers, directors, and trustees (attach schedule)	0	0	0	0	0
14 Other salaries and wages.	0	0	0	0	0
15 Interest	0	0	0	0	0
16 Occupancy	0	0	0	0	0
17 Depreciation and depletion	0	0	0	0	0
18 Other expenses (attach schedule)	\$500	0	\$2,680	\$2,116	\$5,296
19 Total expenses (add lines 9 through 18)	\$740	\$1,030	\$6,313	\$7,102	\$15,185
20 Excess of revenue over expenses (line 8 minus line 19)	\$255	\$6,885	(\$5,103)	\$4,525	\$6,562

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

		Current Tax Year as of 9/1/13	
Assets			
1	Cash	1	\$22,119
2	Accounts receivable, net	2	\$0
3	Inventories	3	\$0
4	Bonds and notes receivable (attach schedule)	4	\$0
5	Corporate stocks (attach schedule).	5	\$0
6	Mortgage loans (attach schedule)	6	\$0
7	Other investments (attach schedule)	7	\$0
8	Depreciable and depletable assets (attach schedule)	8	\$0
9	Land	9	\$0
10	Other assets (attach schedule)	10	\$0
11	Total assets	11	\$0
Liabilities			
12	Accounts payable	12	\$0
13	Contributions, gifts, grants, etc., payable	13	\$0
14	Mortgages and notes payable (attach schedule)	14	\$0
15	Other liabilities (attach schedule)	15	\$0
16	Total liabilities.	16	\$0
Fund Balances or Net Assets			
17	Total fund balances or net assets	17	0
18	Total liabilities and fund balances or net assets (add line 16 and line 17)	18	\$22,119

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.

Schedule B Organizations Described in Section 501(c)(4) (Civic leagues, social welfare organizations (including posts, councils, etc., of veterans' organizations not qualifying or applying for exemption under section 501(c)(19)) or local associations of employees.)

- 1 Has the Internal Revenue Service previously issued a ruling or determination letter recognizing the applicant organization (or any predecessor organization listed in question 4, Part II of the application) to be exempt under section 501(c)(3) and later revoked that recognition on the basis that the applicant organization (or its predecessor) was carrying on propaganda or otherwise attempting to influence legislation or on the basis that it engaged in political activity? . . . Yes No

If "Yes," indicate the earliest tax year for which recognition of exemption under section 501(c)(3) was revoked and the IRS district office that issued the revocation.

- 2 Does the organization perform or plan to perform (for members, shareholders, or others) services, such as maintaining the common areas of a condominium; buying food or other items on a cooperative basis; or providing recreational facilities or transportation services, job placement, or other similar undertakings? Yes No

If "Yes," explain the activities in detail, including income realized and expenses incurred. Also, explain in detail the nature of the benefits to the general public from these activities. (If the answer to this question is explained in Part II of the application (pages 2, 3, and 4), enter the page and item number here.)

- 3 If the organization is claiming exemption as a homeowners' association, is access to any property or facilities it owns or maintains restricted in any way? Yes No

If "Yes," explain.

- 4 If the organization is claiming exemption as a local association of employees, state the name and address of each employer whose employees are eligible for membership in the association. If employees of more than one plant or office of the same employer are eligible for membership, give the address of each plant or office.

N/A

Tab C: Certificate of Incorporation and By-Laws

Tab D: Explanation of Items

Cherry Grove Property Owners Association, Inc.
EIN: 11-2487681
Application for Recognition of Section 501(c)(4) Status

Attachment #1: Certificate of Incorporation

Certificate of Incorporation of CHERRY GROVE

PROPERTY OWNERS ASSOCIATION, INC., pursuant to the Membership Corporations Law.

WE, the undersigned, all being persons of full age, at least two-thirds being citizens of the United States, and at least one a resident of the State of New York, desiring to form a corporation pursuant to the Membership Corporations Law, do hereby make, sign and acknowledge this Certificate of Incorporation.

FIRST: The name of the proposed corporation is CHERRY GROVE PROPERTY OWNERS ASSOCIATION, INC.

SECOND: The purposes for which it is to be formed are as follows:

1. To promote the development of that area situate on Fire Island Beach in the Town of Brookhaven, Suffolk County, New York, and known as Cherry Grove, as a desirable and attractive residential and resort area.

2. To promote, foster and encourage a harmonious and cooperative spirit among the owners and occupants of property in such area.

3. To devise ways and means which will be conducive to the well being and living conditions of the owners and occupants of property in such area and in general to undertake and carry out such planning as will be conducive to the further development of such area.

4. To purchase, lease or otherwise acquire lands for the purposes and uses of the members of the corporation and to erect buildings or such other structures thereon as may be useful for the purposes of the corporation.

5. To do any and all acts necessary or conducive to the attainment of the objects and purposes of the corporation.

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THIRD: The territory in which its operations are principally to be conducted is the area known as Cherry Grove situate on Fire Island Beach in the Town of Brookhaven, Suffolk County, New York.

FOURTH: The office of the corporation is to be located in the Hamlet of Cherry Grove, Town of Brookhaven, Suffolk County, New York.

FIFTH: The number of directors of said corporation shall be eleven (11).

SIXTH: The names and residences of the directors of said corporation, until the first annual meeting, at least one of whom is a citizen of the United States and a resident of the State of New York, are as follows:

<u>NAMES</u>	<u>RESIDENCES</u>
Earl Blackwell	Cherry Grove, Suffolk County, New York
Harry T. Weeks	Patchogue, " " " "
Arthur Jedlioka	Sayville, " " " "
John C. Koman	Sayville, " " " "
George Reich	Patchogue, " " " "
Edward Duffy	Sayville, " " " "
Richard Sandford	Cherry Grove, " " " "
Ernest Osborne	Cherry Grove, " " " "
John A. Thurber	Patchogue, " " " "
Benedict Erstein	30 Beekman Place, New York City, New York County, New York
Harriet D. Erstein	30 Beekman Place, New York City, New York County, New York

IN WITNESS WHEREOF, the subscribers have hereunto set their hands and seals this 8th day of December, 1945.

John C. Koman (L.S.)

Arthur Jedlioka (L.S.)

Harry T. Weeks (L.S.)

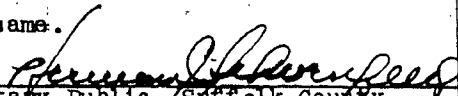
George Reich (L.S.)

John A. Thurber (L.S.)

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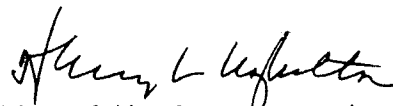
STATE OF NEW YORK)
) ss.:
COUNTY OF SUFFOLK)

On this 20 day of December, 1945, before me personally came JOHN C. KOMAN, ARTHUR JEDLICKA, HARRY T. WEEKS, GEORGE REICH and JOHN A. THURBER, to me known to be the persons described in and who executed the foregoing certificate of incorporation, and thereupon they severally acknowledged to me that they executed the same.


Notary Public, Suffolk County

I approve the above certificate of incorporation of CHERRY GROVE PROPERTY OWNERS ASSOCIATION, INC., executed pursuant to the Membership Corporations Law.

Dated, December 21, 1945.


Justice of the Supreme Court.

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FK

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CERTIFICATE OF INCORPORATION

4627 OF 23
CHERRY GROVE HOPE PROPERTY OWNERS
ASSOCIATION, INC.

Forfeits to the Membership
Corporations Law.

Dated, December 8th, 1945.

STATE OF NEW YORK
DEPARTMENT OF STATE

FILED JAN 25 1946

TAX \$ *none*

FILING FEE \$ *40*

Handwritten signature
REGISTRAR OF STATE
BY *Handwritten signature*

HERMAN J. SCHOENFELD
ATTORNEY AT LAW
PATCHOGUE, NEW YORK

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**BYLAWS
OF
CHERRY GROVE PROPERTY OWNERS ASSOCIATION, INC.**

**ARTICLE I
NAME, SEAL; AREA SERVED AND OFFICE**

Section 1. Name. The name of this corporation shall be the Cherry Grove Property Owners Association, Inc. (the "Association").

Section 2. Seal. The seal of the Association shall be circular with the following text therein: "Cherry Grove Property Owners Association, Inc." In its center it shall have the words and figures, "Corporate Seal, 1946."

Section 3. Area Served. The area to be served by the Association is the hamlet known as "Cherry Grove," located on the Great South Beach, Fire Island, Town of Brookhaven, Suffolk County, New York and located within the territorial limits of the Cherry Grove Dock District. The Association shall have its office in Cherry Grove, New York.

**ARTICLE II
MEMBERSHIP**

Section 1. Qualification. The sole member of the Association shall be Cherry Grove Community Association, Inc. ("CGCAI"). The Board of Directors of CGCAI shall exercise CGCAI's membership rights and obligations.

Section 2. Meetings. There shall be an annual meeting of the Member, which shall be held on such date and at such time and place as are designated by the President of the Member. Special meetings of the Member may be called at any time by the Member or by the President of the Association or the Corresponding Secretary of the Association upon the written request of a majority of the entire Board of Directors of the Association

**ARTICLE III
BOARD OF DIRECTORS**

Section 1. Powers and Duties. The Board shall manage and control the affairs and property of the Association. All corporate powers, except such as are otherwise provided for in the Certificate of Incorporation, these Bylaws, or the laws of the State of New York, shall be and hereby are vested in and shall be exercised by the Board. The Board may, except as otherwise provided by the laws of the State of New York, delegate to committees of its own number, or to officers of the Association, such powers as it may see fit.

Section 2. Number and Election; Term of Office; Removal; and Resignation.

a. Number and Filling of Vacancies. The Board shall consist of 3 (three) directors. No decrease in the number of directors shall serve to diminish the term of any director then in office. A vacancy on the Board arising at any time and from any cause may be filled for the unexpired term by vote of the board of directors of the Member.

b. Election. The initial directors of the Association as of the date of the adoption of these by-laws and until the first annual meeting of the Member shall be the individuals named in the Association's Certificate of Incorporation. Thereafter, the directors shall be elected by the Member at the Annual Meeting of the Member using the following process:

(i) At least six months before the Annual Meeting of the Member, the Member's Board of Directors shall select a nominating committee (the "Nominating Committee") to nominate members of CGCAI for directors of the Association. The Nominating Committee shall consist of not less than seven members of CGCAI, at least four of whom shall not be officers of directors of CGCAI. The Nominating Committee shall elect its own chairperson and vice-chairperson.

(ii) The Nominating Committee shall receive petitions of candidates for director of the Association. All candidates shall have their names submitted to the chairperson of the Nominating Committee no later than thirty (30) days prior to the Annual Meeting of the Member. These names shall then be distributed to the directors of the Member at least two weeks in advance of the Annual Meeting of the Member.

(iii) The Nominating Committee shall officially close all nomination filing, review all nominations to ascertain that the candidate is a member in good standing of CGCAI, provide a written report to the general membership and **publish the official list of nominees** as expediently as possible to the general membership of CGCAI **following the closing of nominations.**

(iv) Members of CGCAI may also nominate themselves for election as a director of the Association by filing a written statement of nomination with the Board of Directors of CGCAI no later than thirty (30) days prior to the Annual Meeting of the Member.

(v) The Board of CGCAI shall elect the Association's directors at the Annual Meeting of the Member from among those members of CGCAI who have nominated themselves, who have been nominated by the Nominating Committee, and who are nominated from the floor at the Annual Meeting of the Member.

c. Term of Office. The terms of office of all directors shall expire at the next annual meeting of the Member following their election and, in any event, each director shall continue in office until his or her successor shall have been elected and qualified or until his or her death, resignation or removal. All directors are eligible for unlimited reelection.

d. Removal. Any director may be removed by a majority vote of the directors then in office, provided there is a quorum of not less than a majority present at the meeting of directors at which such action is taken. Any director may be removed with or without cause by the Member.

e. Resignation. Any director may resign at any time by giving written notice of such resignation to the President of the Association.

Section 3. Annual Meeting of the Board; Notice. The annual meeting of the Board shall be held at a date, time and place fixed by the Board. Notice of the date, time and place of such annual meeting shall be given in such form as the Board may determine.

Section 4. Special Meetings; Notice. A special meeting of the Board may be called at any time by the President or by any other individual so authorized by the Board. Notice of the date, time and place of such special meeting shall be given to all directors in such form as the Board may determine. Except as otherwise provided in these Bylaws, any business may be transacted at any duly called Board meeting.

Section 5. Regular Meetings; Notice. Regular meetings of the Board may be held without notice at such time and place as shall be determined by the Board.

Section 6. Quorum. At all meetings of the Board, a majority of the entire Board shall constitute a quorum for the transaction of business.

Section 7. Action of the Board. The action of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board, except as otherwise provided by these Bylaws. Any member of the Board may participate in a meeting thereof by means of a conference telephone or similar device by which all persons can hear all other persons participating in the meeting at the same time. Any Board action may be taken without a meeting if all members of the Board consent in writing.

Section 8. Adjournment. At any meeting of the Board, whether or not a quorum is present, a majority of the directors present may adjourn the meeting to another time and place without further notice to any absent director. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called.

Section 9. Organization. At all meetings of the Board, the President of the Association, or, in his or her absence, the Vice-President, if one has been elected, shall preside. The Secretary shall act as secretary at all meetings of the Board. In the absence of the Secretary, the presiding officer shall appoint any person to act as secretary of the meeting.

Section 10. Compensation. Directors shall serve without compensation for their services as such. Directors shall be allowed reimbursement for reasonable expenses, on resolution of the Board. The Board shall have the power, in its sole discretion, to contract with any director for services rendered to the Association (not including services rendered in his or her capacity as director) and to pay said director compensation appropriate to the value of such services.

ARTICLE IV OFFICERS

Section 1. Officers. The officers of the Association shall be the President, a Secretary and a Treasurer. The board may from time to time appoint such other officers with powers and duties not inconsistent with these Bylaws as the Board may from time to time appoint or elect. No two offices may be held by the same individual.

Section 2. Election Term of Office Qualifications and Removal. The officers of the Association shall be elected at the annual meeting of the Board from among the directors. Each shall be elected for a term of one year, and each shall serve until his or her successor shall have been elected and qualified, or until his or her death, resignation or removal. Any officer of the Association may be removed, with or without cause, by a vote of a majority of the directors then in office.

Section 3. Vacancies. Any vacancy in any office arising at any time from any cause may be filled for the unexpired term by a majority vote of the directors then in office.

Section 4. President: Powers and Duties. The President shall be the chief executive officer of the Association and, subject to the control of the Board of Directors, shall have general care, supervision and direction of its affairs. The President shall sign contracts and other instruments in the name of the Association when so authorized or directed by the Board. The President shall have such authority, and shall perform all duties, ordinarily required of an officer in like position, and such other authority and duties as may be assigned by the Board.

Section 5. Secretary: Powers and Duties. The Secretary shall have charge of such books, documents and papers as the Board may determine, and shall have custody of the corporate seal, if any then exists. He or she shall attend and keep the minutes of all the meetings of the Board. He or she may affix the corporate seal, if any then exists, when so authorized or ordered by the Board. The Secretary shall have such authority, and shall perform all duties, ordinarily required of an officer in like position.

Section 6. Treasurer: Powers and Duties. The Treasurer shall receive and have custody of all funds, money, property and securities of the Association and shall deposit the same in such depository or depositories, as the Board shall designate. The Treasurer shall keep or cause to be kept complete and accurate accounts of receipts and disbursements of the Association. The Treasurer shall have such authority, and shall perform such duties, ordinarily required of an officer in like position, and such other authority and duties as may be assigned by the Board. Whenever required by the Board, the Treasurer shall render a statement of his or her accounts. The Treasurer shall at all reasonable times exhibit his or her books and accounts to any officer or director of the Association.

Section 7. Compensation. Officers shall serve without compensation for their services as such. Officers shall be allowed reimbursement for reasonable expenses, on resolution of the

Board. The Board shall have the power, in its sole discretion, to contract with any officer for services rendered to the Association (not including services rendered in his or her capacity as director) and to pay said officer compensation appropriate to the value of such services.

ARTICLE V COMMITTEES

Section 1. Committees of the Association. The Board may, from time to time and by a resolution adopted by a majority vote of the directors then in office, appoint committees for any purpose and may delegate to each such committee such powers as the Board may deem appropriate and which are not inconsistent with New York law. In appointing a committee of the Association, the Board shall appoint the chair of the committee, shall specify the term of the committee's existence, and shall define the committee's powers and duties. Each committee shall consist of at least one director and shall have the power to further delegate such powers if the Board so provides in appointing the committee.

Section 2. Quorum. A majority of all of the members of any committee established by the Board shall constitute a quorum at any meeting thereof.

Section 3. Procedures. Procedures of any committees shall be governed by rules fixed by the Board. All committee members shall serve at the pleasure of the Board.

ARTICLE VI AGENTS AND REPRESENTATIVES

The Board may appoint such agents and representatives of the Association with such powers and to perform such acts or duties on behalf of the Association as the Board may see fit, so far as may be consistent with these Bylaws, and to the extent authorized or permitted by law.

ARTICLE VII CONTRACTS, LOANS, CHECKS, BANK ACCOUNTS, AND INVESTMENTS

Section 1. Contracts. The Board, except as otherwise provided in these Bylaws, may authorize any officer or agent to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the Association. Such authority may be general or confined to a specific instance. Unless authorized by the Board pursuant to this Article VII, Section 1, no officer, agent or employee shall have any power or authority to bind the Association by any contract or engagement, or to pledge its credit, or render it liable pecuniarily, for any purpose or to any amount.

Section 2. Loans. The Association shall not borrow money, whether by issuing notes, bonds or otherwise, except with the approval of the Member.

Section 3. Banks; Checks. The Board shall from time to time and as necessary select such banks or depositories as it shall deem proper for the funds of the Association. The Board shall

determine who shall be authorized from time to time on the Association's behalf to sign checks, drafts or other orders for the payment of money.

Section 4. Investments. The funds of the Association, as directed by the Member, may be retained in whole or in part in cash, or may be invested and reinvested from time to time in such property, real, personal or otherwise, or stocks, bonds or other securities.

ARTICLE VII INDEMNIFICATION

Section 1. In General. The Association may indemnify each member of its Board, as described in Article III hereof; each of its officers, as described in Article IV hereof; any employee designated for indemnification by the Board; and each person serving at the request of the Association as a trustee, director or officer of another corporation, partnership, joint venture, trust or other enterprise (hereinafter all referred to more generally as "directors and officers"), for the defense of civil or criminal actions or proceedings, whether or not brought by or in the right of the Association, in a manner and to the fullest extent now or hereafter permitted by the Not-For-Profit Corporation Law of the State of New York. Such indemnification shall include the advancement of expenses.

Section 2. Applicability. Every reference in this Article VIII to directors and officers of the Association shall include every director and officer thereof or former director and officer thereof. The right of indemnification herein provided for shall be in addition to any and all rights to which any director or officer of the Association otherwise might be entitled, and the provisions hereof shall neither impair nor adversely affect such rights.

ARTICLE VIII FISCAL YEAR

The fiscal year of the Association shall be the calendar year.

ARTICLE IX AMENDMENTS

The Member alone shall have the power to make, alter, amend and repeal the Bylaws and Certificate of Incorporation of the Association. No such action shall be taken that would adversely affect the qualification of the Association as an organization exempt from Federal income taxation under Section 501(a) of the Internal Revenue Code of 1986, as amended (hereinafter "I.R.C.") as an organization described in I.R.C. § 501(c)(4).

ARTICLE X
LIMITATIONS

Notwithstanding any other provision of these Bylaws, neither the sole member nor any director, officer, employee or representative of the Association shall take any action or carry on any activity by or on behalf of the Association not permitted to be taken or carried on by an organization exempt from Federal income tax under I.R.C. §501(a), as an organization described in I.R.C. §501(c)(4).

* * * *

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Tab D: List of Attachments:

- Attachment #1: Response to Part II, Question 1: Activities and Operations
- Attachment #2: Response to Part II, Question 2: Sources of Support
- Attachment #3: Response to Part II, Question 3: Directors and Officers
- Attachment #4: Response to Part II, Question 5: Other Organizations
- Attachment #5: Response to Part II, Question 7: Members
- Attachment #6: Response to Part II, Question 8: Assets on Dissolution
- Attachment #7: Response to Part II, Question 10: Political Campaigns
- Attachment #8: Schedules to Part III

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Tab D, Attachment #1: Activities and Operations

General Overview

Cherry Grove Property Owners Association, Inc. (the "Applicant") was formed in 1946 to protect and advance the safety, health and welfare of the public in Cherry Grove, New York, through a wide variety of activities. Until 2004 the Applicant undertook a mix of activities, some suitable to an organization described in Section 501(c)(3) and some suitable to an organization described in Section 501(c)(4). In 2001 the Section 501(c)(3) activities were segregated into a separate organization, and the Applicant began to focus on Section 501(c)(4) activities. The Applicant received a Section 501(c)(4) determination letter in 2001. Due to administrative oversight, the Applicant neglected to file Form 990-Ns for three successive years and the IRS revoked its tax-exempt status. Through this filing the Applicant seeks to have its Section 501(c)(4) status restored.

Cherry Grove is a hamlet on the Great South Beach, Fire Island, Town of Brookhaven, Suffolk County, New York. It is an area of great natural beauty, notably the parts that are included in the Fire Island National Seashore. While it has a number of year-round residents, it is overwhelmingly a summer community. It is vital to the well-being of visitors and residents that the beauty and tranquility of the community and its environs be preserved and protected, and that growth, development and use of the community's resources be positive, orderly and well-planned. The Applicant primarily seeks to address potential legislative action emanating from the Town of Brookhaven, Suffolk County and the State of New York that may have an impact on preservation, safety and welfare of the general public in Cherry Grove.

Specific Activities

The Applicant's activities are roughly equally divided between (i) administrative and legislative activity that the Applicant undertakes relating solely to the preservation of Cherry Grove, and the safety and general welfare of its community and residents (*i.e.*, advocating specific administrative or legislative action) and (ii) serving as a liaison between the Cherry Grove community and public officials or other organizations whose activities have an effect on public safety and welfare.

(a) Administrative and Legislative Activity. Approximately 45% to 50% of the Applicant's activities are legislative and administrative. Representatives of the Applicant meet regularly various governmental agencies and bodies regarding laws, regulations, zoning, and other matters of public welfare in Cherry Grove.

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(b) Liaisons with Public Officials and other Organizations. Approximately 45% of the Applicant's activities will be providing community representation at meetings of, and general liaison to, public officials and organizations that have influence over public health, safety and welfare in Cherry Grove. The Applicant will hold open meetings to receive input from any interested persons regarding activities that will impact public safety, welfare and preservation for the purpose of bring such input to public officials and such organizations. The Applicant will report back to the general public regarding its discussions and meetings with such officials and organizations. Such reporting will take place through mailings to community members, broadsides posted in the Community House described in the Form 1024, a website, and open meetings. Any interested person will be able to attend open meetings at no cost. The primary public officials and organizations involved are:

- The Fire Island Law Enforcement & Safety Committee (an island-wide committee that accumulates suggestions regarding Suffolk County budget issues that affect Fire Island);
- The Fire Island Association (an organization that deals with flood control plans, and other issues of marine, fire and public safety, and environmental concerns);
- The Commissioners of the Cherry Grove Fire District;
- The Town of Brookhaven's Deputy Commissioner of Planning and the Town of Brookhaven's Special Dock District Administrator (who address property and tax issues, annual dock franchise fees, and hiring of a Beach Warden for clean-up of the public beach in Cherry Grove);
- The Town of Brookhaven's zoning authorities (who address land use, real estate improvement and zoning proposals);
- The Suffolk County Marine Bureau, the Suffolk County Police Force, and the Fire Island National Seashore Park Police (who address, for example, beach overcrowding, unannounced beach parties and similar beach safety issues); and
- The Cherry Grove Chamber of Commerce.

In addition, the Applicant's representatives meet with homeowners and commercial establishments regarding noise and open-air music complaints.

The Applicant communicates the results of its consultations with such bodies and agencies to the general public. Where laws or regulations are proposed that the Applicant's Board determines may have an adverse effect on community life in Cherry

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Grove, the Applicant undertakes direct and grass roots lobbying to address such laws or regulations. In addition, the Applicant from time to time proposes laws or regulations to address the needs and problems of the Cherry Grove community.

(c) Political Activities. The Applicant has limited participation in campaigns for elective office at the Town of Brookhaven and Suffolk County level. The Applicant does not participate in campaigns for elective office at the Federal level. Political campaign generally constitute no more than 10% of the Applicant's activities, and thus the Applicant's activities primarily are directed to social welfare. Even the Applicant's political activities are tied to its social welfare mission.

The Applicant does not engage in general political campaign activity. The Applicant never participates in a political campaign solely because of personal preferences of its directors, officers or any private person. Any political campaign activity is directly connected to the Applicant's purpose of promoting the safety and welfare of the residents of Cherry Grove. As an example of the nature of campaigns in which the Applicant may participate would be a campaign in which one candidate for County-level office ("Candidate A") makes plans to materially alter the character or nature of Cherry Grove, such as by making the development of a shopping center in or proximate to Cherry Grove a central part of his or her platform, and the other candidate pledges to preserve the character and nature Cherry Grove ("Candidate B"). The Board might determine that the safety and welfare of the Cherry Grove community would be adversely effected by Candidate A's election, and therefore might make statements in support of Candidate B. Another example would be a situation in which a candidate for State office ("Candidate C") pledges to support construction of a bridge or causeway connecting Cherry Grove to the mainland and the other candidate pledges to maintain access by ferry or boat only, as is currently the case ("Candidate D"). Again, the Board might determine that the safety and welfare of the Cherry Grove community would be adversely effected by Candidate C's election, and therefore might make statements in support of Candidate D.

In no event will the Board permit campaign activity to become a primary activity of the Applicant. Given that (i) political activity has always been at a very low percentage of overall activity, (ii) all political activity is directly connected to the Applicant's social welfare mission, and (iii) that all of the remainder of the Applicant's activities satisfy the test for social welfare, the Applicant is operated exclusively for the promotion of social welfare within the meaning of the applicable Treasury Regulations.

Relevant Legal Considerations

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Treasury Regulation Section 1.501(c)(4)-1(a)(2)(i) provides that an organization is operated exclusively for the promotion of social welfare if it is "primarily" engaged in promoting in some way the common good and general welfare of the people of the community, i.e., primarily for the purpose of bringing about civic betterment and social improvements. Whether an organization is "primarily" engaged in promoting social welfare is a "facts and circumstances" test. Treasury Regulation Section 1.501(c)(4)-1(a)(2)(ii) says that a social welfare organization may qualify for exemption under IRC 501(c)(4) even though it is an "action organization" described Treasury Regulation Section 1.501(c)(3)-1(c)(3)(ii) (substantial lobbying activities) or (iv) (main or primary objective can only be attained by legislation and advocacy to attain objective), if it otherwise qualifies for exemption.

In Revenue Ruling 71-530, an organization that was formed to promote the common good and welfare of the general public through the presentation, at legislative and administrative hearings on tax matters, of views directed at the improvement of the tax system was found to be a Section 501(c)(4) organization. It selected individuals who the organization believed were qualified to represent the interests of the general public in matters of tax policy. Such individuals included members of the tax bar, public finance economists, teachers of accounting and tax law, and other tax specialists. The organization alerted them as soon as tax issues arise in their fields of expertise, and aided them in preparing and publicizing their testimony. It received contributions from the general public which were used to cover the cost of transporting witnesses, reproducing witness statements, publicizing recommendations on proposed tax changes, and the payment of salaries and other office expense.

In Revenue Ruling 68-656, an organization that was formed to educate the public regarding an activity or practice that was not then legal and sought changes in the law to specifically legalize such activity was found to be a Section 501(c)(4) organization. It circulated speeches, reprints, and pamphlet material concerning the subject and proposed legislation relating to the activity. It drafted proposed legislation and presented petitions for the purpose of having the legislation introduced.

The Applicant's legislative activity is conducted in the same manner as the organizations in those rulings. The community served by the Applicant is an area of great natural beauty, and has parts included in the Fire Island National Seashore. It is vital to the well-being of visitors and residents that the beauty, tranquility of the community and its environs be preserved and protected, and that growth, development and use of the community's resources be positive, orderly and well-planned. The Applicant's legislative activities are directed towards those ends exclusively.

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Regarding the Applicant's limited political activity, Treasury Regulation Section 1.501(c)(4)-1(a)(2)(ii) provides that the promotion of social welfare does not include direct or indirect participation in political campaigns on behalf of or in opposition to any candidate for public office. Thus, an organization exempt under Section 501(c)(4) may engage in political campaign activities if those activities are not the organization's primary activity. In contrast, organizations exempt under IRC 501(c)(3) are absolutely prohibited from engaging in political activities (and may, in addition, be subject to tax under IRC 4955 if they make any "political expenditures").

In Revenue Ruling 81-95, 1981-1 C.B. 332, the IRS considered the effect of engaging in political campaign activities on a Section 501(c)(4) organization. The organization was primarily engaged in activities designed to promote social welfare. In addition, it conducted activities involving participation and intervention in political campaigns on behalf of or in opposition to candidates for nomination or election to public office. The ruling concluded that since the organization's primary activities promoted social welfare, its lawful participation or intervention in political campaigns on behalf of or in opposition to candidates for public office would not adversely affect its exempt status under IRC 501(c)(4). The Applicant submits that its limited political activity is within the parameter of this Revenue Ruling.

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Tab D, Attachment #2: Sources of Support

The Applicant is funded primarily by non-deductible contributions from residents of, and visitors to, Cherry Grove. The Applicant also receives small amounts of investment income from its cash balances.

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Tab D, Attachment #3: Directors and Officers

See attached list of current officers and directors.

All addresses are:

c/o Cherry Grove Community Association, Inc.,
P.O. Box 4031
Sayville, New York 11782

All directors and officers serve without compensation.

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Tab D, Attachment #4: Connection with Another Organization

The Applicant was formed in 1946 and for many years conducted activities that were a blend of activities appropriate for a Section 501(c)(3) organization and those appropriate for a Section 501(c)(4) organization. The Applicant never formally sought Section 501(c)(4) status. The Applicant's Board of Directors undertook a strategic review of its activities in the year 2000, and concluded that it was appropriate to restructure the Applicant so that its activities would be conducted by two separate organizations: the Applicant, which would continue Section 501(c)(4) activities (such as lobbying and legislative activities), and Cherry Grove Community Association, Inc. ("CGCAI"), which would conduct solely 501(c)(3) activities, and would apply for recognition of Section 501(c)(3) status. The Applicant would then seek formal recognition as a tax-exempt entity under Section 501(c)(4) of the Internal Revenue Code.

The Board of CGPOA caused CGCAI to be incorporated on August 8, 2001. CGCAI received a letter from the IRS determining that it is a Section 501(c)(3) organization on December 20, 2001. The Applicant's Board determined that it would be appropriate for CGCAI to be the sole member of the Applicant, rather than the reverse, because the majority of the activities would be 501(c)(3) activities. As the Applicant's sole member, CGCAI has the power to appoint and remove the Applicant's directors, and also has the authority to approve certain major corporate events (*e.g.*, sale of all or substantially all of the Applicant's assets, merger or consolidation, liquidation, amendment of its certificate of incorporation and by-laws).

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Tab D, Attachment #5: Response to Part II, Question 7: Membership

As described above, the Applicant's sole member is CGCAI. The Applicant does not intend to seek other members.

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Tab D, Attachment #6: Response to Part II, Question 8: Assets on Dissolution

Neither New York State law nor the Applicant's Certificate of Incorporation specify how the Applicant's assets must be distributed upon its dissolution. The present intention of the Applicant's board of directors is that the Applicant's assets would be distributed to Cherry Grove Community Association, Inc.

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Tab D, Attachment #7: Response to Part II, Question 15: Political Campaigns

The Applicant has made contributions to several political campaigns conducted at the Town of Brookhaven and Suffolk County level. The Applicant expects that generally when it determines to participate in a campaign, the level of expenditure per campaign would not exceed \$1000.00.

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Tab D, Attachment #8: Schedules to Part III

Section A, Revenues and Expenses

Line 7: In Year 2010, the Applicant sold Cherry Grove-themed t-shirts and mugs for net proceeds of \$1,510.00.

**User Fee for Exempt Organization
 Determination Letter Request**

▶ Attach this form to determination letter application.
 (Form 8718 is NOT a determination letter application.)

For IRS Use Only	OMB No. 1545-1798
	Control number _____
	Amount paid _____
	User fee screener _____

1 Name of organization Cherry Grove Property Owners Association, Inc.	2 Employer Identification Number 11 : 2487681
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Caution. Do not attach Form 8718 to an application for a pension plan determination letter. Use Form 8717 instead.

3 Type of request **Fee**

- a Initial request for a determination letter for:
- An exempt organization that has had annual gross receipts averaging not more than \$10,000 during the preceding 4 years or
 - A new organization that anticipates gross receipts averaging not more than \$10,000 during its first 4 years ▶ \$400
- Note.** If you checked box 3a, you must complete the *Certification* below.

Certification

I certify that the annual gross receipts of Cherry Grove Property Owners Association, Inc.
name of organization

have averaged (or are expected to average) not more than \$10,000 during the preceding 4 (or the first 4) years of operation.

Signature ▶ _____ Title ▶ **President**

- b Initial request for a determination letter for:
- An exempt organization that has had annual gross receipts averaging more than \$10,000 during the preceding 4 years or
 - A new organization that anticipates gross receipts averaging more than \$10,000 during its first 4 years . ▶ \$850
- c Group exemption letters ▶ \$3,000

Instructions

The law requires payment of a user fee with each application for a determination letter. The user fees are listed on line 3 above. For more information, see Rev. Proc. 2009-8; 2009-1 I.R.B. 229, or latest annual update.

Check the box or boxes on line 3 for the type of application you are submitting. If you check box 3a, you must complete and sign the certification statement that appears under line 3a.

Attach to Form 8718 a check or money order payable to the "United States Treasury" for the full amount of the user fee. If you do not include the full amount, your application will be returned. Attach Form 8718 to your determination letter application.

Generally, the user fee will be refunded only if the Internal Revenue Service declines to issue a determination.

Where To File

Send the determination letter application and Form 8718 to:

Internal Revenue Service
 P.O. Box 12192
 Covington, KY 41012-0192

Who Should File

Organizations applying for federal income tax exemption, other than Form 1023 filers. Organizations submitting Form 1023 should refer to the instructions in that application package.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. If you want your organization to be recognized as tax-exempt by the IRS, you are required to give us this information. We need it to determine whether the organization meets the legal requirements for tax-exempt status.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating

to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. The rules governing the confidentiality of Form 8718 are covered in section 6104.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is 5 minutes. If you have comments concerning the accuracy of this time estimate or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send this form to this address. Instead, see *Where To File* above.

