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Return of Organization Exempt From Income Tax

2009

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2009 calendar year, or tax year beginning , 2009, and ending , 20

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type See Specific Instructions.	C Name of organization ARTSPACE PROJECTS, INC. Doing Business As		D Employer identification number 41-1350071
		Number and street (or P O box if mail is not delivered to street address) Room/suite 250 3RD AVENUE NORTH #500		E Telephone number (612) 333-9012
		City or town, state or country, and ZIP + 4 MINNEAPOLIS, MN 55401		G Gross receipts \$ 30,535,577.
		F Name and address of principal officer L. KELLEY LINDQUIST SAME AS C, ABOVE,		H(a) Is this a group return for affiliates? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> H(b) Are all affiliates included? Yes <input type="checkbox"/> No <input type="checkbox"/> If "No," attach a list (see instructions)
I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		J Website: WWW.ARTSPACE.ORG		
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other		L Year of formation 1978		M State of legal domicile MN

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities TO PROVIDE LOW COST HOUSING, WORKING SPACE, OR TECHNICAL AND DESIGN ASSISTANCE TO PROFESSIONAL ARTISTS BY MEANS OF CONSTRUCTION, REHABILITATION, OR CONVERSION OF NEW OR EXISTING STRUCTURES.		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	38
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	38
	5 Total number of employees (Part V, line 2a)	5	35
	6 Total number of volunteers (estimate if necessary)	6	0
	7a Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	
b Net unrelated business taxable income from Form 990-T, line 34	7b		
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	8,002,783.	23,500,618.
	10 Investment income (Part VIII, column (A), lines 3 and 7b)	4,797,435.	6,135,672.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	478,184.	321,645.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	13,416,926.	29,902,052.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	3,308,939.	2,846,213.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0.	8,000.
	b Total fundraising expenses, Part IX, column (D), line 25	601,100.	
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	6,829,932.	7,811,596.	
18 Total expenses - Add lines 13-17 (must equal Part IX, column (A), line 25)	10,138,871.	10,665,809.	
19 Revenue less expenses - Subtract line 18 from line 12	3,278,055.	19,236,243.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Year	End of Year
	21 Total liabilities (Part X, line 26)	26,614,622.	65,544,440.
	22 Net assets or fund balances - Subtract line 21 from line 20	15,317,381.	27,085,136.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

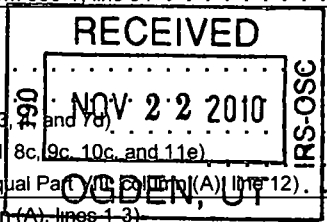
Sign Here
 Signature of officer: *Mark Coram* CFO Date: 11-15-10
 Type or print name and title: MARK CORAM CFO

Paid Preparer's Use Only
 Preparer's signature: *Annun... S...* Date: 11/15/2010 Check if self-employed:
 Preparer's identifying number (see instructions): 000440677
 Firm's name (or yours if self-employed), address, and ZIP + 4: CBIZ MHM, LLC 222 S 9TH ST, #1000 MINNEAPOLIS, MN 55402 EIN: 34-1873282
 Phone no: 612-339-7811

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.*

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Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission:

TO PROVIDE LOW COST HOUSING, WORKING SPACE, OR TECHNICAL AND DESIGN ASSISTANCE TO PROFESSIONAL ARTISTS BY MEANS OF CONSTRUCTION, REHABILITATION, OR CONVERSION OF NEW OR EXISTING STRUCTURES.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

Yes No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

Yes No

If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code) (Expenses \$ 1,668,534 including grants of \$) (Revenue \$ 1,548,893)

REAL ESTATE PROJECTS - PROVIDES PROPERTIES THAT ARE SENSITIVE TO THE UNIQUE NEEDS AND ENVIRONMENT NECESSARY FOR ARTISTS, ARTS ORGANIZATIONS AND ARTS VENUES, THROUGH WHOLLY - OR PARTIALLY-OWNED COMMERCIAL AND/OR RESIDENTIAL SUBSIDIARIES.THESE REAL ESTATE PROJECTS PROVIDE SPACE FOR ARTISTS TO WORK ON THEIR PARTICULAR MEANS OF ARTISTIC EXPRESSION. AS AN EXAMPLE, A PAINTER OR DANCER NEEDS SPACE TO PRODUCE A HUGE PAINTING, OR TO PRACTICE THEIR DANCE STEPS.

4b (Code) (Expenses \$ 5,928,706 including grants of \$) (Revenue \$ 3,560,294)

DEVELOPMENT - DEVELOPS ARTISTS' LIVE/WORK SPACE AND CULTURAL FACILITIES WITH BOTH PUBLIC AGENCIES AND PRIVATE GROUPS BY INVOLVEMENT IN REAL ESTATE PROJECTS AS PROJECT COORDINATOR, DEVELOPER, CO-DEVELOPER, AND GENERAL CONTRACTOR; INFORMS AND EDUCATES THE GENERAL PUBLIC AND KEY DECISION MAKERS ABOUT PROJECTS AND ISSUES RELATED TO ARTISTS, SPACE AND ART FACILITIES.

4c (Code) (Expenses \$ 558,277 including grants of \$) (Revenue \$ 547,498)

CONSULTING AND NEW PROJECTS - PROVIDES A COMPUTERIZED REGISTRY AND HANDOUT OF SPACES AVAILABLE FOR RENT OR PURCHASE. CONSULTING SERVICES TO ARTS ORGANIZATIONS AND INDIVIDUAL ARTISTS AROUND THE COUNTRY; SUPPORT ON REAL ESTATE DEVELOPMENT PROJECTS, COMMUNITY BUILDING, DIVERSITY IN ARTS, AND NEIGHBORHOOD DEVELOPMENT AND THE ARTS.

4d Other program services. (Describe in Schedule O.) ATTACHMENT 3 (Expenses \$ 1,102,799 including grants of \$) (Revenue \$ 726,299)

4e Total program service expenses 9,258,316.

Part IV Checklist of Required Schedules

Table with columns for question number, description, Yes, and No. Rows include questions 1 through 20 regarding organizational requirements and reporting.

Part IV Checklist of Required Schedules (continued)

		Yes	No
21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II.</i>		X
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III.</i>		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J.</i>	X	
24 a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to question 25.</i>		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25 a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I.</i>		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I.</i>		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II.</i>		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III.</i>		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i>		X
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i>		X
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV.</i>		X
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M.</i>		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M.</i>		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I.</i>		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II.</i>		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I.</i>	X	
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1.</i>	X	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2.</i>	X	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2.</i>		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI.</i>		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O.	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Table with columns for question number, description, and Yes/No responses. Includes questions 1a through 12b regarding IRS filings and tax compliance.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members of the governing body (38); 1b Enter the number of voting members that are independent (38); 2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? (No); 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? (No); 4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed? (No); 5 Did the organization become aware during the year of a material diversion of the organization's assets? (No); 6 Does the organization have members or stockholders? (No); 7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? (No); 7b Are any decisions of the governing body subject to approval by members, stockholders, or other persons? (No); 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: 8a The governing body? (Yes); 8b Each committee with authority to act on behalf of the governing body? (Yes); 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O (No).

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

Table with 3 columns: Question, Yes, No. Rows include: 10a Does the organization have local chapters, branches, or affiliates? (No); 10b If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization? (No); 11 Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form? (No); 11A Describe in Schedule O the process, if any, used by the organization to review this Form 990; 12a Does the organization have a written conflict of interest policy? If "No," go to line 13 (Yes); 12b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? (No); 12c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done (No); 13 Does the organization have a written whistleblower policy? (Yes); 14 Does the organization have a written document retention and destruction policy? (Yes); 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? 15a The organization's CEO, Executive Director, or top management official (No); 15b Other officers or key employees of the organization (No); If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions.); 16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? (Yes); 16b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements? (Yes).

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed CA, FL, MN, NY, PA,
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply. Own website, Another's website, Upon request (checked).
19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization. MARK CONRAD 250 3RD AVENUE N #500 MINNEAPOLIS, MN 55401 612-465-0208

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former** directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors, institutional trustees, officers; key employees; highest compensated employees; and former such persons.

Check this box if the organization did not compensate any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
JAMES C ADAMS VICE CHAIR	3.00	X		X			0.	0.	0.	
MARK W. ADDICKS BOARD MEMBER	3.00	X					0.	0.	0.	
FRED ARGIR BOARD MEMBER	3.00	X					0.	0.	0.	
BEVERLY L. BARNES BOARD MEMBER	3.00	X					0.	0.	0.	
PETER BEARD BOARD MEMBER	3.00	X					0.	0.	0.	
RANDALL BOURSCHIEDT BOARD MEMBER	3.00	X					0.	0.	0.	
PAUL BRAWNER BOARD MEMBER	3.00	X					0.	0.	0.	
LUCY BROWN MINN BOARD MEMBER	3.00	X					0.	0.	0.	
OGDEN CONFER BOARD MEMBER	3.00	X					0.	0.	0.	
DIANE DALTO BOARD MEMBER	3.00	X					0.	0.	0.	
MATTHEW E. DAMON BOARD MEMBER	3.00	X					0.	0.	0.	
LOUIS (LOU) DEMARS BOARD MEMBER	3.00	X					0.	0.	0.	
TERRANCE R. DOLAN BOARD MEMBER	3.00	X					0.	0.	0.	
ROY GABAY BOARD MEMBER	3.00	X					0.	0.	0.	
BONNIE HELLER BOARD MEMBER	3.00	X					0.	0.	0.	
ROBERT JENSEN BOARD MEMBER	3.00	X					0.	0.	0.	

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
BURTON R KASSELL BOARD MEMBER	3.00	X						0.	0.	0.
PETER A. LEFFERTS BOARD MEMBER	3.00	X						0.	0.	0.
RANDY LOOMIS BOARD MEMBER	3.00	X						0.	0.	0.
MARRGARET LUCAS SECRETARY	3.00	X		X				0.	0.	0.
RICHARD MARTIN BOARD MEMBER	3.00	X						0.	0.	0.
BETTY MASSEY BOARD MEMBER	3.00	X						0.	0.	0.
HERMAN J MILLIGAN JR PH.D BOARD MEMBER	3.00	X						0.	0.	0.
NICHOLAS NASH PH.D. BOARD MEMBER	3.00	X						0.	0.	0.
CYNTHIA J NEWSOM BOARD MEMBER	3.00	X						0.	0.	0.
ROGER OPP BOARD MEMBER	3.00	X						0.	0.	0.
BARBARA PORTWOOD BOARD MEMBER	3.00	X						0.	0.	0.
ELIZABETH REDLEAF BOARD MEMBER	3.00	X						0.	0.	0.
JOEL RONNING BOARD MEMBER	3.00	X						0.	0.	0.
1b Total CONTINUED AT SCHEDULE J-2								769,164.	0.	73,594.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **6**

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? If "Yes," complete Schedule J for such person		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 4		

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **3**

Part VIII Statement of Revenue

41-1350071

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions)	1e	14,847,372				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	8,653,246				
	g Noncash contributions included in lines 1a-1f \$						
h Total. Add lines 1a-1f			23,500,618				
Program Service Revenue		Business Code					
	2a CONSULTING SERVICES	900099	301,193	301,193			
	b DEVELOPERS FEES	531390	1,348,504	1,348,504			
	c PROJECT FEES	531390	2,715,182	2,715,182			
	d RENTAL REVENUE	531190	905,045	833,229		71,816	
	e PROPERTY MANAGEMENT FEES	531390	604,920	604,920			
	f All other program service revenue	531310	260,828	260,828			
g Total. Add lines 2a-2f			6,135,672				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		321,645	319,128		2,517	
	4 Income from investment of tax-exempt bond proceeds		0				
	5 Royalties		0				
	6a Gross Rents	(i) Real	546,139				
		(ii) Personal	633,525				
		b Less rental expenses	-87,386				
		c Rental income or (loss)					
	d Net rental income or (loss)			-87,386		-87,386	
	7a Gross amount from sales of assets other than inventory	(i) Securities					
		(ii) Other					
		b Less cost or other basis and sales expenses					
		c Gain or (loss)					
d Net gain or (loss)			0				
8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a						
b Less direct expenses	b						
c Net income or (loss) from fundraising events			0				
9a Gross income from gaming activities See Part IV, line 19	a						
b Less direct expenses	b						
c Net income or (loss) from gaming activities			0				
10a Gross sales of inventory, less returns and allowances	a						
b Less cost of goods sold	b						
c Net income or (loss) from sales of inventory			0				
Miscellaneous Revenue		Business Code					
11a MISC RENTAL RELATED REVENUE	900099	17,703			17,703		
b MISCELLANEOUS	900099	13,800			13,800		
c							
d All other revenue							
e Total. Add lines 11a-11d			31,503				
12 Total Revenue. See instructions			29,902,052	6,382,984		18,450	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the US See Part IV, line 21 . . .	0.			
2 Grants and other assistance to individuals in the US See Part IV, line 22	0.			
3 Grants and other assistance to governments, organizations, and individuals outside the US See Part IV, lines 15 and 16	0.			
4 Benefits paid to or for members	0.			
5 Compensation of current officers, directors, trustees, and key employees	290,928.	71,033.	159,982.	59,913.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . .	0.			
7 Other salaries and wages	2,139,659.	1,711,160.	217,142.	211,357.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . .	80,138.	48,297.	25,499.	6,342.
9 Other employee benefits	181,933.	106,298.	62,434.	13,201.
10 Payroll taxes	153,555.	100,059.	32,418.	21,078.
11 Fees for services (non-employees)				
a Management	61,678.	61,678.		
b Legal	277,032.	273,685.	3,347.	
c Accounting	0.			
d Lobbying	0.			
e Professional fundraising services See Part IV, line 17	8,000.			8,000.
f Investment management fees	0.			
g Other	2,567,338.	2,393,595.	50,681.	123,062.
12 Advertising and promotion	99,400.	29,151.		70,249.
13 Office expenses	247,618.	125,297.	108,713.	13,608.
14 Information technology	0.			
15 Royalties	0.			
16 Occupancy	206,878.	161,041.	41,337.	4,500.
17 Travel	445,439.	370,864.	4,785.	69,790.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings	0.			
20 Interest	351,739.	310,624.	41,115.	
21 Payments to affiliates	0.			
22 Depreciation, depletion, and amortization	202,306.	195,034.	7,272.	
23 Insurance	92,175.	85,063.	7,112.	
24 Other expenses Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a MISCELLANEOUS	78,557.	78,557.		
b BAD DEBT EXPENSE	3,137,585.	3,096,094.	41,491.	
c REPAIRS AND MAINTENANCE	19,314.	19,314.		
d PERMITS/FEES	24,537.	21,472.	3,065.	
e				
f All other expenses				
25 Total functional expenses Add lines 1 through 24f	10,665,809.	9,258,316.	806,393.	601,100.
26 Joint Costs. Check here <input type="checkbox"/> If following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year	
Assets	1	Cash - non-interest-bearing	418,361.	1	767,678.
	2	Savings and temporary cash investments	30,100.	2	27,138.
	3	Pledges and grants receivable, net	3,349,943.	3	14,888,279.
	4	Accounts receivable, net	9,920,530.	4	27,942,470.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges	28,286.	9	38,637.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 14,115,788.		
	b	Less: accumulated depreciation	10b 1,265,998.	10c	12,849,790.
	11	Investments - publicly traded securities	14,337.	11	14,339.
	12	Investments - other securities See Part IV, line 11		12	
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets See Part IV, line 11	1,095,519.	15	9,016,109.
16	Total assets. Add lines 1 through 15 (must equal line 34)	26,614,622.	16	65,544,440.	
Liabilities	17	Accounts payable and accrued expenses	2,294,853.	17	1,672,346.
	18	Grants payable		18	
	19	Deferred revenue	4,102,521.	19	3,891,725.
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties	7,117,738.	23	17,396,065.
	24	Unsecured notes and loans payable to unrelated third parties	1,802,269.	24	4,125,000.
	25	Other liabilities. Complete Part X of Schedule D		25	
	26	Total liabilities. Add lines 17 through 25	15,317,381.	26	27,085,136.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27	Unrestricted net assets	7,885,402.	27	22,049,609.
	28	Temporarily restricted net assets	3,411,839.	28	16,409,695.
	29	Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
33	Total net assets or fund balances	11,297,241.	33	38,459,304.	
34	Total liabilities and net assets/fund balances	26,614,622.	34	65,544,440.	

Part XI Financial Statements and Reporting

- 1** Accounting method used to prepare the Form 990: Cash Accrual Other _____
 If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a** Were the organization's financial statements compiled or reviewed by an independent accountant?
- b** Were the organization's financial statements audited by an independent accountant?
- c** If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
 If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.
- d** If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both:
 Separate basis Consolidated basis Both consolidated and separate basis
- 3a** As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b** If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

	Yes	No
2a		X
2b	X	
2c	X	
3a		X
3b		

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
 (Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")	2,006,733	4,776,628	5,920,135	8,002,783	23,500,618	44,206,897
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	2,006,733	4,776,628	5,920,135	8,002,783	23,500,618	44,206,897
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f).						3,960,006.
6 Public support. Subtract line 5 from line 4						40,246,891.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4	2,006,733	4,776,628	5,920,135	8,002,783	23,500,618	44,206,897
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	3,788.	141,495	470,286	840,258	2,517.	1,458,344
9 Net income from unrelated business activities, whether or not the business is regularly carried on					628,042	628,042
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV) . ATCH 1	11,852	30,000	10,460.	92,809		145,121.
11 Total support. Add lines 7 through 10						46,438,404.
12 Gross receipts from related activities, etc (see instructions)					12	30,831,300.
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f))	14	86.67 %
15 Public support percentage from 2008 Schedule A, Part II, line 14	15	82.39 %
16a 33 1/3% support test - 2009. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input checked="" type="checkbox"/>
b 33 1/3% support test - 2008. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10%-facts-and-circumstances test - 2009. If the organization did not check a box on line 13, 16a or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 10%-facts-and-circumstances test - 2008. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>

Part III Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Table with 7 columns: (a) 2005, (b) 2006, (c) 2007, (d) 2008, (e) 2009, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Gross receipts from admissions, merchandise sold or services performed; 3 Gross receipts from activities that are not an unrelated trade or business; 4 Tax revenues levied for the organization's benefit; 5 The value of services or facilities furnished by a governmental unit; 6 Total; 7a Amounts included on lines 1, 2, and 3 received from disqualified persons; 7b Amounts included on lines 2 and 3 received from other than disqualified persons; 7c Add lines 7a and 7b; 8 Public support.

Section B. Total Support

Table with 7 columns: (a) 2005, (b) 2006, (c) 2007, (d) 2008, (e) 2009, (f) Total. Rows include: 9 Amounts from line 6; 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources; 10b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975; 10c Add lines 10a and 10b; 11 Net income from unrelated business activities not included in line 10b; 12 Other income Do not include gain or loss from the sale of capital assets; 13 Total support.

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here.

Section C. Computation of Public Support Percentage

Table with 3 columns: Description, Value, Percentage. Row 15: Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f)). Row 16: Public support percentage from 2008 Schedule A, Part III, line 15.

Section D. Computation of Investment Income Percentage

Table with 3 columns: Description, Value, Percentage. Row 17: Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f)). Row 18: Investment income percentage from 2008 Schedule A, Part III, line 17.

19a 33 1/3% support tests - 2009. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization.
19b 33 1/3% support tests - 2008. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization.
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions.

Part IV **Supplemental Information.** Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. See instructions

ATTACHMENT 1

SCHEDULE A, PART II - OTHER INCOME

DESCRIPTION	2005	2006	2007	2008	2009	TOTAL
OTHER INCOME	11,852.		10,460.	7,892		30,204.
FORGIVENESS OF DEBT		30,000.		84,917.		114,917
TOTALS	<u>11,852.</u>	<u>30,000.</u>	<u>10,460</u>	<u>92,809</u>		<u>145,121</u>

SCHEDULE C
(Form 990 or 990-EZ)

Political Campaign and Lobbying Activities
For Organizations Exempt From Income Tax Under section 501(c) and section 527

OMB No 1545-0047

2009

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organization is described below.**
▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions**

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations Complete Part I-A only

If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of organization ARTSPACE PROJECTS, INC.	Employer identification number 41-1350071
---	--

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.

2 Political expenditures ▶ \$ _____

3 Volunteer hours _____

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$ _____

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$ _____

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? Yes No

4a Was a correction made? Yes No

b If "Yes," describe in Part IV

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$ _____

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ \$ _____

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ \$ _____

4 Did the filing organization file Form 1120-POL for this year? Yes No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which payments were made For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-

Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

- A** Check if the filing organization belongs to an affiliated group.
B Check if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1 a	Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b	Total lobbying expenditures to influence a legislative body (direct lobbying)	29,719.													
c	Total lobbying expenditures (add lines 1a and 1b)	29,719.													
d	Other exempt purpose expenditures	11,261,270.													
e	Total exempt purpose expenditures (add lines 1c and 1d)	11,290,989.													
f	Lobbying nontaxable amount. Enter the amount from the following table in both columns.	714,549.													
<table border="1"> <thead> <tr> <th>If the amount on line 1e, column (a) or (b) is:</th> <th>The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </tbody> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g	Grassroots nontaxable amount (enter 25% of line 1f)	178,637.													
h	Subtract line 1g from line 1a. If zero or less, enter -0-														
i	Subtract line 1f from line 1c. If zero or less, enter -0-														
j	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No												

4-Year Averaging Period Under Section 501(h)
 (Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) Total
2 a Lobbying non-taxable amount	697,316.	806,481.	656,944.	714,549.	2,875,290.
b Lobbying ceiling amount (150% of line 2a, column (e))					4,312,935.
c Total lobbying expenditures	162,404.	56,903.	58,500.	29,719.	307,526.
d Grassroots nontaxable amount	174,329.	201,620.	164,236.	178,637.	718,822.
e Grassroots ceiling amount (150% of line 2d, column (e))					1,078,233.
f Grassroots lobbying expenditures					

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

Table with 3 main columns: (a) Yes/No, (b) Amount. Rows include: 1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation... a Volunteers? b Paid staff or management... c Media advertisements? d Mailings to members... e Publications... f Grants to other organizations... g Direct contact with legislators... h Rallies, demonstrations... i Other activities? j Total Add lines 1c through 1i. 2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)? b If "Yes," enter the amount of any tax incurred under section 4912. c If "Yes," enter the amount of any tax incurred by organization managers under section 4912. d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

Table with 3 columns: Question, Yes, No. Rows include: 1 Were substantially all (90% or more) dues received nondeductible by members? 2 Did the organization make only in-house lobbying expenditures of \$2,000 or less? 3 Did the organization agree to carryover lobbying and political expenditures from the prior year?

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes."

Table with 2 main columns: Question, Amount. Rows include: 1 Dues, assessments and similar amounts from members. 2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid). a Current year. b Carryover from last year. c Total. 3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues. 4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year? 5 Taxable amount of lobbying and political expenditures (see instructions).

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5; and Part II-B, line 1. Also, complete this part for any additional information.

Series of horizontal dashed lines for providing supplemental information.

Part IV Supplemental Information *(continued)*

Area with horizontal dashed lines for supplemental information.

**SCHEDULE D
(Form 990)**

Supplemental Financial Statements

OMB No 1545-0047

2009

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.**

▶ **Attach to Form 990. ▶ See separate instructions.**

Name of the organization

ARTSPACE PROJECTS, INC.

Employer identification number

41-1350071

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?	<input type="checkbox"/> Yes <input type="checkbox"/> No	

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? Yes No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? Yes No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items.

(i) Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____

(ii) Assets included in Form 990, Part X ▶ \$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____

b Assets included in Form 990, Part X ▶ \$ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a Public exhibition, b Scholarly research, c Preservation for future generations, d Loan or exchange programs, e Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIV and complete the following table

Table with 2 columns: Description, Amount. Rows: 1c Beginning balance, 1d Additions during the year, 1e Distributions during the year, 1f Ending balance

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if organization answered "Yes" to Form 990, Part IV, line 10.

Table with 6 columns: (a) Current Year, (b) Prior year, (c) Two years back, (d) Three years back, (e) Four years back. Rows: 1a Beginning of year balance, b Contributions, c Net investment earnings, gains, and losses, d Grants or scholarships, e Other expenditures for facilities and programs, f Administrative expenses, g End of year balance

2 Provide the estimated percentage of the year end balance held as:

- a Board designated or quasi-endowment %
b Permanent endowment %
c Term endowment %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) unrelated organizations
(ii) related organizations

Table with 2 columns: Yes, No. Rows: 3a(i), 3a(ii), 3b

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Investments - Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Table with 5 columns: (a) Cost or other basis (investment), (b) Cost or other basis (other), (c) Accumulated depreciation, (d) Book value. Rows: 1a Land, b Buildings, c Leasehold improvements, d Equipment, e Other, Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net). Add lines 4 through 8	9	
10	Excess or (deficit) for the year per audited financial statements Combine lines 3 and 9	10	

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18).	5	

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4, Part IV, lines 1b and 2b; Part V, line 4, Part X, line 2, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

SEE PAGE 5

Part XIV Supplemental Information (continued)

PART X, LINE 2

ON JANUARY 1, 2009, THE ORGANIZATION ADOPTED NEW ACCOUNTING GUIDANCE ON ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES. THE ORGANIZATION REVIEWS AND ASSESSES ITS TAX POSITIONS TAKEN OR EXPECTED TO BE TAKEN IN TAX RETURNS. BASED ON THIS ASSESSMENT THE ORGANIZATION DETERMINES WHETHER IT IS MORE LIKELY THAN NOT THE TAX POSITIONS WOULD BE SUSTAINED UPON EXAMINATION BY TAX AUTHORITIES. THE ORGANIZATION'S ASSESSMENT HAS NOT IDENTIFIED ANY SIGNIFICANT POSITIONS THAT IT BELIEVES WOULD NOT BE SUSTAINED UNDER EXAMINATION.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
ARTSPACE PROJECTS, INC.

Employer identification number
41-1350071

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If any of the boxes on line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.

- | | |
|--|---|
| <input checked="" type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?
- b** Any related organization?
- If "Yes" to line 5a or 5b, describe in Part III

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization?
- b** Any related organization?
- If "Yes" to line 6a or 6b, describe in Part III.

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1a		
1b		
2		
3		
4a		X
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2009

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(i) L. KELLY LINDQUIST	164,355	0	0	8,300	7,085	179,740	0
(ii)		0	0		0	0	0
(iii)							
(i)							
(ii)							
(iii)							
(i)							
(ii)							
(iii)							
(i)							
(ii)							
(iii)							
(i)							
(ii)							
(iii)							
(i)							
(ii)							
(iii)							
(i)							
(ii)							
(iii)							
(i)							
(ii)							
(iii)							
(i)							
(ii)							
(iii)							
(i)							
(ii)							
(iii)							

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

Area with horizontal dashed lines for supplemental information.

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 990 to list additional information for Form 990, Part VII, Section A, line 1a.

▶ See the Instructions for Form 990.

Name of the Organization
ARTSPACE PROJECTS, INC.

Employer identification number
41-1350071

Part I Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
ANNAMARIE SAARINEN BOARD MEMBER	3.00	X					0.	0.	0.	
GLORIA SEWELL BOARD MEMBER	3.00	X					0.	0.	0.	
JOHN G SKOGMO TREASURER	3.00	X		X			0.	0.	0.	
KRISTIN TILLOTSON BOARD MEMBER	3.00	X					0.	0.	0.	
REBECCA DRISCOLL CHAIR	3.00	X		X			0.	0.	0.	
CREE ZISCHKE BOARD MEMBER	3.00	X					0.	0.	0.	
LESLIE BLACK BOARD MEMBER	3.00	X					0.	0.	0.	
REBECCA DRISCOLL BOARD MEMBER	3.00	X					0.	0.	0.	
MARIE FEELY BOARD MEMBER	3.00	X					0.	0.	0.	
SUSAN KENNY STEVENS, PH.D. BOARD MEMBER	3.00	X					0.	0.	0.	
L. KELLY LINDQUIST PRESIDENT	40.00			X			164,355.	0.	15,385.	
MARK CONRAD CFO	40.00			X			100,350.	0.	10,838.	
WILLIAM LAW COO	40.00					X	128,175.	0.	12,189.	
GREG HANDBERG VP, PROPERTY DEVELOPMENT	40.00					X	125,994.	0.	11,882.	
WENDY HOLMES VP, RESOURCES	40.00					X	131,163.	0.	12,238.	
COLIN HAMILTON VP, CREATIVE CAPITAL	40.00					X	119,127.	0.	11,062.	

**SCHEDULE O
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990.

OMB No 1545-0047

2009

**Open to Public
Inspection**

Name of the organization

ARTSPACE PROJECTS, INC.

Employer identification number

41-1350071

ATTACHMENT 2

PART VI, LINE 11

THE FORM 990 IS REVIEWED ANNUALLY BY THE CFO AND THE FINANCE COMMITTEE OF ARTSPACE BEFORE THE RETURN IS FILED. THE FINANCE COMMITTEE IS ACTING AS A COMMITTEE THAT SUPPORTS THE FULL BOARD.

PART VI, LINE 12C

ARTSPACE PROJECTS INC. HAS HAD A CONFLICT OF INTEREST POLICY FOR SEVERAL YEARS. THIS POLICY REQUIRES THAT BOARD MEMBERS SIGN OFF ON THE CONFLICT OF INTEREST POLICY ANNUALLY TO SHOW THAT THEY UNDERSTAND THE POLICY. THE ORGANIZATION HAS INADVERTENTLY NOT REQUESTED THE SIGNED ACKNOWLEDGEMENT FROM THE BOARD MEMBERS DURING THE PAST SEVERAL YEARS.

PART VI, LINE 15A

COMPENSATION FOR THE PRESIDENT OF ARTSPACE PROJECTS, INC. IS ESTABLISHED BY THE OFFICERS OF THE BOARD OF DIRECTORS, BASED ON COMPARABLE DATA AVAILABLE FOR VARIOUS NONPROFIT AND FOR-PROFIT REAL ESTATE DEVELOPMENT SALARY SURVEYS. SURVEYS FOR BOTH NONPROFITS AND FOR-PROFITS ARE USED BECAUSE STAFF RETENTION IS AFFECTED BY BOTH AREAS. THE BOARD CHAIR REVIEWS THE PRESIDENT'S PERFORMANCE ON AN ANNUAL BASIS. THE BOARD CHAIR DISCUSSED THIS REVIEW WITH OTHER BOARD OFFICERS. THIS PROCESS WAS LAST UNDERTAKEN IN 2007. THERE WAS NO INCREASE IN 2009. WRITTEN DOCUMENTATION OF THIS PROCESS WAS NOT KEPT IN THE PAST. GOING FORWARD, WRITTEN DOCUMENTATION FOR DETERMINING THE PRESIDENT'S SALARY WILL BE RETAINED.

Name of the organization

ARTSPACE PROJECTS, INC.

Employer identification number

41-1350071

ATTACHMENT 2 (CONT'D)

PART VI, LINE 19

THE ARTICLES OF INCORPORATION, BYLAWS, CONFLICT OF INTEREST POLICY AND FINANCIAL INFORMATION ARE PROVIDED UPON REQUEST

PART IV, LINE 12

THE TAX RETURN INCLUDES ARTSPACE PROJECTS, INC AND SEVERAL DISREGARDED ENTITIES. AUDITED FINANCIAL STATEMENTS INCLUDE THESE ENTITIES AS WELL AS OTHER RELATED ENTITIES. CONSEQUENTLY THERE ARE NO SEPARATE AUDITED FINANCIAL OF THE TAX RETURN GROUPING. THE COMPONENTS OF THE TAX RETURN GROUPING, I.E. ARTSPACE PROJECTS, INC. AND THE DISREGARDED ENTITIES, HAVE BEEN AUDITED WITHIN THE LARGER GROUP.

PART XI, LINE 2B

THE TAX RETURN INCLUDES ARTSPACE PROJECTS, INC AND SEVERAL DISREGARDED ENTITIES. AUDITED FINANCIAL STATEMENTS INCLUDE THESE ENTITIES AS WELL AS OTHER RELATED ENTITIES. CONSEQUENTLY THERE ARE NO SEPARATE AUDITED FINANCIAL OF THE TAX RETURN GROUPING. THE COMPONENTS OF THE TAX RETURN GROUPING, I.E. ARTSPACE PROJECTS, INC. AND THE DISREGARDED ENTITIES, HAVE BEEN AUDITED WITHIN THE LARGER GROUP.

PART VI, LINE 15B

COMPENSATION FOR KEY EMPLOYEES IS DETERMINED BY THE PRESIDENT IN CONSULTATION WITH THE BOARD CHAIR. COMPENSATION IS BASED ON COMPARABLE DATA AVAILABLE FOR VARIOUS NONPROFIT AND FOR-PROFIT REAL ESTATE DEVELOPMENT SALARY SURVEYS. THIS PROCESS WAS LAST UNDERTAKEN IN 2007. THERE WAS NO INCREASE IN 2009.

Name of the organization

ARTSPACE PROJECTS, INC.

Employer identification number

41-1350071

ATTACHMENT 3FORM 990, PART III, LINE 4D - OTHER PROGRAM SERVICES

<u>DESCRIPTION</u>	<u>GRANTS</u>	<u>EXPENSES</u>	<u>REVENUE</u>
ASSET MANAGEMENT		511,182	120,568.
PROPERTY MANAGEMENT		591,617	605,731
TOTALS		<u>1,102,799.</u>	<u>726,299</u>

ATTACHMENT 4990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND CONTRACTORS

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
DEVCON CONSTRUCTION INC. 690 GIBRALTOR DRIVE MILPITAS, CA 95035	CONSTRUCTION SERVICE	668,409.
PILLSBURY, WINTHROP, PITTMAN & SHAW PO 601240 CHARLOTTE, NC 28260	LEGAL FEES	124,962.
HICKOK COLE 1023 31ST NW WASHINGTON, DC 20007	ARCHITECTUAL SERVICE	339,128.
TOTAL COMPENSATION		<u>1,132,499</u>

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36 or 37.
▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization

ARTSPACE PROJECTS, INC.

Employer identification number
41-1350071

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
ARTS AND HOUSING DC, LLC 250 3RD AVENUE NORTH #500 MINNEAPOLIS, MN 55401 20-8466749	HOLDING CO	DC	0.	0.	N/A
ARTSPACE BRIDGEPORT, LLC 250 3RD AVENUE NORTH #500 MINNEAPOLIS, MN 55401 41-2018262	HOLDING CO	MN	0.	0.	N/A
ARTSPACE CHICAGO, LLC 250 3RD AVENUE NORTH #500 MINNEAPOLIS, MN 55401 41-1972155	HOLDING CO	MN	0.	0.	N/A
ARTSPACE FORT LAUDERDALE, LLC 250 3RD AVENUE NORTH #500 MINNEAPOLIS, MN 55401 74-3136427	HOLDING CO	FL	0.	0.	N/A
ARTSPACE GALVESTON, LLC 250 3RD AVENUE NORTH #500 MINNEAPOLIS, MN 55401 41-1955583	HOLDING CO	TX	0.	0.	N/A
ARTSPACE HIAWATHA, LLC 250 3RD AVENUE NORTH #500 MINNEAPOLIS, MN 55401 41-1350071	HOLDING CO	MN	0.	0.	N/A

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
HENNEPIN CENTER FOR THE ARTS 250 THIRD AVENUE NORTH MINNEAPOLIS, MN 55401 41-1312371	RENTALS	MN	501 (C) (3)	9	N/A
MINNESOTA SHUBERT THEATER CENTER FOR DAN 250 3RD AVENUE NORTH #500 MINNEAPOLIS, MN 55401	RENTALS	MN	501 (C) (3)	7	N/A
-----	-----	-----	-----	-----	-----
-----	-----	-----	-----	-----	-----
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-----	-----	-----	-----	-----	-----
-----	-----	-----	-----	-----	-----

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2009

Part III Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?	
							Yes	No		Yes	No
ARTSPACE BRIDGEPORT LIMITED PA 250 3RD AVENUE NORTH #500	LIHTC RENTAL HOUS	MN	ARTSPACE BRIDGE	RENTALS	-29	2,550,187		X			X
ARTSPACE CHICAGO LIMITED PARTN 250 3RD AVENUE NORTH #500	LIHTC RENTAL HOUS	MN	ARTSPACE CHICAG	RENTALS	-13	141,018		X			X
ARTSPACE HIAWATHA L.P. 20-5002 250 3RD AVENUE NORTH #500	LIHTC RENTAL HOUS	WA	ARTSPACE HIAWAT	RENTALS	-41	2,046,719		X			X
ARTSPACE MOUNT RAINIER LIMITED 250 3RD AVENUE NORTH #500	LIHTC RENTAL HOUS	MN	ARTSPACE MOUNT	RENTALS	-126,102	1,454,588		X			X
BRANDT JENS KLUGE LIMITED PART 250 3RD AVENUE NORTH #500	LIHTC RENTAL HOUS	MN	N/A	RENTALS	-114	4,950		X			X
JEFFERSON DAVIS ARTIST LOFTS L 250 3RD AVENUE NORTH #500	LIHTC RENTAL HOUS	MN	JEFFERSON DAVIS	RENTALS	-25	283		X			X
KADDATZ ARTIST LOFTS LIMITED P 250 3RD AVENUE NORTH #500	LIHTC RENTAL HOUS	MN	KADDATZ ARTISTS	RENTALS	-7	95,049		X			X

Part IV Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
ARTSPACE AFFORDABLE FAMILY HOUSING DEVEL 250 3RD AVENUE NORTH #500 MINNEAPOLIS, MN 55401	HOLDING CO	NY	N/A	C CORP	0	0	100.0000
ARTSPACE DEVELOPMENT CORPORATION 250 3RD AVENUE NORTH #500 MINNEAPOLIS, MN 55401	HOLDING CO	MN	N/A	C CORP	0	0	100.0000
ARTSPACE LP INTEREST, INC 250 3RD AVENUE NORTH #500 MINNEAPOLIS, MN 55401	HOLDING CO	MN	N/A	C CORP	0	0	100.0000
ARTSPACE PITTSBURGH DEVELOPMENT, INC 250 3RD AVENUE NORTH #500 MINNEAPOLIS, MN 55401	HOLDING CO	MN	N/A	C CORP	0	0	100.0000

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule

		Yes	No
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a	Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity	X	
b	Gift, grant, or capital contribution to other organization(s)	X	
c	Gift, grant, or capital contribution from other organization(s)	X	
d	Loans or loan guarantees to or for other organization(s)	X	
e	Loans or loan guarantees by other organization(s)	X	
f	Sale of assets to other organization(s)	X	
g	Purchase of assets from other organization(s)	X	
h	Exchange of assets	X	
i	Lease of facilities, equipment, or other assets to other organization(s)	X	
j	Lease of facilities, equipment, or other assets from other organization(s)	X	
k	Performance of services or membership or fundraising solicitations for other organization(s)	X	
l	Performance of services or membership or fundraising solicitations by other organization(s)	X	
m	Sharing of facilities, equipment, mailing lists, or other assets	X	
n	Sharing of paid employees	X	
o	Reimbursement paid to other organization for expenses	X	
p	Reimbursement paid by other organization for expenses	X	
q	Other transfer of cash or property to other organization(s)	X	
r	Other transfer of cash or property from other organization(s)	X	

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved
(1) HARVESTER ARTIST LOFTS LP	ID	1,708,088.
(2) ARTSPACE MOUNT RAINIER LIMITED PARTNERSHIP	IJ	102,804.
(3) RIVERSIDE ARTIST LOFTS LIMITED PARTNERSHIP	IJ	60,744.
(4) ARTSPACE BRIDGEPORT LIMITED PARTNERSHIP	IJ	102,024.
(5) ARTSPACE BRAINARD L.P.	IJ	182,514.
(6) ARTSPACE AFFORDABLE FAMILY HOUSING I, LP	IJ	73,752.

Schedule R (Form 990) 2009

Continuation Sheet for Schedule R (Form 990)

▶ Attach to Form 990 to list additional information for Schedule R (Form 990), Part I; Part II; Part III; Part IV; Part V, line 2; or Part VI.

▶ See instructions for Schedule R (Form 990).

Name of filing organization

ARTSPACE PROJECTS, INC.

Employer identification number

41-1350071

Part I Continuation of Identification of Disregarded Entities

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
ARTSPACE BRAINERD, LLC 250 3RD AVENUE NORTH #500 MINNEAPOLIS, MN 55401 41-1350071	HOLDING CO	MN	0.	0.	N/A
ARTSPACE HARVESTER ARTIST LOFTS, LLC 250 3RD AVENUE NORTH #500 MINNEAPOLIS, MN 55401 41-1350071	HOLDING CO	IA	0.	0.	N/A
ARTSPACE TANNERY, LLC 250 3RD AVENUE NORTH #500 MINNEAPOLIS, MN 55401 26-3695585	HOLDING CO	CA	0.	0.	N/A
EL BARRIO ARTSPACE, LLC 250 3RD AVENUE NORTH #500 MINNEAPOLIS, MN 55401 38-3749674	HOLDING CO	NY	0.	0.	N/A
BROOKLAND ARTSPACE LOFTS MN, LLC 250 3RD AVENUE NORTH #500 MINNEAPOLIS, MN 55401 41-1350071	HOLDING CO	MN	0.	0.	N/A
BROOKLAND ARTSPACE LOFTS, LLC 250 3RD AVENUE NORTH #500 MINNEAPOLIS, MN 55401 41-1350071	HOLDING CO	DC	0.	0.	N/A
ARTSPACE EVERETT, LLC 250 3RD AVENUE NORTH #500 MINNEAPOLIS, MN 55401 41-1350071	HOLDING CO	MN	0.	0.	N/A
ARTSPACE PATCHOGUE LOFTS GP, LLC 250 3RD AVENUE NORTH #500 MINNEAPOLIS, MN 55401 26-2299526	HOLDING CO	NY	0.	0.	N/A
ARTSPACE TALLAHASSEE, LLC 250 3RD AVENUE NORTH #500 MINNEAPOLIS, MN 55401 41-1350071	HOLDING CO	MN	0.	0.	N/A
KARCHER ARTSPACE LOFTS, LLC 250 3RD AVENUE NORTH #500 MINNEAPOLIS, MN 55401 41-1350071	HOLDING CO	MN	0.	0.	N/A
SHURBERT LEVERAGE LENDER, LLC 250 3RD AVENUE NORTH #500 MINNEAPOLIS, MN 55401 41-1350071	HOLDING CO	MN	0.	0.	N/A

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R-1 (Form 990) 2009

**SCHEDULE R-1
(Form 990)**

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Schedule R (Form 990)

▶ Attach to Form 990 to list additional information for Schedule R (Form 990), Part I; Part II; Part III; Part IV; Part V, line 2; or Part VI.

▶ See Instructions for Schedule R (Form 990).

OMB No. 1545-0047

2009

Open to Public
Inspection

Name of filing organization

ARTSPACE PROJECTS, INC.

Employer identification number

41-1350071

Part I Continuation of Identification of Disregarded Entities

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
ARTSPACE HOUSTON, LLC 250 3RD AVENUE NORTH #500 MINNEAPOLIS, MN 55401 48-1305450	HOLDING CO	MN	0.	0.	N/A
ARTSPACE MOUNT RAINIER, LLC 250 3RD AVENUE NORTH #500 MINNEAPOLIS, MN 55401 01-0591507	HOLDING CO	MN	0.	0.	N/A
ARTSPACE TASHIRO-KAPLAN, LLC 250 3RD AVENUE NORTH #500 MINNEAPOLIS, MN 55401 41-1350071	HOLDING CO	WA	0.	0.	N/A
BELMONT ARTSPACE, LLC 250 3RD AVENUE NORTH #500 MINNEAPOLIS, MN 55401 83-0456711	HOLDING CO	NY	0.	0.	N/A
CANON RIVER ARTISTS LOFTS, LLC 250 3RD AVENUE NORTH #500 MINNEAPOLIS, MN 55401 20-1367855	HOLDING CO	MN	0.	0.	N/A
EVERETT STATIONS LOFTS, LLC 250 3RD AVENUE NORTH #500 MINNEAPOLIS, MN 55401 41-1923434	HOLDING CO	MN	0.	0.	N/A
HISTORIC WESTSIDE SCHOOLS, LLC 250 3RD AVENUE NORTH #500 MINNEAPOLIS, MN 55401 13-4342116	HOLDING CO	MN	0.	0.	N/A
JEFFERSON DAVIS ARTIST LOFTS, LLC 250 3RD AVENUE NORTH #500 MINNEAPOLIS, MN 55401 20-1077023	HOLDING CO	MN	0.	0.	N/A
KADDAZ ARTIST LOFTS, LLC 250 3RD AVENUE NORTH #500 MINNEAPOLIS, MN 55401 01-0743919	HOLDING CO	MN	0.	0.	N/A
PERFORMANCE PROPERTY MANAGEMENT COMPANY 250 3RD AVENUE NORTH #500 MINNEAPOLIS, MN 55401 41-1928196	HOLDING CO	MN	0.	0.	N/A
PIONEER SQUARE COMMUNITY DEVELOPMENT ORG 250 3RD AVENUE NORTH #500 MINNEAPOLIS, MN 55401 41-1350071	HOLDING CO	WA	0.	0.	N/A
RIVERSIDE ARTIST LOFTS, LLC 250 3RD AVENUE NORTH #500 MINNEAPOLIS, MN 55401 41-1957459	HOLDING CO	MN	0.	0.	N/A
SAILBOAT BEND, LLC 250 3RD AVENUE NORTH #500 MINNEAPOLIS, MN 55401 20-0902980	HOLDING CO	MN	0.	0.	N/A
SHUBERT LANDHOLDING, LLC 250 3RD AVENUE NORTH #500 MINNEAPOLIS, MN 55401 41-1350071	HOLDING CO	MN	0.	0.	N/A
THE HISTORIC NATIONAL HOTEL ARTIST LOFTS 250 3RD AVENUE NORTH #500 MINNEAPOLIS, MN 55401 41-1975810	HOLDING CO	MN	0.	0.	N/A

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R-1 (Form 990) 2009

41-1350071

Part III Continuation of Identification of Related Organizations Taxable as a Partnership

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations		(i) Code V-UBI amount on box 20 of K-1	(j) General or managing partner?	
							Yes	No		Yes	No
RIVERSIDE ARTIST LOFTS LIMITED											
250 3RD AVENUE NORTH #500	LIHTC RENTAL HOUS	NY	RIVERSIDE ARTIS	RENTALS	-139,511	1,138,571		X			X
SAILBOAT BEND LIMITED PARTNERS											
250 3RD AVENUE NORTH #500	LIHTC RENTAL HOUS	MN	SAILBOAT BEND,	RENTALS	-27,443.	5,653,818.		X			X
TASHIRO-KAPLAN LIMITED PARTNER											
250 3RD AVENUE NORTH #500	LIHTC RENTAL HOUS	WA	ARTSPACE TASHIR	RENTALS	-26	6,156,059		X			X
TILSNER BUILDING LIMITED PARTN											
250 3RD AVENUE NORTH #500	LIHTC RENTAL HOUS	MN	N/A	RENTALS	-621	270,822		X			X
T2P/LLP 41-1769748											
250 3RD AVENUE NORTH #500	COMMERCIAL RENTAL	MN	N/A	RENTALS	-35,468	92,540		X			X
WASHINGTON STUDIOS LIMITED PAR											
250 3RD AVENUE NORTH #500	LIHTC RENTAL HOUS	MN	N/A	RENTALS	-1,714	409,519.		X			X
ARTSPACE BRAINERD, LP 20-13679											
250 3RD AVENUE NORTH #500	LIHTC RENTAL HOUS	MN	ARTSPACE BRAINE	RENTALS	-7	1,055,965.		X			X
HARVESTER ARTIST LOFTS, LP 26-											
250 3RD AVENUE NORTH #500	LIHTC RENTAL HOUS	IA	ARTSPACE HARVES	RENTALS		4,064,927.		X			X
TANNERY ARTISTS LOFTS LP 68-12											
250 3RD AVENUE NORTH #500	LIHTC RENTAL HOUS	CA	ARTSPACE TANNER	RENTALS	-171	1,703,002.		X			X
EL BARRIO ARTSPACE LP 38-37496											
250 3RD AVENUE NORTH #500	LIHTC RENTAL HOUS	NY	EL BARRIO ARTSP	RENTALS				X			X
ARTSPACE PATCHOUE LOFTS LP 26											
250 3RD AVENUE NORTH #500	LIHTC RENTAL HOUS	NY	ARTSPACE PATCHO	RENTALS		645,274		X			X
ARTSPACE EVERETT LP 61-1569469											
250 3RD AVENUE NORTH #500	LIHTC RENTAL HOUS	MN	ARTSPACE	RENTALS	4.	11,513,696.		X			X
TASHIRO ARTS BUILDING, LLC 72-											
250 3RD AVENUE NORTH #500	HOLDING CO	WA	N/A	NONE	-2,529	1,024,518.		X			X

Schedule R-1 (Form 990) 2009

Part V Continuation of Transactions With Related Organizations (Schedule R (Form 990), Part V, line 2)

(A)	(B)	(C)
Name of other organization	Transaction type (a-f)	Amount involved
(7) ARTSPACE HIAWATHA L.P.	1 J	66,880.
(8)		
(9)		
(10)		
(11)		
(12)		
(13)		
(14)		
(15)		
(16)		
(17)		
(18)		
(19)		
(20)		
(21)		
(22)		
(23)		
(24)		

If you are filing for an Additional (Not Automatic) 3-Month Extension, complete only Part II and check this box

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

If you are filing for an Automatic 3-Month Extension, complete only Part I (on page 1).

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

Form section with fields: Name of Exempt Organization (ARTSPACE PROJECTS, INC.), Employer Identification number (41-1350071), Number, street, and room or suite no (250 3RD AVENUE NORTH #500), City, town or post office, state, and ZIP code (MINNEAPOLIS, MN 55401).

Check type of return to be filed (File a separate application for each return):

Form section with checkboxes for Form 990, Form 990-PF, Form 990-BL, Form 990-EZ, Form 990-T (sec 401(a) or 408(a) trust), Form 990-T (trust other than above), Form 1041-A, Form 4720, Form 5227, Form 6069, Form 8870.

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

The books are in the care of MARK CONRAD. Telephone No. 612 465-0208. FAX No. 612 333-9089. If the organization does not have an office or place of business in the United States, check this box. If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN).

I request an additional 3-month extension of time until 11/15/2010. For calendar year 2009, or other tax year beginning and ending. If this tax year is for less than 12 months, check reason: Initial return, Final return, Change in accounting period. State in detail why you need the extension: ADDITIONAL TIME IS NEEDED IN ORDER TO GATHER THE INFORMATION NECESSARY TO PREPARE A COMPLETE AND ACCURATE RETURN.

Table with 3 rows: 8a (tentative tax, less any nonrefundable credits), 8b (refundable credits and estimated tax payments made), 8c (Balance Due). Columns include description and amount in dollars.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature: [Handwritten Signature] Title: CPA Date: 8/6/2010

CBIZ MHM, LLC
222 S 9TH ST, #1000
MINNEAPOLIS, MN 55402

Application for Extension of Time To File an Exempt Organization Return

File a separate application for each return.

- If you are filing for an Automatic 3-Month Extension, complete only Part I and check this box [X]
If you are filing for an Additional (Not Automatic) 3-Month Extension, complete only Part II (on page 2 of this form).
Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only []

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868.

Table with 3 columns: Type or print, Name of Exempt Organization, Employer Identification number. Row 1: ARTSPACE PROJECTS, INC., 41-1350071. Row 2: 250 3RD AVENUE NORTH #500. Row 3: MINNEAPOLIS, MN 55401.

Check type of return to be filed (file a separate application for each return).

- Form 990 [X]
Form 990-BL []
Form 990-EZ []
Form 990-PF []
Form 990-T (corporation) []
Form 990-T (sec 401(a) or 408(a) trust) []
Form 990-T (trust other than above) []
Form 1041-A []
Form 4720 []
Form 5227 []
Form 6069 []
Form 8870 []

The books are in the care of MARK CONRAD

Telephone No 612 465-0208 FAX No 612 333-9089

- If the organization does not have an office or place of business in the United States, check this box []
If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) . If this is for the whole group, check this box [] If it is for part of the group, check this box [] and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 08/15, 2010, to file the exempt organization return for the organization named above. The extension is for the organization's return for.

[X] calendar year 2009 or [] tax year beginning , and ending .

2 If this tax year is for less than 12 months, check reason. [] Initial return [] Final return [] Change in accounting period

Table with 2 columns: Description, Amount. Row 3a: tentative tax, less any nonrefundable credits. Row 3b: refundable credits and estimated tax payments made. Row 3c: Balance Due.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

For Privacy Act and Paperwork Reduction Act Notice, see Instructions.