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Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0052

2011

For calendar year 2011, or tax year beginning 07-01-2011 , and ending 06-30-2012

G Check all that apply ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change

Name of foundation
THE CS FOUNDATION

A Employer identification number
85-0447825

Number and street (or P O box number if mail is not delivered to street address) Room/suite
620 HIGHWAY 58

B Telephone number (see page 10 of the instructions)
(505) 376-2827

City or town, state, and ZIP code
CIMARRON, NM 87714

C If exemption application is pending, check here ☐
D 1. Foreign organizations, check here ☐
2. Foreign organizations meeting the 85% test, check here and attach computation ☐
E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

H Check type of organization ☑ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 131,812

J Accounting method ☑ Cash ☐ Accrual ☐ Other (specify) _
(Part I, column (d) must be on cash basis.)

Part I **Analysis of Revenue and Expenses** *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))*

			(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc , received (attach schedule)				
	2	Check ▶ ☑ if the foundation is **not** required to attach Sch B				
	3	Interest on savings and temporary cash investments				
	4	Dividends and interest from securities.	4,251	4,251		
	5a	Gross rents				
	b	Net rental income or (loss) ________				
	6a	Net gain or (loss) from sale of assets not on line 10	-525			
	b	Gross sales price for all assets on line 6a 2,000				
	7	Capital gain net income (from Part IV, line 2) . . .				
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule)				
	12	**Total.** Add lines 1 through 11	3,726	4,251		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	1,500			
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule)	1,498			
	c	Other professional fees (attach schedule)				
	17	Interest				
	18	Taxes (attach schedule) (see page 14 of the instructions)	82			
	19	Depreciation (attach schedule) and depletion . . .				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule)	21			
	24	**Total operating and administrative expenses.** Add lines 13 through 23	3,101	0		0
	25	Contributions, gifts, grants paid	6,800			6,800
	26	**Total expenses and disbursements.** Add lines 24 and 25	9,901	0		6,800
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	-6,175			
	b	**Net investment income** (if negative, enter -0-)		4,251		
	c	**Adjusted net income** (if negative, enter -0-) . . .				

Part II **Balance Sheets** Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)

			Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing			
	2	Savings and temporary cash investments	5,715	1,859	1,859
	3	Accounts receivable ▶ ______ Less allowance for doubtful accounts ▶ ______			
	4	Pledges receivable ▶ ______ Less allowance for doubtful accounts ▶ ______			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7	Other notes and loans receivable (attach schedule) ▶ ______ Less allowance for doubtful accounts ▶ ______			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U S and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule)	151,944	149,625	123,613
	c	Investments—corporate bonds (attach schedule)			
	11	Investments—land, buildings, and equipment basis ▶ ______ Less accumulated depreciation (attach schedule) ▶ ______			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)	6,014	6,014	6,340
	14	Land, buildings, and equipment basis ▶ ______ Less accumulated depreciation (attach schedule) ▶ ______			
	15	Other assets (describe ▶ ______)			
	16	**Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	163,673	157,498	131,812
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶ ______)			
	23	**Total liabilities** (add lines 17 through 22)		0	
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here** ▶ ☐ **and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ ☑ **and complete lines 27 through 31.**			
	27	Capital stock, trust principal, or current funds	244,000	244,000	
	28	Paid-in or capital surplus, or land, bldg , and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	-80,327	-86,502	
	30	**Total net assets or fund balances** (see page 17 of the instructions)	163,673	157,498	
	31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	163,673	157,498	

Part III **Analysis of Changes in Net Assets or Fund Balances**

1	Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	163,673
2	Enter amount from Part I, line 27a	2	-6,175
3	Other increases not included in line 2 (itemize) ▶ ______	3	
4	Add lines 1, 2, and 3	4	157,498
5	Decreases not included in line 2 (itemize) ▶ ______	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	157,498

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1a				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a				
b				
c				
d				
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) **or** Losses (from col (h))
a				
b				
c				
d				
e				

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	-525
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8	3	

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☑ No
If "Yes," the foundation does not qualify under section 4940(e) Do not complete this part

1 Enter the appropriate amount in each column for each year, see page 18 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2010	6,500	138,806	0 04683
2009	6,100	131,425	0 04641
2008	7,210	121,830	0 05918
2007	8,919	148,454	0 06008
2006	9,000	188,001	0 04787

2	**Total** of line 1, column (d).	2	0 26037
3	Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0 05208
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5.	4	132,179
5	Multiply line 4 by line 3.	5	6,883
6	Enter 1% of net investment income (1% of Part I, line 27b).	6	43
7	Add lines 5 and 6.	7	6,926
8	Enter qualifying distributions from Part XII, line 4.	8	6,800

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions on page 18

Part VI **Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)**

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1 Date of ruling or determination letter ____________ **(attach copy of letter if necessary–see instructions)**		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b	1	85
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	2	
3	Add lines 1 and 2	3	85
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-	5	85
6	Credits/Payments		
a	2011 estimated tax payments and 2010 overpayment credited to 2011 — 6a		
b	Exempt foreign organizations—tax withheld at source — 6b		
c	Tax paid with application for extension of time to file (Form 8868) — 6c		
d	Backup withholding erroneously withheld — 6d		
7	Total credits and payments Add lines 6a through 6d	7	
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached	8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	85
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	
11	Enter the amount of line 10 to be **Credited to 2012 estimated tax** ▶ — **Refunded** ▶	11	

Part VII-A **Statements Regarding Activities**

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		No
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		No
	*If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		No
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year **(1)** On the foundation ▶ $ ________ **(2)** On foundation managers ▶ $ ________			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ________			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		No
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		No
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		No
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		No
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		No
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either ● By language in the governing instrument, or ● By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	Yes	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV*	7	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ NM			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? *If "No," attach explanation*	8b	Yes	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2011 or the taxable year beginning in 2011 (see instructions for Part XIV on page 27)? *If "Yes," complete Part XIV*	9		No
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		No

Part VII-A Statements Regarding Activities *(continued)*

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		No
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	Yes	

Website address ▶N/A

14 The books are in care of ▶JULIA L STAFFORD Telephone no ▶(505) 376-2827

Located at ▶620 HIGHWAY 58 CIMARRON NM ZIP+4 ▶877149683

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** —Check here ▶ ☐

and enter the amount of tax-exempt interest received or accrued during the year ▶ | 15 |

			Yes	No
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		No

See the instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes", enter the name of the foreign country ▶

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

			Yes	No
1a	During the year did the foundation (either directly or indirectly)			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☑ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☑ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☑ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☑ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☑ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days). ☐ Yes ☑ No			
b	If any answer is "Yes" to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)?	1b		No
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011?	1c		No
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? ☐ Yes ☑ No			
	If "Yes," list the years ▶ 20____, 20____, 20____, 20____			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see page 20 of the instructions)	2b		No
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20____, 20____, 20____, 20____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☑ No			
b	If "Yes," did it have excess business holdings in 2011 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969, **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011.)*	3b		No
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2011?	4b		No

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required *(continued)*

5a	During the year did the foundation pay or incur any amount to			
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ **Yes** ☑ **No**			
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ **Yes** ☑ **No**			
	(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ **Yes** ☑ **No**			
	(4) Provide a grant to an organization other than a charitable, etc , organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions) ☐ **Yes** ☑ **No**			
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ **Yes** ☑ **No**			
b	If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)?	**5b**		**No**
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ **Yes** ☑ **No**			
	If "Yes," attach the statement required by Regulations section 53.4945–5(d).			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ **Yes** ☑ **No**			
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	**6b**		**No**
	If "Yes" to 6b, file Form 8870.			
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ **Yes** ☑ **No**			
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?	**7b**		**No**

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).

(a) Name and address	**(b)** Title, and average hours per week devoted to position	**(c)** Compensation **(If not paid, enter -0-)**	**(d)** Contributions to employee benefit plans and deferred compensation	**(e)** Expense account, other allowances
See Additional Data Table				

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each employee paid more than $50,000	**(b)** Title, and average hours per week devoted to position	**(c)** Compensation	**(d)** Contributions to employee benefit plans and deferred compensation	**(e)** Expense account, other allowances
NONE				

Total number of other employees paid over $50,000 ▶	

Part VIII **Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)***

3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE".

(a) Name and address of each person paid more than $50,000	**(b)** Type of service	**(c)** Compensation
NONE		

Total number of others receiving over $50,000 for professional services. . . . . ▶

Part IX-A **Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1	
2	
3	
4	

Part IX-B **Summary of Program-Related Investments** (see page 23 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments See page 24 of the instructions 3	

Total. Add lines 1 through 3. . . . . ▶

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
a	Average monthly fair market value of securities	1a	130,534
b	Average of monthly cash balances	1b	3,658
c	Fair market value of all other assets (see page 24 of the instructions)	1c	0
d	**Total** (add lines 1a, b, and c)	1d	134,192
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e: 0		
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	134,192
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions)	4	2,013
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	132,179
6	**Minimum investment return.** Enter 5% of line 5	6	6,609

Part XI Distributable Amount (see page 25 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ▶ ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	6,609
2a	Tax on investment income for 2011 from Part VI, line 5 — 2a: 85		
b	Income tax for 2011 (This does not include the tax from Part VI) — 2b:		
c	Add lines 2a and 2b	2c	85
3	Distributable amount before adjustments Subtract line 2c from line 1	3	6,524
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	6,524
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	6,524

Part XII Qualifying Distributions (see page 25 of the instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes		
a	Expenses, contributions, gifts, etc —total from Part I, column (d), line 26	1a	6,800
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	6,800
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	6,800

Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

Part XIII Undistributed Income (see page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				6,524
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only.			6,786	
b Total for prior years 20___, 20___, 20___				
3 Excess distributions carryover, if any, to 2011				
a From 2006.				
b From 2007.				
c From 2008.				
d From 2009.				
e From 2010.				
f **Total** of lines 3a through e.				
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ $ 6,800				
a Applied to 2010, but not more than line 2a			6,786	
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required—see page 26 of the instructions).	0			
d Applied to 2011 distributable amount.				14
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2011 *(If an amount appears in column (d), the same amount must be shown in column (a).)*				
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed.				
d Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions				
e Undistributed income for 2010 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions				
f Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				6,510
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 **Excess distributions carryover to 2012.** Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9				
a Excess from 2007.				
b Excess from 2008.				
c Excess from 2009.				
d Excess from 2010.				
e Excess from 2011.				

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2011, enter the date of the ruling. . . . . ▶

b Check box to indicate whether the organization is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2011	**(b)** 2010	**(c)** 2009	**(d)** 2008	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon **a** "Assets" alternative test—enter **(1)** Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test— enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter **(1)** Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the organization had $5,000 or more in assets at any time during the year—see page 27 of the instructions.)

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000) (See section 507(d)(2))

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here ▶☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds If the foundation makes gifts, grants, etc (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number of the person to whom applications should be addressed

THE CS FOUNDATION
620 HIGHWAY 58
CIMARRON,NM 877149683
(575) 376-2827

b The form in which applications should be submitted and information and materials they should include

NO PARTICULAR FORM IS REQUIRED

c Any submission deadlines

12/31

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors

SEE ATTACHED PARAGRAPH 3 3 OF DOCUMENT

Part XV **Supplementary Information** (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year* See Additional Data Table				
Total . . . . ▶ **3a**				6,800
b *Approved for future payment*				
Total . . . . ▶ **3b**				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	4,251	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory					-525
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)				4,251	-525

13 Total. Add line 12, columns (b), (d), and (e) 13 3,726

(See worksheet in line 13 instructions on page 28 to verify calculations)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes) (See page 28 of the instructions)

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

		Yes	No
1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a Transfers from the reporting foundation to a noncharitable exempt organization of			
(1) Cash.	1a(1)		No
(2) Other assets.	1a(2)		No
b Other transactions			
(1) Sales of assets to a noncharitable exempt organization.	1b(1)		No
(2) Purchases of assets from a noncharitable exempt organization.	1b(2)		No
(3) Rental of facilities, equipment, or other assets.	1b(3)		No
(4) Reimbursement arrangements.	1b(4)		No
(5) Loans or loan guarantees.	1b(5)		No
(6) Performance of services or membership or fundraising solicitations.	1b(6)		No
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees.	1c		No

d If the answer to any of the above is "Yes," complete the following schedule Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received

(a) Line No	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?. ☐ Yes ☑ No

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship

Sign Here

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 taxpayer or fiduciary) is based on all information of which preparer has any knowledge

******	2013-01-09	******
Signature of officer or trustee	Date	Title

Paid Preparer's Use Only

Preparer's Signature ▶ R B WHITE CPA	Date	Check if self-employed ▶ ☑	PTIN
Firm's name ▶ R B White PC		Firm's EIN ▶	
Firm's address ▶ 9007 Washington NE Ste A Albuquerque, NM 87113		Phone no (505) 856-0056	

May the IRS discuss this return with the preparer shown above? See instructions ▶ ☑ Yes ☐ No

Additional Data

Software ID:	11000144
Software Version:	2011v1.2
EIN:	85-0447825
Name:	THE CS FOUNDATION

Form 990PF - Special Condition Description:

Special Condition Description

Form 990PF Part VIII Line 1 - List all officers, directors, trustees, foundation managers and their compensation

(a) Name and address	**(b)** Title, and average hours per week devoted to position	**(c)** Compensation **(If not paid, enter -0-)**	**(d)** Contributions to employee benefit plans and deferred compensation	**(e)** Expense account, other allowances
J KIRK DAVIS PO BOX 473 CIMARRON, NM 87714	Trustee 1 00	300		
WARREN M DAVIS P O BOX 416 CIMARRON, NM 87714	Trustee 1 00	300		
BRUCE P DAVIS PO BOX 395 SPRINGER, NM 87747	Trustee 1 00	300		
JULIA L STAFFORD P O BOX 518 RATON, NM 87740	Trustee 1 00	300		
RANDOLPH S DAVIS HC 61 BOX 16B MAIMI, NM 87729	Trustee 1 00	300		

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
MAXWELL PEEWEE BASKETBALL PROGRAMPO BOX 196 MAXWELL, NM 87728	N/A	PUBLIC	UNRESTRICTED	300
MAXWELL VOCATIONAL AGRICULTURE PROGPO BOX 275 MAXWELL, NM 87728	N/A	PUBLIC	UNRESTICTED	2,000
ENCHANTED CIRCLE GATEWAY MUSEUM INPO BOX 427 EAGLE NEST, NM 87718	N/A	PUBLIC	UNRESTRICTED	500
COLFAX COUNTY SENIOR CITIZENS444 SOUTH FIRST STREET RATON, NM 87740	N/A	PUBLIC	UNRESTRICTED	1,000
QUIVIRA COALITION1413 SECOND ST SUITE 1 SANTA FE, NM 87505	N/A	PUBLIC	UNRESTRICTED	1,000
CIMMARON CHAMBER OF COMMERCEP O BOX 604 CIMARRON, NM 87714	N/A	PUBLIC	UNRESTRICTED	1,000
SHORTGRASS MUSIC FESTIVALP O BOX 121 CIMARRON, NM 87714	N/A	PUBLIC	UNRESTRICTED	1,000
Total . . . . ▶ **3a**				6,800

TY 2011 Accounting Fees Schedule

Name: THE CS FOUNDATION

EIN: 85-0447825

Software ID: 11000144

Software Version: 2011v1.2

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNTING FEES	1,498	0	0	0

TY 2011 Investments Corporate Stock Schedule

Name: THE CS FOUNDATION

EIN: 85-0447825

Software ID: 11000144

Software Version: 2011v1.2

Name of Stock	End of Year Book Value	End of Year Fair Market Value
NEW WORLD FUND	8,708	7,119
HARTFORD CAP APPRECIATION	18,898	14,364
GE CAPITAL PINES		
FUNDAMENTAL INVESTORS	18,576	15,282
ASSURED GTY MUN HLDGS	6,767	7,566
EUROPACIFIC GROWTH FUND	10,000	7,094
CAPITAL WORLD GROWTH & INCOME	27,354	20,505
CAPITAL WORLD BOND FUND	13,959	13,846
CAPITAL INCOME BUILDER	27,404	21,961
BOND FUND OF AMERICA	13,854	13,378
ISHARES MSCI EAFE	4,105	2,498

TY 2011 Investments - Other Schedule

Name: THE CS FOUNDATION

EIN: 85-0447825

Software ID: 11000144

Software Version: 2011v1.2

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
BANK OF AMERICA CORP INTERNOTES	FMV	6,014	6,340

TY 2011 Other Expenses Schedule

Name: THE CS FOUNDATION

EIN: 85-0447825

Software ID: 11000144

Software Version: 2011v1.2

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
MISCELLANEOUS FEES	10			
BROKERAGE SERVICE FEES	11			

TY 2011 Taxes Schedule

Name: THE CS FOUNDATION

EIN: 85-0447825

Software ID: 11000144

Software Version: 2011v1.2

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
FEDERAL EXCISE TAX	82			

STATE OF NEW MEXICO

OFFICE OF

THE STATE CORPORATION COMMISSION

CERTIFICATE OF INCORPORATION

OF

THE C S FOUNDATION

1894302

The State Corporation Commission certifies that duplicate originals of the Articles of Incorporation attached hereto, duly signed and verified pursuant to the provisions of the NONPROFIT CORPORATION ACT (53-8-1 to 53-8-99 NMSA 1978) have been received by it and are found to conform to law.

Accordingly, by virtue of the authority vested in it by law, the State Corporation Commission issues this Certificate of Incorporation and attaches hereto a duplicate original of the Articles of Incorporation.

Dated: OCTOBER 29, 1997

In Testimony Whereof, the State Corporation Commission of the State of New Mexico has caused this certificate to be signed by its Chairman and the Seal of said Commission to be affixed at the City of Santa Fe

Chairman

Director

Eric P. Serna
Chairman

Jer[illegible] D. Block
[illegible]missioner

Gloria Tristani
Commissioner

New Mexico
State Corporation Commission

CORPORATION DEPARTMENT
1120 Paseo De Peralta
418 P E R A BUILDING
P O Box 1269
Santa Fe, NM 87504-1269

1-800-947-4722
FAX # (505) 827-4387

Director's Office
(505) 827-4508

Certification Division
(505) 827-4513

Charter Documents Division
(505) 827-4511

Reports Compliance Division
(505) 827-4510

OCTOBER 29, 1997

UCC SEARCH INC.
P.O. BOX 9315
SANTA FE ,NM 87504-9315

RE: THE C S FOUNDATION
SCC#1894302

BE ADVISED THAT THIS COMMISSION HAS APPROVED AND FILED THE ARTICLES OF INCORPORATION, FOR THE ABOVE REFERENCED CORPORATION, EFFECTIVE OCTOBER 29, 1997. THE ATTACHED CERTIFICATE OF INCORPORATION SHOULD BECOME A PERMANENT DOCUMENT OF THE CORPORATION'S CORPORATE RECORDS.

THE ATTACHED CERTIFICATE DOES NOT CONSTITUTE AUTHORIZATION FOR THE ABOVE REFERENCED CORPORATION TO TRANSACT ANY BUSINESS WHICH REQUIRES COMPLIANCE WITH OTHER APPLICABLE FEDERAL OR STATE LAWS, INCLUDING, BUT NOT LIMITED TO, STATE LICENSING REQUIREMENTS. IT IS THE CORPORATION'S SOLE RESPONSIBILITY TO OBTAIN SUCH COMPLIANCE WITH ALL LEGAL REQUIREMENTS APPLICABLE THERETO PRIOR TO ENGAGING IN THE BUSINESS FOR WHICH IT HAS OBTAINED THE ATTACHED CERTIFICATE OF INCORPORATION.

REQUIRED FILING INFORMATION, WITH THE COMMISSION, FOLLOWS:

THE ENCLOSED FIRST REPORT IS TO BE COMPLETED AND FILED BY NOVEMBER 28, 1997, WITH A FILING FEE OF $10.00. THE ORIGINAL FIRST REPORT IS TO BE FILED WITH OUR OFFICE, THE COPY IS FOR YOUR CORPORATE RECORDS. THEREAFTER, A CORPORATE REPORT MUST BE FILED ANNUALLY ON OR BEFORE THE FIFTEENTH DAY OF THE FIFTH MONTH FOLLOWING THE CORPORATION'S TAXABLE YEAR END. LATE FILING PENALTY OF $10.00 WILL BE ADDED FOR UNTIMELY FILING OF ANY REPORT. THE FIRST REPORT IS NOT FILED IN LIEU OF ANY REQUIRED CORPORATE REPORT. THE REPORT IS REQUIRED TO BE FILED WHETHER A CORPORATION IS ACTIVE OR INACTIVE OR UNTIL SUCH TIME THAT THE CORPORATION IS RELIEVED FROM FILING THE REPORT AS REQUIRED BY LAW.

A SUPPLEMENTAL REPORT SHALL BE FILED WITHIN THIRTY DAYS IF, AFTER FILING OF THE CORPORATE REPORT, A CHANGE IS MADE AFFECTING THE REPORT. PLEASE CONTACT THIS COMMISSION FOR ADDITIONAL INFORMATION AND SUPPLEMENTAL REPORT FORMS.

IF BYLAWS WERE NOT FILED UPON INCORPORATION BY THE DOMESTIC CORPORATION, THEN BYLAWS, AND SUBSEQUENT AMENDED OR REVISED BYLAWS, SHALL BE ADOPTED AND FILED WITH THE COMMISSION BEFORE THEY BECOME EFFECTIVE. EACH SUBMITTED DOCUMENT MUST BE SIGNED BY THE CHIEF OFFICER AND SECRETARY WITH A $10.00 FILING FEE.

YOUR CANCELLED CHECK, AS VALIDATED BY THIS COMMISSION, IS YOUR RECEIPT. IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT THE CHARTERED DOCUMENT DIVISION AT (505) 827-4511 FOR ASSISTANCE.

CHARTERED DOCUMENT DIVISION
RKL

ARTICLES OF INCORPORATION OF

THE C S FOUNDATION, A NEW MEXICO NON-PROFIT CORPORATION

A PRIVATE FOUNDATION CREATED BY J. LESLIE DAVIS AND LINDA M DAVIS

OCTOBER 3, 1997.

ARTICLES OF INCORPORATION OF THE C S FOUNDATION
A NON-PROFIT CORPORATION ORGANIZED AS A PRIVATE FOUNDATION DATED OCTOBER 3, 1997

J LESLIE DAVIS AND LINDA M DAVIS, OF CIMARRON, NEW MEXICO, HEREINAFTER REFERRED TO AS THE "INCORPORATORS" OR AS GRANTORS" HEREWITH CREATE A NEW MEXICO NON-PROFIT CORPORATION UNDER NMSA SECTION 53-8-1 ET SEQ , ("CORPORATION" OR "TRUST") AND PURSUANT TO NMSA SECTION 53-8-31 STATE

ARTICLE 1 THE NAME OF THE CORPORATION SHALL BE "THE C S FOUNDATION", A NEW MEXICO NON-PROFIT CORPORATION

ARTICLE 2: THE PERIOD OF DURATION SHALL BE PERPETUAL

ARTICLE 3: THE PURPOSES FOR WHICH THE C S FOUNDATION IS ORGANIZED ARE·

3 1 INTERNAL REVENUE CODE PURPOSE IT IS INTENDED THAT THE CORPORATION SHALL QUALIFY AND REMAIN QUALIFIED DURING ITS EXISTENCE AS A CHARITABLE AND PRIVATE FOUNDATION UNDER THE PROVISIONS OF TITLE 26, INTERNAL REVENUE CODE OF THE UNITED STATES CODE ("IRC"), SPECIFICALLY, SECTION 501[A] AND 501[C][3] OF THE IRC, AS AMENDED FROM TIME TO TIME BY CONGRESS OR REGULATIONS OF THE INTERNAL REVENUE SERVICE [IRS"], AND

3.2 GENERAL PURPOSE: THE PURPOSES, POWERS AND GENERAL LIMITATION OF AUTHORITY OF THE NON PROFIT CORPORATION SHALL BE THAT OF A CHARITABLE PRIVATE FOUNDATION, AS DEFINED, QUALIFIED, RESTRICTED AND DETERMINED UNDER THE IRC, PARTICULARLY SECTION 501[C] THEREOF NOTHING HEREIN STATED SHALL RESTRICT THE DIRECTOR S BY A VOTE OF AT LEAST 80 PERCENT OF ITS MEMBERS FROM CHANGING THE NATURE OF THE NON PROFIT CORPORATION TO SOME OTHER IRS ACCEPTED CHARITABLE ORGANIZATION, SUPPORT ORGANIZATION OR NON PROFIT CORPORATION NOTWITHSTANDING ANY OTHER TERM OR PROVISION HEREIN, THE BOARD AND OFFICERS OF THE NON PROFIT CORPORATION SHALL TAKE NO ACTION OR MAKE ANY DISTRIBUTION OF NON PROFIT CORPORATION FUNDS, OTHER THAN IS ALLOWED AND APPROPRIATE under the applicable charitable exemption. Sections and Regulations of the Internal Revenue Code of the United States and the laws of the State of New Mexico

3 3 Specific Purposes and Limitation on Disbursements Subject to paragraph 3 1, the grantors express their direction and intention that disbursements of Non Profit Corporation Funds and the operation of the Non Profit Corporation shall be expended within the United States of America, as follows:

3 3 1 For establishment, support of, grants to and maintenance of western, pioneer and ranching [1] organizations which have as their principle purpose the study, history and remembrance of ranching in the western United States, and [2] museums, exhibits, studies and educational organizations

3 3.2 For support of theater, arts, dancing, musical and the performing arts

3 3.3 For grants-in-aid and fellowships for deserving individuals and institutions, and for scholarships for individuals and organizations, or graduates of a secondary school in New Mexico for approved college, university, graduate schools or technical and vocational studies For grants to study the history of ranching, improvement by science or proper utilization of ranch lands, and preservation of the unique heritage of ranching in the western United States All individual grants shall comply with an objective and nondiscriminatory basis pursuant to procedures approved by law, the Secretary of the Treasury and which have as their purpose the achievement of a specific objective, produce a report or other similar product, or improve or enhance a literary, artistic, musical, scientific, teaching or other similar capacity, skill or talent of the grantee Moreover, all such grants, scholarships and fellowships must comply

WITH THE PROVISIONS SECTIONS 4945, 117(A), AND 170(B) OF THE IRC AND ARE TO BE USED FOR STUDY AT AN EDUCATION ORGANIZATION THEREIN DESCRIBED

3.3.4 FOR SUPPORT OF CHARITABLE GROUPS, ORGANIZATIONS, LIBRARIES, EDUCATIONAL ORGANIZATIONS, GOVERNMENTAL ORGANIZATIONS INVOLVED IN CHARITABLE, SCIENTIFIC AND EDUCATIONAL ENDEAVORS, FOR SOCIAL WELFARE AND COMMUNITY PURPOSES, AND OTHER SUCH PURPOSES WHICH ARE WITHIN THE BROAD FUNCTIONS OF THIS NON PROFIT CORPORATION

3 3 5 FOR THE CREATION, CONSTRUCTION, MAINTENANCE AND OPERATION OF PUBLIC PARKS AND RESERVES.

3 3 6 FOR STUDIES AND EDUCATIONAL PROJECTS AS TO OPERATION AND SUPPORT OF RANCHING AND IMPROVEMENTS IN RANCH LAND AND LIVESTOCK UTILIZATION, PROTECTION AND CONSERVATION.

ARTICLE 4:

4.1 THE ADDRESS OF ITS INITIAL REGISTERED OFFICE AND THE NAME OF ITS INITIAL REGISTERED AGENT AT SUCH ADDRESS IS: J. LESLIE DAVIS, C S HEADQUARTERS, ROUTE 1, BOX 62, CIMARRON, COLFAX COUNTY, NEW MEXICO 87714.

4 2 THE INCORPORATORS AND THEIR ADDRESS IS AS FOLLOWS

J LESLIE DAVIS, C S HEADQUARTERS, RT. 1, BOX 62, CIMARRON, NEW MEXICO 87714

LINDA M. DAVIS, C S HEADQUARTERS, RT. 1, BOX 62, CIMARRON, NEW MEXICO 87714

ARTICLE 5: <u>TRANSFER TO NON PROFIT CORPORATION AND PROPERTIES:</u> THE GRANTORS INTEND TO TRANSFER AND CONVEY PROPERTY TO THE BOARD OF DIRECTORS THE CORPORATION SHALL RECEIVE AT ITS DISCRETION, FROM THIRD PARTIES OR FROM ADDITIONAL GRANTS AND CONVEYANCES BY THE GRANTORS, SUCH OTHER PROPERTY AND RIGHTS AS MAY BE GRANTED,

TRANSFERRED AND CONVEYED TO THE CORPORATION FROM TIME TO TIME FROM LAWFUL SOURCES ALL SUCH PROPERTY RECEIVED INTO THE CORPORATION AND ITS PROCEEDS, INCOME, REVENUE, ISSUE AND PROFITS SHALL BE HELD, RETAINED, INVESTED, RE-INVESTED, MANAGED, SOLD, OPERATED, LEASED AND HELD UNDER THE TERMS HEREOF, WITHOUT LIMITATION ON THE POWERS AND AUTHORITY OF THE BOARD OF DIRECTORS UNDER THE TERMS AND CONDITIONS HEREIN SET FORTH DISBURSEMENTS OF FOUNDATION FUNDS OR PROPERTY SHALL BE DETERMINED BY THE DISCRETION OF THE BOARD OF DIRECTORS FROM TIME TO TIME, BY GRANT, DISPOSITION, TRANSFER, SCHOLARSHIP, FELLOWSHIP AND GIFT, FOR THE PURPOSES AND USES AS HEREIN SET FORTH IN ARTICLE 3

ARTICLE 6: BOARD OF DIRECTORS

6 1 BOARD OF DIRECTORS THE BOARD OF DIRECTORS ["DIRECTORS" OR "TRUSTEES"] SHALL CONSIST OF SIX (6) MEMBERS PLUS TWO EX-OFFICIO AND NON-VOTING, MEMBERS, J. LESLIE DAVIS AND LINDA M DAVIS, DURING THEIR JOINT LIVES UPON THE JOINT DEATHS OF J. LESLIE DAVIS AND LINDA M. DAVIS, THE BOARD SHALL THEREAFTER CONSIST OF THE SIX PERMANENT MEMBERS THE "INITIAL BOARD" MEMBERS SHALL SERVE FOR A TERM MEASURED BY THE NATURAL LIFE OF EACH MEMBER, SUBJECT ONLY TO REMOVAL BY THE BOARD FOR CAUSE OR LACK OF CAPACITY

6 2 SUCCESSION OF DIRECTORS SUCCESSOR DIRECTORS MAY BE CORPORATE OR INDIVIDUAL, SHALL SERVE FOR A TERM OF TWELVE (12) YEARS EACH AND SHALL BE APPOINTED AS FOLLOWS, TO WIT

6 2 1 UPON THE INCAPACITY, COMPLETION OF TERM OR DEATH OF A MEMBER OF THE INITIAL BOARD OF DIRECTORS A SUCCESSOR DIRECTOR SHALL BE APPOINTED BY THE PRIOR DIRECTORS IN HIS/HER LAST WILL AND TESTAMENT OR BY INTER VIVOS DOCUMENT, PROVIDED THAT SUCH SUCCESSOR DIRECTORS IS APPROVED BY A MAJORITY OF THE REMAINING BOARD OF

Directors In default thereof, such successor Directors shall be named by the Board of Directors by a vote of not less than seventy (70) percent of the remaining Board Members In the event of dispute or failure of such appointment, the sitting District Judge of Colfax County, shall appoint the successor Director

6 2 2 Each successor Director (excluding the Initial Directors appointed in this document) shall serve for a period of twelve (12) years from the date of his/her/its appointment Such successor Directors may serve for additional twelve (12) year periods only with the consent of a majority of the remaining Members of the Board of Directors

6 2 3 Upon removal for cause or resignation of a Directors, the Board of Directors shall, by majority of the remaining Board, appoint a successor Director to serve for the balance of the term of the removed or resigned Director.

6.2 4 The Initial Board of Directors ["Trustees" or "Directors"], each of whom shall serve for his/her life, shall be:

		Address. P.O. Box 416 Cimarron NM 87714
Director No 1	Warren M. Davis.	~~Eagle Nest Dam, Eagle Nest, NM 87718~~
Director No. 2	Julia L. Stafford	P O. Box 518, Raton, NM 87740
Director No 3	J Kirk Davis	Route 1, Box 62, Cimarron, NM 87714
Director No 4	Randolph S Davis	CS Ranch, Cimarron, NM 87714
Director No 5	Kimberly K. Barmann	P.O. Box 98, Springer, NM 87747
Director No 6	Bruce P Davis	Eagle Nest Dam, Eagle Nest, NM 87718

6 3 Officers and Committees of Board The Board shall select from among the Directors or Ex-Officio Directors, for two year periods each, a Chairman of the Board and a Secretary-Treasurer of the Board and from time to time create such Committees of the Board as shall be deemed by the Board to be appropriate in the

operation of the Non Profit Corporation Such officers and committees shall serve without compensation, except for reimbursement of reasonable out of pocket expenses incurred on behalf of the Board The Chairman shall call and chair the meetings of the Board and execute documents on direction of and on behalf of the Board The Secretary/Treasurer shall take minutes, keep the accounts, books and records of the Board, prepare documents under the direct authority and direction of the Board and handle Non Profit Corporation contracts, grants and correspondence Both officers shall have only such powers to bind the Board as may be assigned by the Board from time to time and as set forth in the Internal Rules of Operation, to be adopted and modified from time to time by the Board

6.4 <u>Internal Rules of Operation:</u> The Board shall adopt and may modify, from time to time, their Rules or Bylaws of Operation ("Rules") Such Rules shall require that all disbursements of Non Profit Corporation funds shall be signed by no less than three (3) Members of the Board of Directors or by the Chair or Treasurer, if fully Bonded, and such other Rules as are not inconsistent with these terms and provisions and with the restrictive qualifications of the IRC

6 5 <u>Meetings of Board</u> Unless varied by the Rules, the Board meetings, either annual, general or special, and in person or telephonic, may be called by the Chair or by any three Board Members Notice of all meetings shall be given in the manner and for the time as set by the Internal Rules, but not less than three days in advance and in writing Such Notice may be waived in writing by the Members A Quorum of the Board must be present for any action by the Board and a majority of the Board of Directors are required to take any action on any Corporation matter and bind the Non Profit Corporation thereto

6 6 Compensation of Directors The Board Members may be compensated only for reimbursement of out of pocket expenses, including mileage allowances at the IRS approved rate, and for attendance at properly noticed meetings of the Board and then only upon a reasonable basis not exceeding $ 1 50 00 per meeting, as such amount may be adjusted and/or indexed for inflation every five (5) years.

6 7 Powers of Board of Directors. The Board of Directors, in its management, investment, authority, and disbursements, is hereby expressly authorized and empowered to exercise all of the powers granted to by New Mexico Non-Profit Corporation Act and as granted to Trustees under NMSA Sec 45-7-401, and amendments thereto, which powers are herein incorporated by reference as though set forth herein.

6.8 Additional Powers of Directors The Board of Directors is hereby expressly authorized and empowered to exercise the following powers in addition to those heretofore enumerated, to-wit. Determine how all receipts and disbursements shall be credited, charged or apportioned as between income and principal, provided, however, that (I) upon the death of any beneficiary entitled to receive income hereunder, all undistributed income to which such beneficiary would have been entitled had such beneficiary lived until the next distribution date shall be treated as if it had accrued immediately following the death of such beneficiary, (II) the Directors shall not be required to amortize or otherwise provide for the gradual extinguishment of the difference between costs and market or par value of securities, but may amortize such difference from income if such beneficiary thinks best; (III) all dividends which are payable only in shares of the corporation (or any subsidiary thereof) declaring the same, all disbursements of the corporate assets designated by the corporation as a return or division of capital, and all amounts paid upon corporate shares on

DISBURSEMENTS OF THE CORPORATE ASSETS TO THE SHAREHOLDERS SHALL BE DEEMED PRINCIPAL, EXCEPT THAT AMOUNTS PAID ON ACCOUNT OF CASH DIVIDENDS BEFORE LIQUIDATION OR AS ARREARS OR PREFERRED OR GUARANTEED CASH DIVIDENDS SHALL BE DEEMED INCOME; (IV) ALL RIGHTS TO SUBSCRIBE TO THE SHARES OR OTHER OBLIGATIONS OF A CORPORATION, OR ANY SUBSIDIARY THEREOF, AND THE PROCEEDS OF THE SALES OF SUCH RIGHTS, SHALL BE DEEMED PRINCIPAL, AND (V) THE INCREMENT, IF ANY, REALIZED FROM THE SALE OR EXCHANGE OF ITEMS CONSTITUTING THE CORPUS OF THE NON PROFIT CORPORATION SHALL BECOME A PORTION OF THE CORPUS ULTIMATELY TO BE DISTRIBUTED, AND SHALL NOT BE DISTRIBUTED AS INCOME; PROVIDED, HOWEVER, THAT THE CAPITAL GAINS TAX UPON GAINS REALIZED FROM THE SALE OR EXCHANGE OF ITEMS CONSTITUTING THE CORPUS OF THE NON PROFIT CORPORATION SHALL BE A CHARGE AGAINST THE CORPUS AND SHALL NOT BE CHARGED TO THE INCOME BENEFICIARY

FOR THE PURPOSES OF THE FOREGOING, THE DETERMINATION OF WHETHER A PARTICULAR ITEM SHALL CONSTITUTE INCOME ON PRINCIPAL OR A CHARGE AGAINST ONE OR THE OTHER SHALL BE MADE IN THE DIRECTORS' SOLE DISCRETION IN GOOD FAITH

IF THE WHOLE OR ANY PART OF THE CORPORATION ESTATE, OR THE PROCEEDS OR AVAILS THEREOF, OR ANY OF THE BENEFICIARIES, AS A DIRECT RESULT OF THIS CORPORATION SHALL BE LIABLE FOR THE PAYMENT OF ANY TAX, CHARGE OR ASSESSMENT, THE DIRECTORS SHALL HAVE THE FULL POWER AND AUTHORITY, WITHOUT PREVIOUS NOTICE TO OR DEMAND UPON ANY PERSON, TO PAY SUCH TAX, CHARGE OR ASSESSMENT

6 9 PROHIBITED BENEFITS: OTHER THAN AS IS PROVIDED IN SECTION 6 6, THE GRANTORS AND ANCESTORS AND DESCENDANTS OF GRANTORS AND THEIR SPOUSES, CHILDREN, GRANDCHILDREN AND GREAT-GRANDCHILDREN AND THEIR SPOUSES (ALL AS DEFINED IN IRC 4946[C][1][C] AND ALL PERSONS OR ENTITIES AS DEFINED IN REGULATION SECTION 1 501[C][3]-1[D][1][II], ARE PROHIBITED FROM RECEIVING ANY BENEFIT, COMPENSATION, CONSIDERATION, MONIES

OR PROPERTY FROM THE FOUNDATION

ARTICLE 7 AMENDMENTS

SUBJECT TO THE LIMITATION OF AUTHORITY AS HEREIN SET FORTH, THE BOARD IS AUTHORIZED TO MAKE SUCH AMENDMENTS TO THESE ARTICLES AS ARE CONSISTENT WITH THE TERMS AND LIMITATIONS, POWERS AND PURPOSES OF THE CORPORATION ONLY, AND AS MAY BE DETERMINED BY THE BOARD FROM TIME TO TIME TO BE APPROPRIATE SO AS TO COMPLY WITH GOVERNMENTAL, INCLUDING TAX, REQUIREMENTS AND QUALIFICATIONS IN AND UNDER NO CIRCUMSTANCE, MAY AN AMENDMENT BE MADE WHICH WOULD VIOLATE THE IRC RESTRICTIONS AND DEFINITIONS OF A PRIVATE FOUNDATION OR OF A CHARITABLE TRUST, NOR MAY AN AMENDMENT BE ADOPTED OR BOARD ACTION RATIFIED, WHICH WOULD FINANCIALLY BENEFIT, EITHER DIRECTLY OR INDIRECTLY, ANY OF THE CLASS OF PROHIBITED PERSONS AS DESCRIBED INFRA.

ARTICLE 8 GENERAL CORPORATION PROVISIONS

8.1 <u>TRANSFER OF PROPERTY:</u> THE BOARD OF DIRECTORS MAY RECEIVE AND ACCEPT PROPERTY, WHETHER REAL, PERSONAL OR MIXED, BY WAY OF GIFT, PURCHASE OR DEVISE FROM ANY PERSON, FIRM, TRUST OR CORPORATION, TO BE HELD, ADMINISTERED AND DISPOSED OF IN ACCORDANCE WITH AND PURSUANT TO THE PROVISIONS OF THIS AGREEMENT BUT, NO GIFT, DEVISE OR PURCHASE OF ANY PROPERTY MAY BE RECEIVED AND ACCEPTED IF IT IS CONDITIONED OR LIMITED IN SUCH A MANNER AS TO REQUIRE THE DISPOSITION OF THE INCOME OR ITS PRINCIPLE TO ANY PERSON OR ORGANIZATION OTHER THAN A "CHARITABLE, EDUCATIONAL OR SCIENTIFIC ORGANIZATION, AS HEREIN DEFINED, OR FOR SCHOLARSHIPS AND APPROPRIATE GRANTS-IN-AID, OR FOR OTHER THAN "CHARITABLE PURPOSES" WITHIN THE MEANING OF SUCH TERMS AS DEFINED HEREIN OR WHICH MIGHT, IN THE OPINION OF THE DIRECTORS, JEOPARDIZE THE FEDERAL TAX EXEMPTIONS GIVEN BY THE IRC

8 2 Earnings Limitation No part of the earnings of this Trust shall inure or be payable to or for the benefit of any Directors or of individuals other than through scholarships or grants-in-aid as defined herein No part of the activities of this Trust shall be the carrying on or propagation of lobbying or influencing legislation The Trust shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office

8 3 Income Distribution Notwithstanding any other provision, term or clause of this Trust, the Directors

8.3 1 Shall distribute its income for each tax year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the IRC, or corresponding sections of any future federal tax code.

8.3 2 Will not engage in act of self-dealing as defined in Section 4941(d) of the IRC, nor retain any excess business holdings as defined in Section 4943c of the IRC, nor make any investments in such manner as to incur tax liability under Section 4944 of the IRC, nor make any taxable expenditures as defined in Section 4945(d) of the IRC.

8 3 3 Shall be subject to the superimposition upon all determinations, decisions, payments, distributions and administration of this Trust, of the requirement that all distributions of Trust monies shall be non-discriminatory and neutral as to race, creed, culture and gender and non-discriminatory as to all recipients and shall be made in conformity with the charitable and foundations sections of the IRC, as it may be amended from time to time

8 4 Administration Outside of Court To the extent that they may be waived by the grantors and Directors, the Corporation and all Provisions of this corporation

SHALL BE SUBJECT TO THE NEW MEXICO LAWS PROVIDING FOR FILING IN, ACCOUNTING TO, OR APPROVAL OF COURT, EXCEPT AS OTHERWISE PROVIDED BY THE TERMS HEREOF THE DIRECTORS ARE RELIEVED FROM ANY AND ALL DUTIES OF SUCH REPORTING AS SUGGESTED BY NEW MEXICO LAW, BUT ARE NOT RELIEVED OF THE REQUIREMENTS OF FILING AND REPORTING AS REQUIRED BY THE IRC AND REGULATIONS OF THE INTERNAL REVENUE SERVICE.

8 5 <u>INTERNAL OPERATING RULES:</u> THE BOARD SHALL ADOPT, RESCIND AND MAINTAIN INTERNAL RULES OF ORGANIZATION AND OPERATION ("RULES) AS DEEMED NECESSARY BY THE BOARD, FROM TIME TO TIME AND MAY INCREASE THE COMPOSITION OF THE BOARD, BY ACTION OF NOT LESS THAN FOUR-FIFTHS (4/5THS) OF THE BOARD OTHER THAN AS IS SPECIFICALLY HEREIN SET FORTH, ACTION BY·THE BOARD UNDER SUCH RULES SHALL BE BY SIMPLE MAJORITY OF THE ENTIRE BOARD AT ANY REGULAR OR SPECIAL MEETING OF THE BOARD

8.6 <u>LIMITATION ON ACTION</u> IN ALL CIRCUMSTANCES AND EVENTS, THE RULES AND THE ACTIONS OF THE BOARD SHALL BE SUCH AS TO COMPLY WITH ALL REQUIREMENTS FOR A TAX EXEMPT STATUS OF THE FOUNDATION AS IMPOSED BY THE IRC, INCLUDING BUT NOT LIMITED TO SECTIONS 4945 AND 501(C)AND REGULATIONS APPLICABLE THERETO. THE BOARD SHALL TAKE SUCH ACTION AS IS NECESSARY TO MAKE THE FOUNDATION COMPLIANT WITH ALL SUCH REGULATIONS OR LAWS AND THESE ARTICLES SHALL BE CONSTRUED SO AS TO MEET AND COMPLY WITH SUCH IRC REQUIREMENTS AND QUALIFICATIONS, INCLUDING AMENDMENTS THERETO

8 7 <u>FURTHER DISTRIBUTION REQUIREMENTS UNDER THE IRC.</u> THE FOUNDATION AND THE BOARD OF DIRECTORS SHALL·

8 7 I REQUIRE DISTRIBUTIONS AT SUCH TIME AND IN SUCH MANNER AS NOT TO SUBJECT THE FOUNDATION TO TAX UNDER IRC SECTION 4942, AND

8 7 2 PROHIBIT THE FOUNDATION FROM ENGAGING IN ANY ACT OF SELF-DEALING (AS DEFINED IN SECTION 4941(D) IRC, FROM RETAINING ANY EXCESS BUSINESS HOLDINGS (AS DEFINED IN SECTION 4943 IRC), FROM MAKING ANY INVESTMENTS IN SUCH MANNER AS TO SUBJECT THE FOUNDATION TO TAX UNDER IRC SECTION 4944 AND FROM MAKING ANY TAXABLE EXPENDITURES AS DEFINED IN SECTION 4945(D) IRC

8 7 3 Act or refrain from acting so that the Foundation shall not be liable for any of the taxes imposed by Sections 4941, 4942, 4943, 4944, 4945, 4947 (if applicable, and if applicable, Section 508 and 509) and 4945 of the IRC

8 7.4 Make distributions of capital and corpus so as to comply with IRC Regulation 26 CFR I 508-3, as may be amended from time to time

8 7 5 Be prohibited from retaining excess business holdings as defined in IRC Section 4943c when such retention would subject the Foundation to tax under IRC Section 4943(a)

8 7 6 Be prohibited from exercising any power or discretion in such manner as to cause this Foundation to fail to qualify as a charitable Foundation under the IRC.

Article 9 Final Disposition of Corporation Property

In the event of the termination of the corporation, whether by action of law or otherwise, a Petition shall be filed with the Colfax County, District Court assigning the grounds for the necessity of termination of the corporation with a copy to the New Mexico Corporation Commission, and requesting Court approval of the final disposition of the assets. In such final disposition all remaining assets of the corporation including accumulated income shall be made only to such charitable organizations, foundations and trusts as the Directors shall then determine in its discretion and as approved by the court. Notwithstanding any other provision or term of this document, at no time can there be any direct or indirect transfer of property to the grantors, their descendants and families (as above defined)

Article 10: Removal of Directors

A Director may be removed by action of four-fifths (4/5ths) of the Board for misfeasance, malfeasance, non-performance of duties, poor administrative performance or poor personal relationships with the Board, thirty days after notice thereof is given the said Director and an opportunity of such Director to be heard by the Board on the

MERITS OF THE CHARGE

ARTICLE 11 GOVERNING LAW AND ACCEPTANCE OF FOUNDATION

THIS CORPORATION IS GOVERNED AND IS TO BE CONSTRUED BY NEW MEXICO LAW THE DIRECTORS HEREWITH ACCEPT THE TRUST UPON THE TERMS AND CONDITIONS SET FORTH AND AGREE TO EXECUTE, CARRY OUT AND PERFORM THE TRUST IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS AGREEMENT.

ARTICLE 12· INDEMNIFICATION

THE OFFICERS AND DIRECTORS OF THE CORPORATION ARE INDEMNIFIED BY THE CORPORATION, TO THE EXTENT AND PURSUANT TO THE PROVISIONS OF NMSA SECTION 53-8-26.

IN WITNESS WHEREOF, THE GRANTORS AND DIRECTORS HAVE EXECUTED THESE ARTICLES OF INCORPORATION OF A NON-PROFIT CORPORATION THE DAY AND YEAR FIRST ABOVE WRITTEN

INCORPORATORS

J. Leslie Davis

J LESLIE DAVIS

Linda M. Davis

LINDA M. DAVIS

STATE OF NEW MEXICO

}SS

COUNTY OF COLFAX

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS 15TH DAY OF OCTOBER, 1997, BY J. LESLIE DAVIS AND LINDA M DAVIS.

NOTARY PUBLIC

MY COMMISSION EXPIRES· 1/18/2000

OCT 2 1997

N.M. ST. CORP. COMM. CORPORATION DEPT.

RECEIVED

OCT 2 1997

DESIGNATION OF APPOINTMENT OF REGISTERED AGENT

TO THE STATE CORPORATION COMMISSION, STATE OF NEW MEXICO

STATE OF NEW MEXICO)
) ss.
COUNTY OF COLFAX)

On this 15 day of October, 1997, before me a Notary Public in and for the State and County aforesaid, personally appeared J. Leslie Davis, who is to me known to be the person and who, being by me duly sworn, acknowledged to me that he does hereby accept his appointment as the initial Registered Agent of The C S Foundation, a New Mexico Non-Profit Corporation, a Private Foundation Created by J. Leslie Davis and Linda M. Davis, the corporation which is named in the annexed Articles of Incorporation, and which is applying for a Certificate of Incorporation pursuant to the provisions of the Nonprofit ~~Business~~ Corporation Act of the State of New Mexico.

J. Leslie Davis
J. Leslie Davis

Subscribed and sworn to before me this 15 day of October, 1997.

Notary Public

My commission expires: 1/18/2000

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