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Return of Organization Exempt From Income Tax

OMB No 1545-0047

2011

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 2011 calendar year, or tax year beginning 7/01, 2011, and ending 6/30, 2012

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	C DAVIS ART CENTER P.O. BOX 4340 DAVIS, CA 95617		D Employer Identification Number 94-6050371
	F Name and address of principal officer JEAN KORINKE SAME AS C ABOVE		E Telephone number 530-756-4100
I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		G Gross receipts \$ 683,598.	
J Website: WWW.DAVISARTCENTER.ORG		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'No,' attach a list (see instructions)	
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 1959	M State of legal domicile CA
H(c) Group exemption number			

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities	PROMOTE VISUAL AND PERFORMING ARTS	
	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	12
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	12
	5 Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	11
	6 Total number of volunteers (estimate if necessary)	6	50
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b Net unrelated business taxable income from Form 990-T, line 34	7b	0.	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	130,641.	114,736.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	519,726.	537,521.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	686.	804.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	7,345.	22,188.
	12 Total revenue	658,398.	675,249.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	3,994.	3,517.
	14 Benefits paid to or for members (Part IX, column (A), line 4)		
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	161,156.	153,209.
	16a Professional fundraising fees (Part IX, column (A), line 11e)		
	b Total fundraising expenses (Part IX, column (D), line 25)	22,051.	
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	476,658.	488,845.
18 Total expenses - Add lines 13-17 (must equal Part IX, column (A), line 25)	641,808.	645,571.	
19 Revenue less expenses - Subtract line 18 from line 12	16,590.	29,678.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	822,216.	853,941.
	22 Net assets or fund balances - Subtract line 21 from line 20	119,253.	120,744.
		702,963.	733,197.

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	<i>Madelaine Brattesani</i>		Date	
	MADELINE BRATTESANI	TREASURER			
Paid Preparer Use Only	Print/Type preparer's name	PAMELA A. MAININI, CPA	PAMELA A. MAININI, CPA	Date	11/12/12
	Firm's name	PAMELA A. MAININI, CPA		Check <input checked="" type="checkbox"/> if self-employed	PTIN P00177905
	Firm's address	1105 KENNEDY PL. STE 2 DAVIS, CA 95616		Firm's EIN	20-3563126
				Phone no	(530) 758-3653

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

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16
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Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

1 Briefly describe the organization's mission

PROMOTE VISUAL AND PERFORMING ARTS

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

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

If 'Yes,' describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured 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 \$ 469,380. including grants of \$) (Revenue \$ 492,251.)

OVER 300 CLASSES ARE OFFERED EACH QUARTER BY A FACULTY OF OVER 50 TEACHERS. THE AVERAGE ENROLLMENT IS 10 STUDENTS PER CLASS. CLASSES ARE OFFERED IN DANCE, MUSIC, MARTIAL ARTS, CLAY, WEAVING, WRITING, PAINTING AND MANY OTHER ART FORMS.

4b (Code) (Expenses \$ 90,684. including grants of \$) (Revenue \$ 45,270.)

THE DAVIS ART CENTER GALLERY IN A NON-COMMERCIAL EXHIBIT SPACE, WHICH OFFERS TEN SHOWS PER YEAR FEATURING CONTEMPORARY TWO OR THREE DIMENSIONAL WORK. IN ADDITION THE CENTER HOSTS SEVERAL RECITALS, CONCERTS AND THEATRICAL PRODUCTIONS. AN ANNUAL EVENT, THE HOLIDAY SALE, PROVIDES AN OPPORTUNITY FOR LOCAL ARTISTS FROM SEVERAL COUNTIES TO SHOWCASE AND SELL THEIR ART. OVER 55,000 PEOPLE FROM THE COMMUNITY AND SURROUNDING AREAS ARE SERVED BY THE DAVIS ART CENTER ANNUALLY.

4c (Code) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe in Schedule O)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses 560,064.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If 'Yes,' complete Schedule A	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If 'Yes,' complete Schedule C, Part I		X
4 Section 501(c)(3) organizations Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If 'Yes,' complete Schedule C, Part II		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If 'Yes,' complete Schedule C, Part III		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If 'Yes,' complete Schedule D, Part I		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If 'Yes,' complete Schedule D, Part II		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If 'Yes,' complete Schedule D, Part III		X
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If 'Yes,' complete Schedule D, Part IV		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If 'Yes,' complete Schedule D, Part V		X
11 If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings and equipment in Part X, line 10? If 'Yes,' complete Schedule D, Part VI	X	
b Did the organization report an amount for investments— other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part VII		X
c Did the organization report an amount for investments— program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part VIII		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part IX		X
e Did the organization report an amount for other liabilities in Part X, line 25? If 'Yes,' complete Schedule D, Part X		X
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If 'Yes,' complete Schedule D, Part X		X
12a Did the organization obtain separate, independent audited financial statements for the tax year? If 'Yes,' complete Schedule D, Parts XI, XII, and XIII		X
b Was the organization included in consolidated, independent audited financial statements for the tax year? If 'Yes,' and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If 'Yes,' complete Schedule E		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If 'Yes,' complete Schedule F, Parts I and IV		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If 'Yes,' complete Schedule F, Parts II and IV		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If 'Yes,' complete Schedule F, Parts III and IV		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If 'Yes,' complete Schedule G, Part I (see instructions)		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If 'Yes,' complete Schedule G, Part II	X	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If 'Yes,' complete Schedule G, Part III		X
20 a Did the organization operate one or more hospital facilities? If 'Yes,' complete Schedule H		X
b If 'Yes' to line 20a, did the organization attach a copy of its audited financial statements to this return?		

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
24a. 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, and that was issued after December 31, 2002? <i>If 'Yes,' answer lines 24b through 24d and complete Schedule K. If 'No,' go to line 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?		
25a. 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 employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <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 (or a family member thereof) 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
35a. Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b. Did the organization receive any payment from or engage in any transaction with 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

BAA

Form 990 (2011)

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

		Yes	No
1 a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. 1 a 55		
1 b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable. 1 b 0		
1 c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		X
2 a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return. 2 a 11		
2 b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	X	
3 a	Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
3 b	If 'Yes' has it filed a Form 990-T for this year? If 'No,' provide an explanation in Schedule O.		
4 a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
4 b	If 'Yes,' enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5 a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
5 b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
5 c	If 'Yes,' to line 5a or 5b, did the organization file Form 8886-T?		
6 a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?		X
6 b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
7 a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
7 b	If 'Yes,' did the organization notify the donor of the value of the goods or services provided?		
7 c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
7 d	If 'Yes,' indicate the number of Forms 8282 filed during the year. 7 d		
7 e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
7 f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
7 g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
7 h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
9 a	Did the organization make any taxable distributions under section 4966?		
9 b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter		
10 a	Initiation fees and capital contributions included on Part VIII, line 12. 10 a		
10 b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities. 10 b		
11	Section 501(c)(12) organizations. Enter		
11 a	Gross income from members or shareholders. 11 a		
11 b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them). 11 b		
12 a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? 12 a		
12 b	If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year. 12 b		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
13 a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O. 13 a		
13 b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans. 13 b		
13 c	Enter the amount of reserves on hand. 13 c		
14 a	Did the organization receive any payments for indoor tanning services during the tax year? 14 a		X
14 b	If 'Yes,' has it filed a Form 720 to report these payments? If 'No,' provide an explanation in Schedule O. 14 b		

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.

Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

		Yes	No
1 a Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O	1 a 12		
b Enter the number of voting members included in line 1a, above, who are independent	1 b 12		
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?	2		X
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?	3		X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? SEE SCH O	4	X	
5 Did the organization become aware during the year of a significant diversion of the organization's assets?	5		X
6 Did the organization have members or stockholders?	6		X
7 a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7 a		X
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or other persons other than the governing body?	7 b		X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a The governing body?	8 a	X	
b Each committee with authority to act on behalf of the governing body?	8 b	X	
9 Is there any officer, director or 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	9		X

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

	Yes	No
10 a Did the organization have local chapters, branches, or affiliates?	10 a	X
b If 'Yes,' did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10 b	
11 a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11 a X	
b Describe in Schedule O the process, if any, used by the organization to review this Form 990 SEE SCHEDULE O		
12 a Did the organization have a written conflict of interest policy? If 'No,' go to line 13	12 a X	
b Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12 b X	
c Did the organization regularly and consistently monitor and enforce compliance with the policy? If 'Yes,' describe in Schedule O how this is done SEE SCHEDULE O	12 c X	
13 Did the organization have a written whistleblower policy?	13 X	
14 Did the organization have a written document retention and destruction policy?	14 X	
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?		
a The organization's CEO, Executive Director, or top management official SEE SCHEDULE O	15 a X	
b Other officers of key employees of the organization If 'Yes' to line 15a or 15b, describe the process in Schedule O (See instructions)	15 b	X
16 a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16 a	X
b If 'Yes,' did the organization follow 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?	16 b	

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed ► CA
- 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
- 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 during the tax year **SEE SCHEDULE O**
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization
 ► ERIE VITIELLO 1919 F STREET DAVIS CA 95616 530-756-4100

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

Check if Schedule O contains a response to any question in this Part VII

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

1 a 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.

- 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, if any. 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 neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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			
(1) <u>MADLINE BRATTESANI</u> TREASURER	2	X		X			0.	0.	0.	
(2) <u>MELODY EWY</u> SECRETARY	2	X		X			0.	0.	0.	
(3) <u>ROBERT J. BAKKE</u> VICE PRESIDENT	2	X		X			0.	0.	0.	
(4) <u>JOHN BRENNAN</u> PAST PRESIDENT	2	X		X			0.	0.	0.	
(5) <u>CHERI BENSON</u> DIRECTOR	2	X					0.	0.	0.	
(6) <u>DIANA COSS</u> DIRECTOR	2	X					0.	0.	0.	
(7) <u>PAT DUNN</u> DIRECTOR	2	X					0.	0.	0.	
(8) <u>LIZ ASHWOOD</u> DIRECTOR	2	X					0.	0.	0.	
(9) <u>JEAN KORINKE</u> PRESIDENT	2	X					0.	0.	0.	
(10) <u>BABETTE ORENDAIN</u> DIRECTOR	2	X					0.	0.	0.	
(11) <u>PAMELA PEARL</u> DIRECTOR	2	X					0.	0.	0.	
(12) <u>ROBERTA SAVAGE</u> DIRECTOR	2	X					0.	0.	0.	
(13) _____										
(14) _____										

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

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Sch O) or director	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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			
(15) -----										
(16) -----										
(17) -----										
(18) -----										
(19) -----										
(20) -----										
(21) -----										
(22) -----										
(23) -----										
(24) -----										
(25) -----										
1 b Sub-total							0.	0.	0.	
c Total from continuation sheets to Part VII, Section A							0.	0.	0.	
d Total (add lines 1b and 1c)							0.	0.	0.	

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ▶ 0

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If 'Yes,' complete Schedule J for such individual</i>	3	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? <i>If 'Yes' complete Schedule J for such individual</i>	4	X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If 'Yes,' complete Schedule J for such person</i>	5	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 Report compensation for the calendar year ending with or within the organization's tax year

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

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 ▶ 0

Part VIII Statement of Revenue

		(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	1 a Federated campaigns	1 a				
	b Membership dues	1 b	30,712.			
	c Fundraising events	1 c				
	d Related organizations	1 d				
	e Government grants (contributions)	1 e				
	f All other contributions, gifts, grants, and similar amounts not included above	1 f	84,024.			
	g Noncash contributions included in lns 1a-1f. \$					
	h Total. Add lines 1a-1f		114,736.			
PROGRAM SERVICE REVENUE	Business Code					
	2 a <u>ART AND OTHER CLASSES</u>		492,251.	492,251.		
	b <u>HOLIDAY ART SALES</u>		35,800.	35,800.		
	c <u>ART GALLERY SALES</u>		6,341.	6,341.		
	d <u>DANCE AND DRAMA</u>		3,129.	3,129.		
	e _____					
	f All other program service revenue					
g Total. Add lines 2a-2f		537,521.				
OTHER REVENUE	3 Investment income (including dividends, interest and other similar amounts)		804.		804.	
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
	6 a Gross rents	(i) Real	11,356.			
		(ii) Personal				
		b Less rental expenses				
		c Rental income or (loss)	11,356.			
	d Net rental income or (loss)		11,356.		11,356.	
	7 a 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)						
8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a	16,464.				
	b Less direct expenses	b	8,349.			
	c Net income or (loss) from fundraising events		8,115.		8,115.	
9 a Gross income from gaming activities See Part IV, line 19	a					
	b Less direct expenses	b				
	c Net income or (loss) from gaming activities					
10 a 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					
Miscellaneous Revenue		Business Code				
11 a <u>MISCELLANEOUS</u>		2,717.	2,717.			
b _____						
c _____						
d All other revenue						
e Total. Add lines 11a-11d		2,717.				
12 Total revenue. See instructions		675,249.	540,238.	0.	20,275.	

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)

Check if Schedule O contains a response to any question in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(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 United States See Part IV, line 21				
2 Grants and other assistance to individuals in the United States See Part IV, line 22	3,517.	3,517.		
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	0.	0.	0.	0.
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.	0.	0.	0.
7 Other salaries and wages	133,499.	103,875.	17,643.	11,981.
8 Pension plan accruals and contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits	8,005.	6,920.	339.	746.
10 Payroll taxes	11,705.	9,085.	1,568.	1,052.
11 Fees for services (non-employees)				
a Management				
b Legal	5,265.		5,265.	
c Accounting	11,364.	137.	11,212.	15.
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other	38,400.	28,400.	10,000.	
12 Advertising and promotion	4,733.	4,318.		415.
13 Office expenses	7,086.	5,588.	951.	547.
14 Information technology	1,765.	1,379.	219.	167.
15 Royalties				
16 Occupancy	27,948.	20,484.	5,283.	2,181.
17 Travel	1,234.	403.	831.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	18,853.	14,764.	2,321.	1,768.
23 Insurance	6,577.	5,138.	817.	622.
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a TEACHER CONTRACTS	306,993.	306,993.		
b REPAIRS	14,073.	11,425.	2,102.	546.
c BANK & CREDIT CARD FEES	13,784.	13,030.	136.	618.
d PRINTING AND PUBLICATIONS	7,803.	7,800.	3.	
e All other expenses	22,967.	16,808.	4,766.	1,393.
25 Total functional expenses. Add lines 1 through 24e	645,571.	560,064.	63,456.	22,051.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year		
ASSETS	1	Cash – non-interest-bearing	53,237.	1	53,547.	
	2	Savings and temporary cash investments	141,078.	2	181,682.	
	3	Pledges and grants receivable, net		3		
	4	Accounts receivable, net	66.	4	5,448.	
	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)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6		
	7	Notes and loans receivable, net		7		
	8	Inventories for sale or use		8		
	9	Prepaid expenses and deferred charges	184.	9	1,309.	
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	769,725.		
	b	Less accumulated depreciation	10b	191,263.	10c	578,462.
	11	Investments – publicly traded securities	6,071.	11	6,728.	
	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	26,765.	15	26,765.	
16	Total assets. Add lines 1 through 15 (must equal line 34)	822,216.	16	853,941.		
LIABILITIES	17	Accounts payable and accrued expenses	382.	17	2,562.	
	18	Grants payable		18		
	19	Deferred revenue	118,871.	19	118,182.	
	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		23		
	24	Unsecured notes and loans payable to unrelated third parties		24		
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		25		
	26	Total liabilities. Add lines 17 through 25	119,253.	26	120,744.	
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	606,149.	27	636,478.	
	28	Temporarily restricted net assets	90,614.	28	90,519.	
	29	Permanently restricted net assets	6,200.	29	6,200.	
	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	702,963.	33	733,197.	
34	Total liabilities and net assets/fund balances	822,216.	34	853,941.		

BAA

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	675,249.
2	Total expenses (must equal Part IX, column (A), line 25)	645,571.
3	Revenue less expenses Subtract line 2 from line 1	29,678.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	702,963.
5	Other changes in net assets or fund balances (explain in Schedule O) SEE SCHEDULE O	556.
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	733,197.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> 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?		X
2b	Were the organization's financial statements audited by an independent accountant?		X
2c	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 separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> 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?		X
3b	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		

BAA

Form 990 (2011)

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2011

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Name of the organization DAVIS ART CENTER	Employer identification number 94-6050371
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Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is (For lines 1 through 11, check only one box.)

- 1 A church, convention of churches or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 An organization that normally receives (1) more than 33-1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions – subject to certain exceptions, and (2) no more than 33-1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 10 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a Type I
 - b Type II
 - c Type III – Functionally integrated
 - d Type III – Other
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that is a Type I, Type II or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11 g (i)	
(ii) A family member of a person described in (i) above?	11 g (ii)	
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	11 g (iii)	

h Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in column (i) listed in your governing document?		(v) Did you notify the organization in column (i) of your support?		(vi) Is the organization in column (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

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 or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any 'unusual grants')						
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						
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)						
6 Public support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc (see instructions)					12	
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 2011 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2010 Schedule A, Part II, line 14	15	%
16a 33-1/3% support test – 2011. If the organization did not check the box on line 13, and the line 14 is 33-1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization. ▶ <input type="checkbox"/>		
b 33-1/3% support test – 2010. 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 – 2011. 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 – 2010. 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 or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal yr beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions and membership fees received (Do not include any "unusual grants.")	69,996.	43,763.	70,523.	130,641.	114,736.	429,659.
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	430,771.	483,523.	519,173.	519,726.	537,521.	2,490,714.
3 Gross receipts from activities that are not an unrelated trade or business under section 513						0.
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0.
5 The value of services or facilities furnished by a governmental unit to the organization without charge						0.
6 Total. Add lines 1 through 5	500,767.	527,286.	589,696.	650,367.	652,257.	2,920,373.
7a Amounts included on lines 1, 2, and 3 received from disqualified persons	0.	0.	0.	0.	0.	0.
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year	0.	0.	6,554.	74,466.	60,964.	141,984.
c Add lines 7a and 7b	0.	0.	6,554.	74,466.	60,964.	141,984.
8 Public support. (Subtract line 7c from line 6.)						2,778,389.

Section B. Total Support

Calendar year (or fiscal yr beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6	500,767.	527,286.	589,696.	650,367.	652,257.	2,920,373.
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	3,107.	1,572.	426.	686.	804.	6,595.
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						0.
c Add lines 10a and 10b	3,107.	1,572.	426.	686.	804.	6,595.
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						0.
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) SEE PART IV	13,367.	8,323.	9,635.	7,345.	30,537.	69,207.
13 Total support. (Add lines 9, 10c, 11, and 12.)	517,241.	537,181.	599,757.	658,398.	683,598.	2,996,175.
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 ▶ <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2011 (line 8, column (f) divided by line 13, column (f))	15	92.73 %
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	95.23 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2011 (line 10c, column (f) divided by line 13, column (f))	17	0.22 %
18 Investment income percentage from 2010 Schedule A, Part III, line 17	18	0.29 %

19a 33-1/3% support tests – 2011. 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 ▶

b 33-1/3% support tests – 2010. 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 ▶

**SCHEDULE D
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered 'Yes,' to Form 990, Part IV, lines 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545 0047

2011

Open to Public Inspection

Name of the organization

Employer identification number

DAVIS ART CENTER

94-6050371

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 education)	<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 Tax 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, and not on a historic structure listed in the National Register	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 section 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.

1 a If the organization elected, as permitted under SFAS 116 (ASC 958), 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 (ASC 958), 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 (ASC 958) 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

	Amount
1c	
1d	
1e	
1f	

- c Beginning balance
- d Additions during the year
- e Distributions during the year
- f 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 the organization answered 'Yes' to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
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 current year end balance (line 1g, column (a)) held as

- a Board designated or quasi-endowment _____ %
 - b Permanent endowment _____ %
 - c Temporarily restricted endowment _____ %
- The percentages in lines 2a, 2b, and 2c should equal 100%

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

	Yes	No
3a(i)		
3a(ii)		
3b		

- (i) unrelated organizations
- (ii) related organizations

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		250,000.		250,000.
b Buildings		400,000.	120,000.	280,000.
c Leasehold improvements		63,052.	20,710.	42,342.
d Equipment		39,745.	34,177.	5,568.
e Other		16,928.	16,376.	552.
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c))				578,462.

BAA

Part VII. Investments – Other Securities. See Form 990, Part X, line 12. N/A

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) -----		
(B) -----		
(C) -----		
(D) -----		
(E) -----		
(F) -----		
(G) -----		
(H) -----		
(I) -----		
Total. (Column (b) must equal Form 990 Part X, column (B) line 12.) ▶		

Part VIII. Investments – Program Related. See Form 990, Part X, line 13. N/A

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Column (b) must equal Form 990, Part X, column (B) line 13.) ▶		

Part IX. Other Assets. See Form 990, Part X, line 15. N/A

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, column (B), line 15.) ▶	

Part X. Other Liabilities. See Form 990, Part X, line 25.

(a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, column (B) line 25.) ▶	

2 FIN 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740)

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

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return		N/A
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		N/A
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.

--- **PART III, LINE 4 - DESCRIPTION OF ORGANIZATION'S COLLECTIONS AND HOW FURTHERS EXEMPT PURPO** ---
 --- TSAO COLLECTION --- APPROXIMATELY 120 PIECES OF ART FROM VARIOUS WELL KNOWN AND MOSTLY ---
 --- LOCAL ARTISTS. THE COLLECTION CONTAINS OILS, MIXED MEDIA COLLAGE, PENCIL SKETCHES, ---
 --- ACRYLIC, INK AND WATERCOLOR PAINTINGS AS WELL AS CERAMICS. ALL ARE IN GOOD TO ---
 --- EXCELLENT CONDITION AND SERVE TO INSPIRE THE ASPIRING ARTISTS THAT ATTEND CLASSES AS ---
 --- WELL AS THE GENERAL PUBLIC IN ATTENDANCE AT VARIOUS FUNCTIONS. ON SEPTEMBER 23, 2009 ---
 --- THE COLLECTION WAS PROFESSIONALLY APPRAISED AT A FAIR MARKET VALUE REPLACEMENT COST ---

Part XIV Supplemental Information *(continued)*

PART III, LINE 4 - DESCRIPTION OF ORGANIZATION'S COLLECTIONS AND HOW FURTHERS EXEMPT PURPO

OF \$370,150.

Part II Fundraising Events. Complete if the organization answered 'Yes' to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

REVENUE	(a) Event #1	(b) Event #2	(c) Other events	(d) Total events
	HOLIDAY SALE (event type)	(event type)	(total number)	(add column (a) through column (c))
1	Gross receipts	16,464.		16,464.
2	Less Charitable contributions			
3	Gross income (line 1 minus line 2)	16,464.		16,464.
DIRECT EXPENSES	4	Cash prizes		
	5	Noncash prizes		
	6	Rent/facility costs		
	7	Food and beverages	8,349.	8,349.
	8	Entertainment		
	9	Other direct expenses		
	10	Direct expense summary Add lines 4 through 9 in column (d)		
11	Net income summary Combine line 3, column (d), and line 10			8,115.

Part III Gaming. Complete if the organization answered 'Yes' to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

REVENUE	(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming
				(add column (a) through column (c))
1	Gross revenue			
DIRECT EXPENSES	2	Cash prizes		
	3	Non-cash prizes		
	4	Rent/facility costs		
	5	Other direct expenses		
	6	Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No
7	Direct expense summary Add lines 2 through 5 in column (d)			
8	Net gaming income summary Combine lines 1, column (d) and line 7			

9 Enter the state(s) in which the organization operates gaming activities _____
 a Is the organization licensed to operate gaming activities in each of these states? Yes No
 b If 'No,' explain _____

 10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? Yes No
 b If 'Yes,' explain _____

Supplemental Information to Form 990 or 990-EZ

2011

Open to Public
Inspection

Department of the Treasury
Internal Revenue Service

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

Name of the organization

DAVIS ART CENTER

Employer identification number

94-6050371

FORM 990, PART VI, LINE 4 - SIGNIFICANT CHANGES TO ORGANIZATIONAL DOCUMENTS

THE BYLAWS WERE REWRITTEN TO CONFORM TO STANDARD PUBLIC CHARITY BYLAWS AND TO REMOVE
THE LANGUAGE SPECIFIC TO A MEMBERSHIP ORGANIZATION.

FORM 990, PART VI, LINE 11B - FORM 990 REVIEW PROCESS

THE TREASURER AND/OR PRESIDENT AS WELL AS THE EXECUTIVE DIRECTOR RECEIVE AN
ELECTRONIC COPY OF THE FORM 990 PRIOR TO ITS SUBMISSION. AFTER REVIEW THE BOARD
MEMBER SIGNS THE FORM 8879EO AUTHORIZING TRANSMISSION OF THE RETURN TO THE IRS.

FORM 990, PART VI, LINE 12C - EXPLANATION OF MONITORING AND ENFORCEMENT OF CONFLICTS

AT THE ANNUAL BOARD MEETING AND WHEN NEW BOARD MEMBERS BEGIN THEIR TERM, THEY ARE
ASKED TO DISCLOSE ANY CONFLICTS OF INTEREST.

FORM 990, PART VI, LINE 15A - COMPENSATION REVIEW & APPROVAL PROCESS FOR CEO, EXEC. DIR., OR TOP MGT

THE BOARD MAINTAINS A PERSONNEL COMMITTEE WHO REVIEW THE EXECUTIVE DIRECTOR
PERFORMANCE AND SET GOALS AS WELL AS THE COMPENSATION AND BENEFIT PACKAGE.

FORM 990, PART VI, LINE 19 - OTHER ORGANIZATION DOCUMENTS PUBLICLY AVAILABLE

NO DOCUMENTS AVAILABLE TO THE PUBLIC.

2011.

SCHEDULE O - SUPPLEMENTAL INFORMATION

PAGE 2

CLIENT NDAV19

DAVIS ART CENTER

94-6050371

11/12/12

03 22PM

FORM 990, PART XI, LINE 5
OTHER CHANGES IN NET ASSETS OR FUND BALANCES

NET UNREALIZED GAINS OR LOSSES ON INVESTMENTS

TOTAL	\$	556.
	\$	<u>556.</u>

2011

SCHEDULE A, PART IV - SUPPLEMENTAL INFORMATION PAGE 5

CLIENT NDAV19

DAVIS ART CENTER

94-6050371

11/12/12

03 22PM

PART III, LINE 12 - OTHER INCOME

NATURE AND SOURCE	2011	2010	2009	2008	2007
RENTAL INCOME	11,356.	6,335.	8,665.	8,323.	12,793.
OTHER	2,717.	1,010.	970.		574.
FUNDRAISING	16,464.				
TOTAL	<u>\$ 30,537.</u>	<u>\$ 7,345.</u>	<u>\$ 9,635.</u>	<u>\$ 8,323.</u>	<u>\$ 13,367.</u>

AMENDED AND RESTATED BYLAWS
OF THE
DAVIS ART CENTER,
A California Nonprofit Public Benefit Corporation

AMENDED AND RESTATED BYLAWS
OF THE
DAVIS ART CENTER,
A California Nonprofit Public Benefit Corporation

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**AMENDED AND RESTATED BYLAWS OF THE
DAVIS ART CENTER,
A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION**

**ARTICLE 1
OFFICES**

SECTION 1. PRINCIPAL OFFICE

The principal office of the corporation for the transaction of its business is located in Yolo County, California.

SECTION 2. CHANGE OF ADDRESS

The county of the corporation's principal office can be changed only by amendment of these Bylaws and not otherwise. The Board of Directors may, however, change the principal office from one location to another within the named county, which change of address shall not be deemed an amendment of these Bylaws.

SECTION 3. OTHER OFFICES

The corporation may also have offices at such other places, within or without the State of California, where it is qualified to do business, as its business may require and as the Board of Directors may, from time to time, designate.

**ARTICLE 2
PURPOSES**

SECTION 1. OBJECTIVES AND PURPOSES

The primary objectives and purposes of this corporation shall be as stated in the Articles of Incorporation which includes the following:

- (a) To further the execution and appreciation of the creative and interpretive arts in the city of Davis and its environs;
- (b) To provide a meeting place for creative and interpretive artists, both professional and non-professional, in the various fields of the arts, in order that they may exchange ideas, work together, and bring their own work before the public;
- (c) To provide the opportunity to children and adults for professionally supervised creative and interpretive experience and education in the arts

through classes, workshops, and other aspects of its program, to include exhibitions, performances, and tours; and

- (d) To make contracts; purchase, mortgage or lease, and hold all real and personal property necessary to carry out the foregoing.

ARTICLE 3 MEMBERS

SECTION 1. NO STATUTORY MEMBERS

The corporation shall have no members.

SECTION 2. ASSOCIATED PERSONS

Nothing in this Article 3 shall be construed as limiting the right of the corporation to refer to persons associated with it as "members" even though such persons are not members within the meaning of Section 5056 of the California Nonprofit Public Benefit Corporation Law. The corporation may create classes of associated persons or groups of persons; provided, however, no such person shall be a member within the meaning of Section 5056 unless such person is given the right to vote for the election of directors, vote on a disposition of all or substantially all of the assets of the corporation, vote on a merger or dissolution of the corporation or vote on changes to the Articles of Incorporation or Bylaws. Such associated persons and groups of persons shall have such rights and obligations as may from time to time be determined by the Board of Directors and may include individual persons, families, groups, organizations, associations, corporations, businesses or other entities.

SECTION 3. ACTIONS BY MEMBERS

Any action which would otherwise require a vote of members shall require only a vote of the Board of Directors, and no meeting of members shall be required notwithstanding any provisions of the Articles of Incorporation or Bylaws to the contrary. All rights which would otherwise vest in the members shall vest in the Board of Directors.

ARTICLE 4 DIRECTORS

SECTION 1. NUMBER

The corporation shall have not less than seven (7) nor more than twenty-one (21) directors, and collectively they shall be known as the Board of Directors, with the exact number of directors to be fixed within these limits by resolution of the Board of Directors in the manner provided in these Bylaws. However, the specified limits on the number of

directors may be changed only by amendment of this Bylaw, or by repeal of this Bylaw and adoption of a new Bylaw, as provided in these Bylaws.

SECTION 2. POWERS

Subject to the provisions of the California Nonprofit Public Benefit Corporation Law and any limitations in the Articles of Incorporation and Bylaws, the activities and affairs of this corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors.

SECTION 3. DUTIES

It shall be the duty of the directors to:

- (a) Perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation of this corporation, or by these Bylaws;
- (b) Appoint and remove, employ and discharge, and except as otherwise provided in these Bylaws, prescribe the duties and fix the compensation, if any, of all officers, agents, and employees of the corporation;
- (c) Supervise all officers, agents, and employees of the corporation to assure that their duties are performed properly;
- (d) Meet at such times and places as required by these Bylaws; and
- (e) Register their addresses, including electronic mail addresses, and telephone numbers with the Secretary of the corporation, and notices of meetings mailed, electronically mailed or delivered personally or by telephone to them at such addresses or telephone numbers shall be valid notices thereof.

SECTION 4. QUALIFICATION, ELECTION AND TERM OF OFFICE

Directors shall be elected to staggered three (3)-year terms at the annual meeting for election of directors to the Board of Directors. To the extent possible, and allowing for exceptional circumstances occasioned by vacancies on the board or by resolutions changing the authorized number of directors, one-third of the authorized number of directors shall be elected at each annual meeting. Each director shall hold office until the third annual meeting for election of the Board of Directors following his or her election, as specified in these Bylaws, and until his or her successor is elected and qualified.

Consecutive service on the Board of Directors shall be limited to two (2) full terms of office plus one (1) partial term, such as may be occasioned by a vacancy on the board. At

least one (1) year shall then elapse before eligibility for re-election to the board. Any director may serve any number of nonconsecutive terms.

No resolution decreasing the authorized number of directors shall affect the term of any director then in office.

SECTION 5. COMPENSATION

Directors shall serve without compensation. However, if authorized by previous resolution of the Board of Directors, they shall be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their regular duties as specified in Section 3 of this Article. Directors may not be compensated for rendering services to the corporation in any capacity other than director unless such other compensation is reasonable and is allowable under the provisions of Section 6 of this Article.

SECTION 6. RESTRICTION REGARDING INTERESTED DIRECTORS

Notwithstanding any other provision of these Bylaws, not more than forty-nine percent (49%) of the persons serving on the board may be interested persons. For purposes of this Section, "interested person" means either:

- (a) Any person currently being compensated by the corporation for services rendered it within the previous twelve (12) months, whether as a full- or part-time officer or other employee, independent contractor or otherwise, excluding any reasonable compensation paid to a director as director; or
- (b) Any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law or father-in-law of any such person.

SECTION 7. PLACE OF MEETINGS

Meetings shall be held at the principal office of the corporation unless otherwise provided by the board or at such place, within or without the State of California, which has been designated from time to time by resolution of the Board of Directors. Any meeting, regular or special, may be held by conference telephone or similar communications equipment, so long as all directors participating in such meeting can hear one another.

SECTION 8. REGULAR AND ANNUAL MEETINGS

Regular meetings of the Board of Directors shall be held monthly, except during the months of July and August, at a regularly recurring day and time specified by resolution of the board. A regular meeting may be rescheduled by the President for the convenience of one or more directors, provided that regular meetings are held at least monthly, except

during the months of July and August, and that a majority of all directors then in office consent to the rescheduled date and time.

At the annual meeting of directors held in May, directors shall be elected by the Board of Directors in accordance with this Section. Voting shall be by ballot only. Cumulative voting by directors for the election of directors shall not be permitted. Directors shall be elected on a single ballot, and each director may vote for a maximum of up to the same number of candidates as the number of directors to be elected, in accordance with Section 4 of this Article, which in usual circumstances shall be one-third (1/3) of the authorized number of directors. The candidates receiving the highest number of votes up to the number of directors to be elected shall be elected.

SECTION 9. SPECIAL MEETINGS

A special meeting of the Board of Directors may be called by the President or by or upon the request of any two (2) directors, and such meeting shall be held at the place, within or without the State of California, which has been designated by the person or persons calling the meeting or, in the absence of such designation, at the principal office of the corporation.

SECTION 10. NOTICE OF MEETINGS

Regular meetings of the board may be held without notice. Special meetings of the board shall be held upon four (4) days' notice by first-class mail or forty-eight (48) hours' notice delivered personally, by telephone, including a voice messaging system, or by electronic transmission by the corporation. If sent by mail, the notice shall be deemed to be delivered on its deposit in the mails. Such notices shall be addressed to each director at his or her address as shown on the books of the corporation. Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place of the adjourned are fixed at the meeting adjourned and if such adjourned meeting is held no more than twenty-four (24) hours from the time of the original meeting. Notice shall be given of any adjourned regular or special meeting to directors absent from the original meeting if the adjourned meeting is held more than twenty-four (24) hours from the time of the original meeting.

SECTION 11. CONTENT OF NOTICE

Notice of meetings not herein dispensed with shall specify the place, day and hour of the meeting. The purpose of any board meeting need not be specified in the notice.

SECTION 12. WAIVER OF NOTICE AND CONSENT TO HOLDING MEETINGS

Notice of a meeting need not be given to any director who signs a waiver of notice, a consent to holding the meeting or an approval of the minutes, whether before or after the

meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such director. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

SECTION 13. QUORUM FOR THE MEETINGS

A quorum shall consist of a majority of the directors then in office. In the absence of a quorum at any meeting of the Board of Directors, a majority of the directors present may adjourn the meeting as provided in Section 10 of this Article. The directors at a meeting at which a quorum is initially present may continue to do business notwithstanding the withdrawal of enough directors to leave less than a quorum, provided any action thereafter taken is approved by at least a majority of the required quorum for such meeting or such greater percentage as may be required by law or by the Articles of Incorporation or Bylaws of this corporation.

SECTION 14. MAJORITY ACTION AS BOARD ACTION

Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the Board of Directors, unless the Articles of Incorporation or Bylaws of this corporation or provisions of the California Nonprofit Public Benefit Corporation law, particularly those provisions relating to the appointment of committees (Section 5212), approval of contracts of transactions in which a director has a material financial interest (Section 5233), and indemnification of directors (Section 5238(e)), require a greater percentage or different voting rules for approval of a matter by the board.

SECTION 15. CONDUCT OF MEETINGS

Meetings of the Board of Directors shall be presided over by the President of the corporation or, in his or her absence, by the Vice President of the corporation or, in the absence of both of these persons, by a Chairperson chosen by a majority of the directors present at the meeting. The Secretary of the corporation shall act as secretary of all meetings of the board, provided that, in his or her absence, the residing officer shall appoint another person to act as Secretary of the meeting.

SECTION 16. ACTION BY UNANIMOUS WRITTEN CONSENT WITHOUT MEETING

Any action required or permitted to be taken by the Board of Directors under any provision of law may be taken without a meeting, if all members of the board shall individually or collectively consent in writing to such action. Such written consent shall require the original signatures of all members of the board. For the purposes of this Section only, "all members of the board" shall not include any "interested director" as

defined in Section 5233 of the California Nonprofit Public Benefit Corporation Law. Such written consent or consents shall be filed with the minutes of the proceedings of the board. Such action by written consent shall have the same force and effect as the unanimous vote of the directors. Any certificate or other document filed under any provision of law which relates to action so taken shall state that the action was taken by unanimous written consent of the Board of Directors without a meeting and that the Bylaws of the corporation authorize the directors to so act, and such statement shall be prima facie evidence of such authority.

SECTION 17. REMOVAL AND RESIGNATION

The Board of Directors may declare vacant the office of a director who has been declared of unsound mind by a final order of court, or convicted of a felony, or been found by a final order of judgment of any court to have breached any duty under Section 5230 and following of the California Nonprofit Public Benefit Corporation Law.

Directors may be removed with or without cause by a majority of the directors then in office.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of such director's term of office.

Any director may resign effective upon giving written notice to the President, the Secretary, or the Board of Directors, unless the notice specifies a later time for the effectiveness of such resignation. No director may resign if the corporation would then be left without a duly elected director or directors in charge of its affairs, except upon notice to the Attorney General of the State of California.

SECTION 18. VACANCIES

Vacancies on the Board of Directors shall exist (1) on the death, resignation, or removal of any director, and (2) whenever the authorized number of directors is increased.

Vacancies on the Board of Directors may be filled by approval of the board or, if the number of directors then in office is less than a quorum, by (1) the unanimous written consent of the directors then in office, (2) the affirmative vote of a majority of the directors then in office at a meeting held pursuant to notice or waivers of notice complying with this Article of these Bylaws, or (3) a sole remaining director.

A person elected to fill a vacancy as provided by this Section shall hold office until the next annual election of the Board of Directors or until his or her death, resignation, or removal from office.

SECTION 19. NON-LIABILITY OF DIRECTORS

The directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation to the fullest extent permissible under California law.

ARTICLE 5 OFFICERS

SECTION 1. NUMBER OF OFFICERS

The principal officers of the corporation shall be a President, a Vice President, a Secretary, and a Chief Financial Officer who shall be designated the Treasurer. No two (2) of the above offices may be simultaneously held by the same person. The corporation may also have, as determined by the Board of Directors, a Chairperson of the Board of Directors, an Executive Director, Assistant Secretaries, Assistant Treasurers, or other subordinate officers.

SECTION 2. QUALIFICATION, ELECTION AND TERM OF OFFICE

The President, the Vice President, the Secretary, and the Treasurer shall be elected annually by the Board of Directors at the first regular meeting of the Board of Directors following the annual meeting for election of directors. Each of these officers shall hold office at the pleasure of the Board of Directors, subject to the rights, if any, of an officer under any contract of employment. Officers need not be chosen from among the directors.

SECTION 3. SUBORDINATE OFFICERS

The Board of Directors may appoint such other officers or agents as it may deem desirable, and such officers shall serve such terms, have such authority, and perform such duties as may be prescribed from time to time by the Board of Directors.

SECTION 4. REMOVAL AND RESIGNATION

Any officer may be removed at any time, either with or without cause, by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors or to the President or Secretary of the corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 5. VACANCIES

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise of any officer shall be filled by the Board of Directors in the manner prescribed in these Bylaws for regular appointments to such office. In the event of a vacancy in any office

other than that of President, such vacancy may be filled temporarily by appointment by the President, until such time as the Board shall fill the vacancy. Vacancies occurring in offices of subordinate officers appointed at the discretion of the Board of Directors may or may not be filled as the Board shall determine.

SECTION 6. DUTIES OF PRESIDENT

The President shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, supervise and control the affairs of the corporation and the activities of the officers. He or she shall perform all duties incident to his or her office and such other duties as may be required by law, by the Articles of Incorporation of this corporation, or by these Bylaws, or which may be prescribed from time to time by the Board of Directors. He or she shall preside at all meetings of the Board of Directors. Except as otherwise expressly provided by law, by the Articles of Incorporation, by these Bylaws, or as may be delegated to the Executive Director if there shall be such an officer, he or she shall, in the name of the corporation, execute such deeds, mortgages, bonds, contracts, checks and other obligations and instruments which may from time to time be authorized by the Board of Directors.

SECTION 7. DUTIES OF VICE PRESIDENT

In the absence or disability of the President, the Vice President shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall have such other powers and perform such other duties as from time to time may be prescribed for the Vice President by the Board of Directors or these Bylaws.

SECTION 8. DUTIES OF SECRETARY

The Secretary shall:

- (a) Certify and keep at the principal office of the corporation the original or a copy of these Bylaws as amended or otherwise altered to date;
- (b) Keep at the principal office of the corporation or at such other place as the board may determine a book of minutes of all meetings of the directors and committees of the Board of Directors, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings thereof;
- (c) See that all notices are duly given in accordance with the provisions of these Bylaws as required by law;
- (d) Be custodian of the records of the corporation;

- (e) Exhibit at all reasonable times to any director of the corporation, or to his or her agent or attorney, on request therefor, the Bylaws and the minutes of the proceedings of the directors of the corporation;
- (f) In general, perform all duties incident to the office of Secretary and such other duties as may be required by law, by the Articles of Incorporation of this corporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

SECTION 9. DUTIES OF TREASURER

Subject to the provisions of these Bylaws relating to the "Execution of Instruments, Deposits, and Funds," the Treasurer shall:

- (a) Have charge and custody of, and be responsible for, all funds and securities of the corporation, and deposit all such funds in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the Board of Directors;
- (b) Receive, and give receipt for, monies due and payable to the corporation from any source whatsoever;
- (c) Disburse, or cause to be disbursed, the funds of the corporation as may be directed by the Board of Directors, taking power vouchers for such disbursements;
- (d) Keep and maintain adequate and correct accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, and losses;
- (e) Exhibit at all reasonable times the books of account and financial records to any director of the corporation, or to his or her agent or attorney, on request therefor;
- (f) Render to the President and directors, whenever requested, an account of any or all of his or her transactions as Treasurer and of the financial condition of the corporation;
- (g) Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports;
- (h) In general, perform all duties incident to the office of Treasurer and such other duties as may be required by law, by the Articles of Incorporation of the corporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

SECTION 10. DUTIES OF EXECUTIVE DIRECTOR

Subject to such supervisory powers, if any, as may be given by the Board of Directors to the Chairperson of the Board or the President, the Executive Director shall be the general manager of the corporation and shall, and subject to the control of the Board, have general supervision, direction and control of the business and affairs of the corporation. The Executive Director shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws.

SECTION 11. COMPENSATION

The compensation, if any, of the officers of the corporation shall be fixed from time to time by resolution of the Board of Directors, and no officer shall be prevented from receiving such compensation by reason of the fact that he or she is also a director of the corporation. In all cases, any compensation received by officers of this corporation shall be reasonable and given in return for services actually rendered to the corporation which relate to the performance of its charitable or public purposes.

ARTICLE 6 COMMITTEES

SECTION 1. EXECUTIVE COMMITTEE

The Board of Directors, by a majority vote of all directors then in office, may at its discretion, but is not required to, designate three (3) or more of its members (who may also be serving as officers of this corporation) to constitute an Executive Committee and may delegate to such committee any of the powers and authority of the board in the management of the business and affairs of the corporation, except as specified below in this Section.

Under no circumstances may the Board of Directors delegate any of the powers and authority of the board to any committee with respect to:

- (a) The determination of the authorized number of directors within the range permitted by these Bylaws;
- (b) The election of directors to the Board of Directors;
- (c) The filling of vacancies on the board or on any committee which has the authority of the board;
- (d) The fixing of compensation of the officers of the corporation or of directors for serving on the board or on any committee;
- (e) The amendment or repeal of Bylaws or the adoption of new Bylaws;

- (f) The amendment or repeal of any resolution of the board which by its express terms is not so amendable or repealable;
- (g) The appointment of committees of the board or the members thereof;
- (h) The expenditure of corporate funds to support a nominee for director after there are more people nominated for director than can be elected; and
- (i) The approval of any transaction to which this corporation is a party and in which one or more of the directors has a material financial interest, except as expressly provided in Section 5233(d)(3) of the California Nonprofit Public Benefit Corporation Law.

The Board of Directors may at any time revoke or modify any or all of the authority so delegated to such Executive Committee, increase or decrease (but not below three (3)) the number of its members, and fill vacancies thereon from the members of the Board.

SECTION 2. AUDIT COMMITTEE

For any tax year in which the corporation has gross revenues of two million dollars (\$2,000,000) or more, excluding grant and contract income from any governmental entity for which the entity requires an accounting, the corporation shall have an Audit Committee whose members shall be appointed by the Board of Directors, and who may include both directors and non-directors, subject to the following limitations: (a) the Audit Committee may not include any members of the staff, including the President or chief executive officer, treasurer or chief financial officer; (b) the chair of the Audit Committee may not be a member of the Finance Committee, if any; (c) members of the Finance Committee, if any, shall constitute less than one-half of the membership of the Audit Committee; (d) members of the Audit Committee shall not receive compensation greater than the compensation paid to directors for their board service; and (e) members of the Audit Committee shall not have a material financial interest in any entity doing business with the corporation.

The Audit Committee shall: (a) recommend to the Board of Directors the retention and termination of the corporation's independent public accountant to serve as auditor; (b) confer with the auditor to satisfy the Audit Committee members that the financial affairs of the corporation are in order; (c) review and determine whether to accept the audit; and (d) shall approve performance of any non-audit services by the auditing firm. The Audit Committee may also negotiate the compensation of the auditor on behalf of the Board of Directors.

SECTION 3. OTHER COMMITTEES

The corporation shall have such other standing or ad hoc committees with such general or special duties as may from time to time be designated by resolution of the Board of Directors. The board shall determine the size of any such committees and shall appoint the members thereof. However, each standing committee shall consist of at least three (3) members. Committees may include or consist entirely of persons who are not also members of the board; provided, however that any committee consisting of non-board members may not exercise the authority of the board, but instead act in an advisory capacity only to the board. Each committee member shall serve at the pleasure of the Board of Directors but not to exceed such committee member's term as a director.

SECTION 4. MEETINGS AND ACTION OF COMMITTEES

Meetings and action of committees shall be governed by, noticed, held, and taken in accordance with the provisions of these Bylaws concerning meetings of the Board of Directors, with such changes in the context of such Bylaw provisions as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular meetings of committees may be fixed by resolution of the Board of Directors or by the committee. The time for special meetings of committees may also be fixed by the Board of Directors. The Board of Directors may also adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provisions of these Bylaws.

ARTICLE 7

INDEMNIFICATION BY CORPORATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND OTHER AGENTS

SECTION 1. INDEMNIFICATION BY CORPORATION

- (a) For the purposes of this Section 1, "agent" means any person who is or was a director, officer, employee or other agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or was a director, officer, employee or agent of a foreign or domestic corporation which was a predecessor corporation of the corporation or of another enterprise at the request of such predecessor corporation; "proceeding" means any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative; and "expenses" includes, without limitation, attorneys' fees and any expenses of establishing a right to indemnification under this subparagraph 1(d) or (e)(2) below.
- (b) The corporation shall, to the fullest extent permitted by law, indemnify any person who was or is a party or is threatened to be made a party to any

proceeding by reason of the fact that such person is or was an agent of the corporation, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding.

- (c) In the event entitlement to indemnification is required by law to be based upon a determination by the Board of Directors that the agent has met the standards of conduct prescribed by law, such body shall meet and shall reach a determination on the issue within a reasonable period of time after request for such body to meet is received by the corporation from the agent.
- (d) To the extent that an agent of the corporation has been successful on the merits in defense of any proceeding referred to above, or in defense of any claim, issue or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.
- (e) Except as provided in subparagraph (d) above, any indemnification under this Section 1 shall be made by the corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth above, by:
 - (1) A majority vote of a quorum consisting of directors who are not parties to such proceeding; or
 - (2) The court in which such proceeding is or was pending upon application made by the corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney or other person is opposed by the corporation.
- (f) No indemnification or advance shall be made under this Section 1, except as provided in subparagraph (d) or (e)(2) above, in any circumstance where it appears that:
 - (1) It would be inconsistent with a provision of the Articles, the Bylaws or an agreement in effect at the time of the occurrence of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or
 - (2) It would be inconsistent with any condition expressly imposed by a court in approving a settlement.

SECTION 2. ADVANCING EXPENSES

The corporation may advance to each agent the expenses incurred in defending any proceeding referred to in Section 1 of this Article prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in Section 1 of this Article.

SECTION 3. INSURANCE FOR CORPORATE AGENTS

The Board of Directors may at its discretion, but is not required to, adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation (including a director, officer, employee, or other agent of the corporation) against any liability other than for violating provisions of the law relating to self-dealing (Section 5233 of the California Nonprofit Public Benefit Corporation Law) asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the corporation would have the power to indemnify the agent against such liability under the provisions of Section 5238 of the California Nonprofit Public Benefit Corporation Law.

ARTICLE 8 EXECUTION OF INSTRUMENTS, DEPOSITS, AND FUNDS

SECTION 1. EXECUTION OF INSTRUMENTS

The Board of Directors, except as otherwise provided in these Bylaws, may by resolution authorize any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

SECTION 2. CHECKS AND NOTES

Except as otherwise specifically determined by resolution of the Board of Directors, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the corporation shall be signed by the Treasurer and countersigned by the President of the corporation.

SECTION 3. DEPOSITS

All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

SECTION 4. GIFTS

The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the charitable or public purposes of this corporation.

ARTICLE 9
CORPORATE RECORDS, REPORTS, AND SEAL

SECTION 1. MAINTENANCE OF CORPORATE RECORDS

The corporation shall keep at its principal office in the State of California:

- (a) Minutes of all meetings of directors and committees of the board indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof; and
- (b) Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains, and losses;

SECTION 2. DIRECTORS' INSPECTION RIGHTS

Every director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents of every kind and to inspect the physical properties of the corporation.

SECTION 3. RIGHT TO COPY AND MAKE EXTRACTS

Any inspection under the provisions of this Article may be made in person or by agent or attorney, and the right to inspection includes the right to copy and make extracts.

SECTION 4. ANNUAL REPORT

The board shall cause an annual report to be furnished no later than one hundred and twenty (120) days after the close of the corporation's fiscal year to all directors of the corporation, which report shall contain the following information in appropriate detail:

- (a) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year;
- (b) The principal changes in assets and liabilities, including trust funds, during the fiscal year;
- (c) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the fiscal year;
- (d) The expenses or disbursements of the corporation, for both general and restricted purposes, during the fiscal year; and

(e) Any information required by Section 6 of this Article.

The annual report shall be accompanied by any report thereon of independent accountants, or, if there is no such report, the certificate of an authorized officer of the corporation that such statements were prepared without audit from the books and records of the corporation.

SECTION 5. ANNUAL STATEMENT OF SPECIFIC TRANSACTIONS WITH INTERESTED PERSONS

This corporation shall mail or deliver to all directors a statement within one hundred and twenty (120) days after the close of its fiscal year which briefly describes the amount and circumstances of any indemnification or transaction of the following kind:

- (a) Any transaction in which the corporation, or its parent or its subsidiary, was a party, and in which either of the following had a direct or indirect material financial interest:
 - (1) Any director or officer of the corporation, or its parent or subsidiary (a mere common directorship shall not be considered a material financial interest); or
 - (2) Any holder of more than ten percent (10%) of the voting power of the corporation, its parent or its subsidiary.

The above statement need only be provided with respect to a transaction during the previous fiscal year involving more than fifty thousand dollars (\$50,000.00) or which was one of a number of transactions with the same persons involving, in the aggregate, more than fifty thousand dollars (\$50,000.00).

Similarly, the statement need only be provided with respect to indemnifications or advances aggregating more than ten thousand dollars (\$10,000.00) paid during the previous fiscal year to any director or officer, except that no such statement need be made if such indemnification was approved by the members pursuant to Section 5238(e)(2) of the California Nonprofit Public Benefit Corporation Law.

Any statement required by this Section shall briefly describe the names of the interested persons involved in such transactions, stating each person's relationship to the corporation, the nature of such person's interest in the transaction and, where practical, the amount of such interest, provided that in the case of a transaction with a partnership of which such person is a partner, only the interest of the partnership need be stated.

ARTICLE 10 INVESTMENTS

SECTION 1. STANDARDS, RETENTION OF PROPERTY

In investing, reinvesting, purchasing, acquiring, exchanging, selling and managing the corporation's investments, other than assets held for use or used directly in carrying out a public or charitable program of the corporation, the Board of Directors shall avoid speculation, looking instead to the permanent disposition of the funds, considering the probable income as well as the probable safety of the corporation's capital.

Unless limited by the Articles of Incorporation, the corporation may continue to hold property properly acquired or contributed to it if and as long as the Board of Directors, in the exercise of good faith and of reasonable prudence, discretion and intelligence, may consider that retention is in the best interests of the corporation. No retention of donated assets violates this Section 1, where such retention was required by the donor in the instrument under which the assets were received by the corporation, except that no such requirement may be effective more than ten (10) years after the death of the donor.

No investment violates this Section 1 by virtue of the investment's speculative character, where the investment conforms to provisions authorizing such investment contained in the instrument or agreement under which the assets were contributed to the corporation.

SECTION 2. ENDOWMENT FUND

The corporation may receive donations earmarked for an endowment fund from any source in cash or in other property acceptable to the Board of Directors, provided the terms and conditions, if any, are consistent with the purposes and powers of the corporation as set forth in the Articles or the Bylaws of the corporation. All donations so received, together with the income therefrom (the "Fund"), shall be held, managed, administered and paid out in accordance with any terms and conditions with respect thereto. Unless otherwise specifically required, the corporation may mingle such restricted donations with other assets of the Fund. The corporation may reject any donation carrying restrictions deemed by the Board of Directors to be incompatible with the purpose of the Fund or the corporation.

The corporation shall keep a complete record of the source of all gifts made to the Fund and shall take such steps as the Board of Directors deems appropriate to recognize and commemorate each such gift, to the end that the memory of the gift and of the donor shall be appropriately preserved.

The corporation shall disburse the Fund or the income therefrom at such time and in such a manner and in such amounts as the Board of Directors may, in its discretion, determine for the corporation or its related activities.

ARTICLE 11
DISTRIBUTION OF INCOME AND PROHIBITED ACTIVITIES

In the event the corporation shall at any time be a private foundation within the meaning of section 509 of the United States Internal Revenue Code of 1986, as amended (the "Code"), the corporation, so long as it shall be such a private foundation, shall distribute its income for each taxable year at such time and in such manner as not to subject it to the tax on undistributed income imposed by Code section 4942, and the corporation shall not (1) engage in any act of self-dealing as defined in Code section 4941(d), (2) retain any excess business holdings as defined in Code section 4943(c), (3) make any investments in such manner as to subject the corporation to any tax under Code section 4944, or (4) make any taxable expenditures as defined in Code section 4945(d).

ARTICLE 12
FISCAL YEAR

SECTION 1. FISCAL YEAR OF THE CORPORATION

The fiscal year of the corporation shall begin on the first (1st) day of July in each year and end on the thirtieth (30th) day of June in each subsequent year.

ARTICLE 13
AMENDMENT OF BYLAWS

SECTION 1. AMENDMENT OF BYLAWS

New bylaws may be adopted or these bylaws may be amended or repealed by the affirmative vote of a majority of the Board of Directors or by the written consent thereof, except as otherwise provided by law or by the Articles of Incorporation. Notwithstanding the foregoing, amendment of Section 17 of Article 4 with respect to the removal of a director shall require the approval of a majority of the authorized number of directors.

ARTICLE 14
PROHIBITION AGAINST SHARING CORPORATE PROFIT AND ASSET

SECTION 1. PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS

No member, director, officer, employee, or other person connected with this corporation, or any private individual, shall receive at any time any of the net earnings or pecuniary profit from the operations of the corporation, provided, however, that this provision shall not prevent payment to any such person of reasonable compensation for services performed for the corporation in effecting any of its public or charitable purposes, provided that such compensation is otherwise permitted by these Bylaws and is fixed by resolution of the Board of Directors; and no such person or persons shall be entitled to share in the distribution of, and shall not receive, any of the corporate assets on

dissolution of the corporation. All members, if any, of the corporation shall be deemed to have expressly consented and agreed that on such dissolution or winding up of the affairs of the corporation, whether voluntarily or involuntarily, the assets of the corporation, after all debts have been satisfied, shall be distributed as required by the Articles of Incorporation and not otherwise.

CERTIFICATE OF SECRETARY

I, _____, hereby certify that:

I am the duly elected and acting Secretary of the Davis Art Center, a California nonprofit public benefit corporation; and

The foregoing Bylaws comprising twenty (20) pages constitutes the Amended and Restated Bylaws of said corporation as duly adopted at the meeting of the Board of Directors held on _____, 2012, and at the meeting of the Members held on _____, 2012.

IN WITNESS WHEREOF, I have hereunder subscribed my name this ____ day of _____, 2012.

_____, Secretary