

Return of Organization Exempt From Income Tax

2006

Department of the Treasury
Internal Revenue Service

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

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

A For the 2006 calendar year, or tax year beginning **AUG 1, 2006** and ending **JUL 31, 2007**

| | | | | |
|---|---|--|--|--|
| B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending | Please use IRS label or print or type See Specific Instructions | C Name of organization BROTHER BENNO FOUNDATION, INC | | D Employer identification number 33-0051575 |
| | | Number and street (or P.O. box if mail is not delivered to street address) Room/suite PO BOX 308 | | E Telephone number 760-439-1244 |
| | | City or town, state or country, and ZIP + 4 OCEANSIDE, CA 92049 | | F Accounting method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) |

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ)

H and I are not applicable to section 527 organizations

H(a) Is this a group return for affiliates? Yes No

H(b) If "Yes," enter number of affiliates **N/A**

H(c) Are all affiliates included? **N/A** Yes No (If "No," attach a list.)

H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No

I Group Exemption Number **N/A**

M Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

G Website: **WWW.BROTHERBENNOS.ORG**

J Organization type (check only one) 501(c) (3) (insert no) 4947(a)(1) or 527

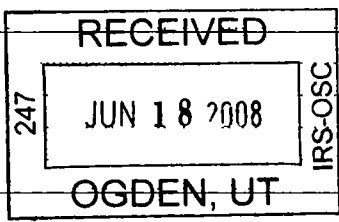
K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 **1,626,762.**

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

SCANNED JUL 14 2008 Revenue

| | | | | | | |
|------------|--|--|--|------------|------------|------------|
| Revenue | 1 | Contributions, gifts, grants, and similar amounts received: | | | | |
| | a | Contributions to donor advised funds | 1a | | | |
| | b | Direct public support (not included on line 1a) | 1b | 1,121,145. | | |
| | c | Indirect public support (not included on line 1a) | 1c | | | |
| | d | Government contributions (grants) (not included on line 1a) | 1d | 66,284. | | |
| | e | Total (add lines 1a through 1d) (cash \$ 721,781. noncash \$ 465,648.) | | | 1e | 1,187,429. |
| | 2 | Program service revenue including government fees and contracts (from Part VII, line 93) | | | 2 | |
| | 3 | Membership dues and assessments | | | 3 | |
| | 4 | Interest on savings and temporary cash investments | | | 4 | 128,156. |
| | 5 | Dividends and interest from securities | | | 5 | |
| | 6a | Gross rents SEE STATEMENT 1 | 6a | 48,598. | | |
| | b | Less: rental expenses | 6b | | | |
| c | Net rental income or (loss). Subtract line 6b from line 6a | | | 6c | 48,598. | |
| 7 | Other investment income (describe) | | | 7 | | |
| 8a | Gross amount from sales of assets other than inventory | (A) Securities | | (B) Other | | |
| | | 8a | | | | |
| | | 8b | 1,596. | | | |
| | | 8c | -1,596. | | | |
| d | Net gain or (loss). Combine line 8c, columns (A) and (B) STMT 2 | | | 8d | -1,596. | |
| 9 | Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/> | | | | | |
| a | Gross revenue (not including \$ 10,990. of contributions reported on line 1b) | 9a | 32,783. | | | |
| b | Less: direct expenses other than fundraising expenses | 9b | 11,823. | | | |
| c | Net income or (loss) from special events. Subtract line 9b from line 9a SEE STATEMENT 3 | | | 9c | 20,960. | |
| 10a | Gross sales of inventory, less returns and allowances | 10a | 224,009. | | | |
| | | 10b | 112,112. | | | |
| | | c | Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a STMT 4 | | 10c | 111,897. |
| 11 | Other revenue (from Part VII, line 103) | | | 11 | 5,787. | |
| 12 | Total revenue Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11 | | | 12 | 1,501,231. | |
| Expenses | 13 | Program services (from line 44, column (B)) | | | 13 | 1,163,786. |
| | 14 | Management and general (from line 44, column (C)) | | | 14 | 35,554. |
| | 15 | Fundraising (from line 44, column (D)) | | | 15 | 47,339. |
| | 16 | Payments to affiliates (attach schedule) | | | 16 | |
| | 17 | Total expenses Add lines 16 and 44, column (A) | | | 17 | 1,246,679. |
| Net Assets | 18 | Excess or (deficit) for the year. Subtract line 17 from line 12 | | | 18 | 254,552. |
| | 19 | Net assets or fund balances at beginning of year (from line 73, column (A)) | | | 19 | 2,365,692. |
| | 20 | Other changes in net assets or fund balances (attach explanation) | | | 20 | 0. |
| | 21 | Net assets or fund balances at end of year. Combine lines 18, 19, and 20 | | | 21 | 2,620,244. |



9

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

| <i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I</i> | (A) Total | (B) Program services | (C) Management and general | (D) Fundraising |
|---|----------------------|----------------------|----------------------------|-----------------|
| 22a Grants paid from donor advised funds (attach schedule) (cash \$ <u>0</u> . noncash \$ <u>0</u> . If this amount includes foreign grants, check here <input type="checkbox"/> 22a | | | | |
| 22b Other grants and allocations (attach schedule) (cash \$ <u>0</u> . noncash \$ <u>0</u> . If this amount includes foreign grants, check here <input type="checkbox"/> 22b | | | | |
| 23 Specific assistance to individuals (attach schedule) STATEMENT 6 | 23 107,938. | 107,938. | | |
| 24 Benefits paid to or for members (attach schedule) | 24 | | | |
| 25a Compensation of current officers, directors, key employees, etc. listed in Part V-A | 25a 0. | 0. | 0. | 0. |
| b Compensation of former officers, directors, key employees, etc. listed in Part V-B | 25b 0. | 0. | 0. | 0. |
| c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) | 25c | | | |
| 26 Salaries and wages of employees not included on lines 25a, b, and c | 26 74,351. | 72,210. | 265. | 1,876. |
| 27 Pension plan contributions not included on lines 25a, b, and c | 27 | | | |
| 28 Employee benefits not included on lines 25a - 27 | 28 | | | |
| 29 Payroll taxes | 29 4,787. | 4,425. | 152. | 210. |
| 30 Professional fundraising fees | 30 | | | |
| 31 Accounting fees | 31 14,947. | | 14,947. | |
| 32 Legal fees | 32 | | | |
| 33 Supplies | 33 44,564. | 40,149. | 3,443. | 972. |
| 34 Telephone | 34 10,835. | 10,235. | 375. | 225. |
| 35 Postage and shipping | 35 12,127. | 394. | 1,854. | 9,879. |
| 36 Occupancy | 36 154,477. | 146,179. | | 8,298. |
| 37 Equipment rental and maintenance | 37 20,123. | 19,437. | 343. | 343. |
| 38 Printing and publications | 38 19,016. | 839. | 1,684. | 16,493. |
| 39 Travel | 39 2,661. | 2,163. | 299. | 199. |
| 40 Conferences, conventions, and meetings | 40 1,248. | 1,248. | | |
| 41 Interest | 41 | | | |
| 42 Depreciation, depletion, etc (attach schedule) | 42 78,173. | 75,940. | 1,727. | 506. |
| 43 Other expenses not covered above (itemize) a _____ 43a b _____ 43b c _____ 43c d _____ 43d e _____ 43e f _____ 43f g SEE STATEMENT 5 43g | 43g 701,432. | 682,629. | 10,465. | 8,338. |
| 44 Total functional expenses Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15) | 44 1,246,679. | 1,163,786. | 35,554. | 47,339. |

Joint Costs. Check if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ N/A ; (ii) the amount allocated to Program services \$ N/A ;
 (iii) the amount allocated to Management and general \$ N/A ; and (iv) the amount allocated to Fundraising \$ N/A

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

| What is the organization's primary exempt purpose? ► SEE STATEMENT 7 | Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.) |
|--|---|
| All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others) | |
| a <u>PROVIDE ASSISTANCE TO THE POOR AND NEEDY IN NORTH SAN DIEGO COUNTY THROUGH CONGREGATE FEEDING, DISTRIBUTION OF FOOD, CLOTHING, AND OFFERING TEMPORARY SHELTER, COUNSELING, TRAINING, AND SUPPORT SERVICES TO PERSONS IN SUBSTANCE ABUSE PROGRAMS.</u> | |
| (Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/> | 1,163,786. |
| b | |
| (Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/> | |
| c | |
| (Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/> | |
| d | |
| (Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/> | |
| e Other program services (attach schedule) | |
| (Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/> | |
| f Total of Program Service Expenses (should equal line 44, column (B), Program services) ► | 1,163,786. |

Part IV Balance Sheets (See the instructions)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only

| | | (A) Beginning of year | | (B) End of year |
|--|---|--|----------------|--------------------|
| Assets | 45 Cash - non-interest-bearing | 1,072,439. | 45 | 93,322. |
| | 46 Savings and temporary cash investments | 662,131. | 46 | 1,404,747. |
| | 47 a Accounts receivable | 47a 500. | | |
| | b Less allowance for doubtful accounts | 47b | 0. | 47c 500. |
| | 48 a Pledges receivable | 48a | | |
| | b Less allowance for doubtful accounts | 48b | | 48c |
| | 49 Grants receivable | | | 49 |
| | 50 a Receivables from current and former officers, directors, trustees, and key employees | | | 50a |
| | b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) | | | 50b |
| | 51 a Other notes and loans receivable | 51a | | |
| | b Less: allowance for doubtful accounts | 51b | | 51c |
| | 52 Inventories for sale or use | 11,042. | 52 | 11,943. |
| | 53 Prepaid expenses and deferred charges | 705. | 53 | 301. |
| | 54 a Investments - publicly-traded securities | ▶ <input type="checkbox"/> Cost <input type="checkbox"/> FMV | | 54a |
| | b Investments - other securities | ▶ <input type="checkbox"/> Cost <input type="checkbox"/> FMV | | 54b |
| 55 a Investments - land, buildings, and equipment basis | 55a 2,116,015. | | | |
| b Less accumulated depreciation | 55b 492,023. | 1,044,298. | 55c 1,623,992. | |
| 56 Investments - other | | | 56 | |
| 57 a Land, buildings, and equipment basis | 57a | | | |
| b Less accumulated depreciation | 57b | | 57c | |
| 58 Other assets, including program-related investments (describe ▶ DEPOSITS) | | 4,960. | 58 4,460. | |
| 59 Total assets (must equal line 74) Add lines 45 through 58 | | 2,795,575. | 59 3,139,265. | |
| Liabilities | 60 Accounts payable and accrued expenses | 14,326. | 60 | 10,871. |
| | 61 Grants payable | | 61 | |
| | 62 Deferred revenue | | 62 | |
| | 63 Loans from officers, directors, trustees, and key employees | | 63 | |
| | 64 a Tax-exempt bond liabilities | | 64a | |
| | b Mortgages and other notes payable | | 64b | |
| | 65 Other liabilities (describe ▶ REFUNDABLE ADVANCES) | | 415,557. | 65 508,150. |
| 66 Total liabilities. Add lines 60 through 65 | | 429,883. | 66 519,021. | |
| Net Assets or Fund Balances | Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74. | | | |
| | 67 Unrestricted | 1,808,505. | 67 | 2,044,792. |
| | 68 Temporarily restricted | 57,187. | 68 | 75,452. |
| | 69 Permanently restricted | 500,000. | 69 | 500,000. |
| | Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74 | | | |
| | 70 Capital stock, trust principal, or current funds | | 70 | |
| | 71 Paid-in or capital surplus, or land, building, and equipment fund | | 71 | |
| | 72 Retained earnings, endowment, accumulated income, or other funds | | 72 | |
| | 73 Total net assets or fund balances Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21) | | 2,365,692. | 73 2,620,244. |
| | 74 Total liabilities and net assets/fund balances. Add lines 66 and 73 | | 2,795,575. | 74 3,139,265. |

| Part VI Other Information <i>(continued)</i> | | Yes | No |
|---|------------|-------------------------------------|-------------------------------------|
| 82 a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value? | 82a | <input checked="" type="checkbox"/> | |
| b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III) | 82b | | |
| 83 a Did the organization comply with the public inspection requirements for returns and exemption applications? | 83a | <input checked="" type="checkbox"/> | |
| b Did the organization comply with the disclosure requirements relating to quid pro quo contributions? | 83b | <input checked="" type="checkbox"/> | |
| 84 a Did the organization solicit any contributions or gifts that were not tax deductible? | 84a | | <input checked="" type="checkbox"/> |
| b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? | 84b | | |
| 85 501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members? | 85a | | |
| b Did the organization make only in-house lobbying expenditures of \$2,000 or less? | 85b | | |
| If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year. | | | |
| c Dues, assessments, and similar amounts from members | 85c | | |
| d Section 162(e) lobbying and political expenditures | 85d | | |
| e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices | 85e | | |
| f Taxable amount of lobbying and political expenditures (line 85d less 85e) | 85f | | |
| g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? | 85g | | |
| h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? | 85h | | |
| 86 501(c)(7) organizations Enter. a Initiation fees and capital contributions included on line 12 | 86a | | |
| b Gross receipts, included on line 12, for public use of club facilities | 86b | | |
| 87 501(c)(12) organizations Enter. a Gross income from members or shareholders | 87a | | |
| b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) | 87b | | |
| 88 a At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX | 88a | | <input checked="" type="checkbox"/> |
| b At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI | 88b | | <input checked="" type="checkbox"/> |
| 89 a 501(c)(3) organizations Enter. Amount of tax imposed on the organization during the year under section 4911 <u>0.</u> ; section 4912 <u>0.</u> ; section 4955 <u>0.</u> | | | |
| b 501(c)(3) and 501(c)(4) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction | 89b | | <input checked="" type="checkbox"/> |
| c Enter. Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <u>0.</u> | | | |
| d Enter. Amount of tax on line 89c, above, reimbursed by the organization <u>0.</u> | | | |
| e All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? | 89e | | <input checked="" type="checkbox"/> |
| f All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract? | 89f | | <input checked="" type="checkbox"/> |
| g For supporting organizations and sponsoring organizations maintaining donor advised funds Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year? N/A | 89g | | |
| 90 a List the states with which a copy of this return is filed CA | | | |
| b Number of employees employed in the pay period that includes March 12, 2006 | 90b | | 18 |
| 91 a The books are in care of DANIEL BOONE Telephone no. 760-439-1244 Located at PO BOX 308, OCEANSIDE, CA ZIP + 4 92054 | | | |
| b 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)? If "Yes," enter the name of the foreign country N/A See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts | 91b | | <input checked="" type="checkbox"/> |

Part VI Other Information (continued) Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c
 If "Yes," enter the name of the foreign country ▶ N/A

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here ▶
 and enter the amount of tax-exempt interest received or accrued during the tax year ▶ | 92 | N/A

Part VII Analysis of Income-Producing Activities (See the instructions)

| | Unrelated business income | | Excluded by section 512, 513, or 514 | | (E) Related or exempt function income |
|---|---------------------------|---------------|--------------------------------------|---------------|---|
| | (A) Business code | (B) Amount | (C) Exclu- sion code | (D) Amount | |
| Note: Enter gross amounts unless otherwise indicated. | | | | | |
| 93 Program service revenue: | | | | | |
| a _____ | | | | | |
| b _____ | | | | | |
| c _____ | | | | | |
| d _____ | | | | | |
| e _____ | | | | | |
| f Medicare/Medicaid payments | | | | | |
| g Fees and contracts from government agencies | | | | | |
| 94 Membership dues and assessments | | | | | |
| 95 Interest on savings and temporary cash investments | | | 14 | 128,156. | |
| 96 Dividends and interest from securities | | | | | |
| 97 Net rental income or (loss) from real estate: | | | | | |
| a debt-financed property | | | | | |
| b not debt-financed property | | | 16 | 48,598. | |
| 98 Net rental income or (loss) from personal property | | | | | |
| 99 Other investment income | | | | | |
| 100 Gain or (loss) from sales of assets other than inventory | | | 01 | -1,596. | |
| 101 Net income or (loss) from special events | | | 01 | 20,960. | |
| 102 Gross profit or (loss) from sales of inventory | | | 02 | 111,897. | |
| 103 Other revenue | | | | | |
| a <u>OTHER REVENUE</u> | | | | | 5,787. |
| b _____ | | | | | |
| c _____ | | | | | |
| d _____ | | | | | |
| e _____ | | | | | |
| 104 Subtotal (add columns (B), (D), and (E)) | | 0. | | 308,015. | 5,787. |
| 105 Total (add line 104, columns (B), (D), and (E)) | | | | | 313,802. |

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions)

Line No. Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).

| | |
|------|---|
| 103A | OTHER INCOME RELATED TO THE ORGANIZATIONS EXEMPT PURPOSE |
| | |
| | |

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions)

| (A) Name, address, and EIN of corporation, partnership, or disregarded entity | (B) Percentage of ownership interest | (C) Nature of activities | (D) Total income | (E) End-of-year assets |
|---|--|-----------------------------|---------------------|------------------------------|
| N/A | % | | | |
| | % | | | |
| | % | | | |
| | % | | | |

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
 (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions)

Part XI

Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13) **N/A**

| | | |
|--|------------|-----------|
| 106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity | Yes | No |
|--|------------|-----------|

| | (A) Name, address, of each controlled entity | (B) Employer Identification Number | (C) Description of transfer | (D) Amount of transfer |
|---------------|---|---------------------------------------|--------------------------------|---------------------------|
| a | ----- ----- | | | |
| b | ----- ----- | | | |
| c | ----- ----- | | | |
| Totals | | | | |


| | | |
|---|------------|-----------|
| 107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity | Yes | No |
|---|------------|-----------|

| | (A) Name, address, of each controlled entity | (B) Employer Identification Number | (C) Description of transfer | (D) Amount of transfer |
|---------------|---|---------------------------------------|--------------------------------|---------------------------|
| a | ----- ----- | | | |
| b | ----- ----- | | | |
| c | ----- ----- | | | |
| Totals | | | | |

| | | |
|---|------------|-----------|
| 108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above? | Yes | No |
|---|------------|-----------|

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

| | | | |
|-------------------------|------------------------------|-----------|--|
| Please Sign Here | <i>Daniel E. Boone, Jr.</i> | 6/13/08 | |
| | Signature of officer | Date | |
| | DANIEL E. BOONE, JR | TREASURER | |
| | Type or print name and title | | |

| | | | | |
|---------------------------------|--|----------------|--|--|
| Paid Preparer's Use Only | Preparer's signature:  Firm's name (or yours if self-employed), address, and ZIP + 4: A K T LLP 5946 PRIESTLY DR STE 200 CARLSBAD, CA 92008 | Date: 06/12/08 | Check if self-employed: <input type="checkbox"/> | Preparer's SSN or PTIN (See Gen Inst X) EIN: Phone no.: 760-431-8440 |
|---------------------------------|--|----------------|--|--|

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or 4947(a)(1) Nonexempt Charitable Trust

2006

Department of the Treasury
Internal Revenue Service

Supplementary Information-(See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization

BROTHER BENNO FOUNDATION, INC

Employer identification number

33 0051575

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 2 of the instructions. List each one. If there are none, enter "None.")

| (a) Name and address of each employee paid more than \$50,000 | (b) Title and average hours per week devoted to position | (c) Compensation | (d) Contributions to employee benefit plans & deferred compensation | (e) Expense account and other allowances |
|---|--|------------------|---|--|
| NONE | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Total number of other employees paid over \$50,000 ▶ | 0 | | | |

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

| (a) Name and address of each independent contractor paid more than \$50,000 | (b) Type of service | (c) Compensation |
|---|---------------------|------------------|
| NONE | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| Total number of others receiving over \$50,000 for professional services ▶ | 0 | |

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

| (a) Name and address of each independent contractor paid more than \$50,000 | (b) Type of service | (c) Compensation |
|--|---------------------|------------------|
| NONE | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| Total number of other contractors receiving over \$50,000 for other services ▶ | 0 | |

Part III Statements About Activities (See page 2 of the instructions.)

| | | Yes | No |
|-----|--|-----|-----|
| 1 | During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities. | | X |
| 2 | During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions) | | |
| a | Sale, exchange, or leasing of property? SEE STATEMENT 11 | X | |
| b | Lending of money or other extension of credit? | | X |
| c | Furnishing of goods, services, or facilities? | | X |
| d | Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? | | X |
| e | Transfer of any part of its income or assets? | | X |
| 3 a | Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.) | | X |
| b | Did the organization have a section 403(b) annuity plan for its employees? | | X |
| c | Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement | | X |
| d | Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services? | | X |
| 4 a | Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g | | X |
| b | Did the organization make any taxable distributions under section 4966? N/A | | |
| c | Did the organization make a distribution to a donor, donor advisor, or related person? N/A | | |
| d | Enter the total number of donor advised funds owned at the end of the tax year ▶ | | 0 |
| e | Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶ | | N/A |
| f | Enter the total number of separate funds or accounts owned at the end of the year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶ | | 0. |
| g | Enter the aggregate value of assets in all funds or accounts included on line 4f at the end of the tax year ▶ | | 0. |

Part IV Reason for Non-Private Foundation Status (See pages 4 through 7 of the instructions.)

I certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ▶
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 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 charitable, etc., 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). (Also complete the **Support Schedule** in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:
 Type I Type II Type III-Functionally Integrated Type III-Other

Provide the following information about the supported organizations (See page 7 of the instructions.)

| (a) Name(s) of supported organization(s) | (b) Employer identification number (EIN) | (c) Type of organization (described in lines 5 through 12 above or IRC section) | (d) Is the supported organization listed in the supporting organization's governing documents? | | (e) Amount of support |
|---|---|--|---|----|--------------------------|
| | | | Yes | No | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Total | | | | | ▶ |

- 14 An organization organized and operated to test for public safety Section 509(a)(4). (See page 7 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12) **Use cash method of accounting.**
 Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

| Calendar year (or fiscal year beginning in) | (a) 2005 | (b) 2004 | (c) 2003 | (d) 2002 | (e) Total |
|--|------------|------------|-----------------------------|------------|----------------|
| 15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.) | 956,073. | 1,112,648. | 671,096. | 1,294,824. | 4,034,641. |
| 16 Membership fees received | 2,226. | | | | 2,226. |
| 17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose | 281,931. | | | | 281,931. |
| 18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975 | 55,049. | 41,836. | 11,630. | 8,483. | 116,998. |
| 19 Net income from unrelated business activities not included in line 18 | | | | | |
| 20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf | | | | | |
| 21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge | | | | | |
| 22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets | | 71,918. | SEE STATEMENT 12 47,430. | 48,596. | 167,944. |
| 23 Total of lines 15 through 22 | 1,295,279. | 1,226,402. | 730,156. | 1,351,903. | 4,603,740. |
| 24 Line 23 minus line 17 | 1,013,348. | 1,226,402. | 730,156. | 1,351,903. | 4,321,809. |
| 25 Enter 1% of line 23 | 12,953. | 12,264. | 7,302. | 13,519. | |
| 26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 | | | | | 26a 86,436. |
| b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2002 through 2005 exceeded the amount shown in line 26a. Do not file this list with your return Enter the total of all these excess amounts | | | | | 26b 0. |
| c Total support for section 509(a)(1) test: Enter line 24, column (e) | | | | | 26c 4,321,809. |
| d Add: Amounts from column (e) for lines: 18 116,998. 19 _____ 22 167,944. 26b _____ | | | | | 26d 284,942. |
| e Public support (line 26c minus line 26d total) | | | | | 26e 4,036,867. |
| f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) | | | | | 26f 93.4069% |
| 27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return Enter the sum of such amounts for each year: N/A | | | | | |
| (2005) (2004) (2003) (2002) | | | | | |
| b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year. N/A | | | | | |
| (2005) (2004) (2003) (2002) | | | | | |
| c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____ | | | | | 27c N/A |
| d Add: Line 27a total _____ and line 27b total _____ | | | | | 27d N/A |
| e Public support (line 27c total minus line 27d total) | | | | | 27e N/A |
| f Total support for section 509(a)(2) test: Enter amount on line 23, column (e) | | | 27f N/A | | |
| g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) | | | | | 27g N/A % |
| h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) | | | | | 27h N/A % |

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return Do not include these grants in line 15.

Part V Private School Questionnaire (See page 9 of the instructions.)

N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

| | | Yes | No |
|------|--|-----|----|
| 29 | Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body? | | |
| 30 | Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships? | | |
| 31 | Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.) _____ _____ _____ | | |
| 32 | Does the organization maintain the following: | | |
| a | Records indicating the racial composition of the student body, faculty, and administrative staff? | | |
| b | Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? | | |
| c | Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? | | |
| d | Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.) _____ _____ | | |
| 33 | Does the organization discriminate by race in any way with respect to: | | |
| a | Students' rights or privileges? | | |
| b | Admissions policies? | | |
| c | Employment of faculty or administrative staff? | | |
| d | Scholarships or other financial assistance? | | |
| e | Educational policies? | | |
| f | Use of facilities? | | |
| g | Athletic programs? | | |
| h | Other extracurricular activities? If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.) _____ _____ | | |
| 34 a | Does the organization receive any financial aid or assistance from a governmental agency? | | |
| b | Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement. | | |
| 35 | Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation | | |

FORM 990

RENTAL INCOME

STATEMENT 1

| KIND AND LOCATION OF PROPERTY | ACTIVITY NUMBER | GROSS RENTAL INCOME |
|------------------------------------|--------------------|------------------------|
| SUB LEASES | 1 | 48,598. |
| TOTAL TO FORM 990, PART I, LINE 6A | | 48,598. |

 FORM 990 GAIN (LOSS) FROM SALE OF OTHER ASSETS STATEMENT 2

| DESCRIPTION | DATE ACQUIRED | DATE SOLD | METHOD ACQUIRED | | |
|-------------------------|-------------------|---------------------|-----------------|----------|--------------------|
| EQUIPMENT | VARIOUS | VARIOUS | PURCHASED | | |
| NAME OF BUYER | GROSS SALES PRICE | COST OR OTHER BASIS | EXPENSE OF SALE | DEPREC | NET GAIN OR (LOSS) |
| | 0. | 119,872. | 0. | 118,276. | -1,596. |
| TO FM 990, PART I, LN 8 | | 119,872. | 0. | 118,276. | -1,596. |

 FORM 990 SPECIAL EVENTS AND ACTIVITIES STATEMENT 3

| DESCRIPTION OF EVENT | GROSS RECEIPTS | CONTRIBUT. INCLUDED | GROSS REVENUE | DIRECT EXPENSES | NET INCOME |
|---------------------------|----------------|---------------------|---------------|-----------------|------------|
| FASHION SHOW | 34,643. | 9,368. | 25,275. | 10,884. | 14,391. |
| COOKIE SALES | 6,632. | 1,590. | 5,042. | 567. | 4,475. |
| OTHER | 2,498. | 32. | 2,466. | 372. | 2,094. |
| TO FM 990, PART I, LINE 9 | 43,773. | 10,990. | 32,783. | 11,823. | 20,960. |

FORM 990

INCOME AND COST OF GOODS SOLD
INCLUDED ON PART I, LINE 10

STATEMENT 4

INCOME

| | | |
|--|---------|---------|
| 1. GROSS RECEIPTS | 224,009 | |
| 2. RETURNS AND ALLOWANCES | | |
| 3. LINE 1 LESS LINE 2 | | 224,009 |
| 4. COST OF GOODS SOLD (LINE 13) | 112,112 | |
| 5. GROSS PROFIT (LINE 3 LESS LINE 4) | | 111,897 |

COST OF GOODS SOLD

| | | |
|--|---------|---------|
| 6. INVENTORY AT BEGINNING OF YEAR | | |
| 7. MERCHANDISE PURCHASED | | |
| 8. COST OF LABOR | | |
| 9. MATERIALS AND SUPPLIES | 112,112 | |
| 10. OTHER COSTS | | |
| 11. ADD LINES 6 THROUGH 10 | | 112,112 |
| 12. INVENTORY AT END OF YEAR | | |
| 13. COST OF GOODS SOLD (LINE 11 LESS LINE 12). | | 112,112 |

FORM 990

OTHER EXPENSES

STATEMENT 5

| DESCRIPTION | (A) TOTAL | (B) PROGRAM SERVICES | (C) MANAGEMENT AND GENERAL | (D) FUNDRAISING |
|------------------------------------|--------------|----------------------------|----------------------------------|--------------------|
| MEALS | 165,356. | 164,860. | 275. | 221. |
| UTILITIES | 62,141. | 58,738. | 1,664. | 1,739. |
| INSURANCE | 39,667. | 33,936. | 4,036. | 1,695. |
| AUTOMOBILE | 41,981. | 39,928. | 1,157. | 896. |
| PROPERTY TAXES | 10,624. | 9,347. | 438. | 839. |
| CONTRACT LABOR | 4,112. | 3,840. | 45. | 227. |
| MISCELLANEOUS | 9,898. | 8,790. | 1,108. | 0. |
| SECURITY | 2,398. | 2,029. | 352. | 17. |
| DUES AND SUBSCRIPTIONS | 2,264. | 1,125. | 403. | 736. |
| MEMBERSHIP FEES | 1,966. | 0. | 0. | 1,966. |
| PROFESSIONAL FEES | 511. | 0. | 511. | 0. |
| TRAINING | 279. | 274. | 3. | 2. |
| BANK SERVICE CHARGES | 272. | 0. | 272. | 0. |
| LICENSES AND TAXES | 201. | 0. | 201. | 0. |
| DRUG AND ALCOHOL TESTING | 2,052. | 2,052. | 0. | 0. |
| FOOD BANK IN KIND CONTRIBUTIONS | 357,710. | 357,710. | | |
| TOTAL TO FM 990, LN 43 | 701,432. | 682,629. | 10,465. | 8,338. |

FORM 990

SPECIFIC ASSISTANCE TO INDIVIDUALS

STATEMENT 6

| DESCRIPTION | AMOUNT |
|---|----------|
| ASSISTANCE PAYMENTS TO INDIVIDUALS IN NEED INCLUDING RENT, MEDICAL BILLS, BUS PASSES, UTILITIES AND VARIOUS OTHER ITEMS TO PEOPLE IN NEED. | 107,938. |
| TOTAL TO FORM 990, PART II, LINE 23 | 107,938. |

FORM 990 PART V-A - LIST OF CURRENT OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES STATEMENT 10

| NAME AND ADDRESS | TITLE AND AVRG HRS/WK | COMPEN- SATION | EMPLOYEE BEN PLAN CONTRIB | EXPENSE ACCOUNT |
|---|---------------------------------------|-------------------|---------------------------------|--------------------|
| HAROLD KUTLER C/O PO BOX 308 OCEANSIDE, CA 92054 | PRESIDENT/EXECUTIVE DIRECTOR 20.00 | 0. | 0. | 0. |
| DANIEL BOONE C/O PO BOX 308 OCEANSIDE, CA 92054 | TREASURER 16.00 | 0. | 0. | 0. |
| JOHN BLASIER C/O PO BOX 308 OCEANSIDE, CA 92054 | VICE PRESIDENT 12.00 | 0. | 0. | 0. |
| DIXIE BALES C/O PO BOX 308 OCEANSIDE, CA 92054 | SECRETARY 10.00 | 0. | 0. | 0. |
| BLANCHE OGLE C/O PO BOX 308 OCEANSIDE, CA 92054 | DIRECTOR 8.00 | 0. | 0. | 0. |
| MARY ROBINSON C/O PO BOX 308 OCEANSIDE, CA 92054 | DIRECTOR 30.00 | 0. | 0. | 0. |
| WILLIAM SAUER C/O PO BOX 308 OCEANSIDE, CA 92054 | DIRECTOR 10.00 | 0. | 0. | 0. |
| JIM O'CONNELL C/O PO BOX 308 OCEANSIDE, CA 92054 | DIRECTOR 16.00 | 0. | 0. | 0. |
| ROSEMARY TUCKER C/O PO BOX 308 OCEANSIDE, CA 92054 | DIRECTOR 1.00 | 0. | 0. | 0. |
| ABBOT CHARLES WRIGHT C/O PO BOX 308 OCEANSIDE, CA 92054 | DIRECTOR 1.00 | 0. | 0. | 0. |
| RICHARD SHLEMMER C/O PO BOX 308 OCEANSIDE, CA 92054 | DIRECTOR 5.00 | 0. | 0. | 0. |
| TOTALS INCLUDED ON FORM 990, PART V-A | | 0. | 0. | 0. |

SCHEDULE A

EXPLANATION OF TRANSACTIONS
PART III, LINE 2A

STATEMENT 11

THE FOUNDATION LEASES SEVERAL PROPERTIES, INCLUDING ITS OPERATIONS CENTER, THRIFT SHOP, AND A LAY MINISTER'S RESIDENCE. THE FOUNDATION PAID RENT TO THE FOUNDATION'S EXECUTIVE DIRECTOR FOR THE OPERATIONS CENTER AND THE LAY MINISTER'S RESIDENCE. TOTAL RENT PAID TO THE EXECUTIVE DIRECTOR FOR THE YEAR ENDED JULY 31, 2007 WAS APPROXIMATELY \$159,700. TOTAL RENT PAID FOR THE THRIFT SHOP WAS \$50,718 FOR THE YEAR ENDED JULY 31, 2007.

| SCHEDULE A | OTHER INCOME | | | STATEMENT 12 |
|------------------------------|----------------|----------------|----------------|----------------|
| DESCRIPTION | 2005 AMOUNT | 2004 AMOUNT | 2003 AMOUNT | 2002 AMOUNT |
| OTHER | 0. | 71,918. | 47,430. | 48,596. |
| TOTAL TO SCHEDULE A, LINE 22 | 0. | 71,918. | 47,430. | 48,596. |

2

**SECOND AMENDMENT AND COMPLETE RESTATEMENT OF THE BYLAWS
OF THE BROTHER BENNO FOUNDATION, INC.**

The Bylaws dated July 1983 and the Amendment to the Bylaws dated June 1989 of The Brother Benno Foundation, Inc. are hereby amended and completely restated as follows:

ARTICLE 1

NAME

1.0 The name of this corporation shall be: The Brother Benno Foundation, Inc.

ARTICLE 2

OFFICES

2.0 The principal office for the transaction of the business of the corporation ("principal executive office") is located at 3260 Production Avenue, Oceanside, California.

2.1 The directors may change the principal office from one location to another. Any change of this location shall be noted by the secretary on these bylaws opposite this section, or in the alternative, this section may be amended to state the new location.

2.2 The Board of Directors may at any time establish branch or subordinate offices at any place or places where the corporation is qualified to do business.

ARTICLE 3

PURPOSES OF THE CORPORATION

3.0 This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes.

3.1 The specific purpose of this corporation is to operate a nonprofit organization to feed, clothe, and care for the poor in the North County area of San Diego County —through the work of volunteers — so that administrative overhead is kept to a bare minimum and donations can be almost fully and completely used to help the poor.

3.2 The Mission Statement of the Brother Bennos Foundation is that it is our purpose or mission to carry on the ministry of Brother Benno by living out the gospel according to Matthew 25:31-45 with love and compassion.

- To feed the hungry!
- To give drink to the thirsty!
- To shelter the homeless!

To clothe the naked!
To comfort the sick!
To free the prisoner of addiction!

We place our foundation in God's hands and rely on his divine providence to provide the people and the where-with – all to accomplish our mission.

INTERPRETATION AND DEFINITIONS

4.0 Unless the context requires otherwise, the general provisions, rules of interpretation and definitions in the California Nonprofit Corporation Law shall govern the interpretation of these bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, the plural includes the singular, and the term "person" includes both a legal entity and a natural person.

4.1 As used in these Bylaws, the phrase "at least 90 percent of existing directors" or "two thirds majority of the existing directors" means at least 90 percent or two thirds of the existing directors as the case may be, rounded up or down to the nearest whole number. By way of example, if there are 7 existing directors at the time of a vote requiring at least 90 percent of the existing directors to pass ($.90 \times 7 = 6.3$), an affirmative vote of at least 6 directors would be required to pass the measure. Likewise, if there are 11 existing directors, a vote requirement of "90 percent of the existing directors" ($.90 \times 11 = 9.9$) would require a vote of at least 10 to pass.

4.3 The word "shall" as used in these bylaws means mandatory. The word "may" means permissive.

ARTICLE 5

DEDICATION OF ASSETS

5.0 This corporation's assets are irrevocably dedicated to public benefit purposes. No part of the net earnings, properties, or assets of the corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or to any director or officer of the corporation. On liquidation or dissolution, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of the corporation shall be distributed to a nonprofit fund, foundation, or corporation that is organized and operated exclusively for charitable purposes and that has established its exempt status under Internal Revenue Code section 501(c)(3).

ARTICLE 6

NO MEMBERS

6.0 This corporation shall have no voting members within the meaning of the Nonprofit Corporation Law.

ARTICLE 7

BOARD OF DIRECTORS

7.0 General Powers: Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, and subject to any limitations of the articles of incorporation or bylaws, the corporation's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the board of directors.

7.1 Specific Powers: Without prejudice to the general powers section forth in Section 7.0 of these bylaws, but subject to the same limitations, the board shall have the power to do the following:

7.1.1 Appoint and remove, at the pleasure of the board, with or without cause, all corporate officers, agents, and employees, and prescribe powers and duties for them as are consistent with the law, the articles of incorporation, and these bylaws, and fix their compensation as provided in these bylaws.

7.1.2 Change the principal office or the principal business office in California from one location to another; and designate a place in or outside California for holding any meetings of members.

7.1.3 Borrow money and incur indebtedness on the corporation's behalf and cause to be executed and delivered for the corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.

7.2 Number of Directors: The authorized number of directors shall be thirteen (13).

7.2.1 Director from Prince of Peace Abbey: One of the 13 authorized directors shall be either the Abbot of the Prince of Peace Abbey or his appointee. No election is required for this director; however, the director from the Prince of Peace Abbey shall in all other respects be subject to all the provisions of these bylaws as if he was nominated and elected in the ordinary course.

7.2.1.1 If after reasonably timed request of at least 60 calendar days, the Abbot of the Prince of Peace Abbey refuses or fails to serve as a director and refuses or fails to appoint anyone to serve in his place, then this position shall be filled by nomination and election of any qualified person as provided in these bylaws until the next regularly scheduled election of directors.

7.3 Qualifications of Directors: Any person who is (1) a California resident; and (2) has volunteered at The Brother Benno Foundation, Inc. for 120 hours or more in the one year preceding his or her nomination to the board, is qualified to be elected to the board.

7.3.1 For purposes of Section 7.3 above, a person is a California resident only if he or she works lives, retires, or stays in California for nine months or more in the one year preceding his or her nomination to the board and has the present intention to stay in California.

7.3.2 Either or both of the qualifications stated in Section 7.3 above may be waived by an affirmative vote of at least two-thirds of the existing board (rounded to the nearest whole number) at the time of the nomination.

7.4 Restriction on Interested Persons: No more than 49 percent of the persons serving on the board may be "interested persons." An interested person is (a) any person compensated by the corporation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director as director; and (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 such person. However, any violation of this paragraph shall not affect the validity or enforceability of transactions entered into by the corporation.

7.5 Term of Office for Directors: Each director shall hold office for six years and until a successor director has been qualified and elected. This paragraph 7.5 is not intended to create mandatory term limits. An existing director may be re-nominated and reelected for more than a single six year term.

7.6 Nomination and Election of Directors: When a vacancy on the Board of Directors exists, any existing director may nominate any other person to be a director.

7.6.1 The nomination described in Section 7.6 above may be made at any regular or special meeting of the Board of Directors.

7.6.2 The election shall be held at the next regular meeting of the Board of Directors after the nomination.

7.6.3 By an affirmative vote of at least 90 percent of the existing directors, Section 7.6.2 may be waived and the election may occur at the same meeting in which the nomination is made.

7.6.4 Election to the board requires an affirmative vote of at least two-thirds of the existing directors, rounded to the nearest whole number.

7.7 Vacancies on the Board of Directors: A vacancy or vacancies on the board of directors shall occur in the event of the death, removal, or resignation of a director, as provided in these bylaws. A vacancy or vacancies on the board of directors can also occur by the increase in the number of authorized directors or the failure of the board to elect the entire authorized number of directors.

7.7.1 Resignation of Directors: Except as provided in Section 7.7.2 below, any director may resign by giving written notice to the chairman of the board, if any, or to the president or the

secretary of the board. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If a director's resignation is effective at a later time, the board may elect a successor to take office as of the date when the resignation becomes effective.

7.7.2 Limitation on Resignation Rights: Except on notice to the California Attorney General, no director may resign if the corporation would be left without a duly elected director or directors.

7.7.3 Removal of Directors: A director may be involuntarily removed from the board only for good cause by the vote of at least two-thirds of the existing directors (rounded to the nearest whole number) at a special meeting called for that purpose, or at a regular meeting provided that notice of that meeting and of the removal proceedings are given as provided in these bylaws.

7.7.3.1 For purposes of determining "two-thirds of the existing directors" as that phrase is used in Section 7.7.3 above, the person against whom removal is sought is not included in the number of "existing directors." By way of example, for purposes of section 7.7.3, if there are 10 existing directors including the one against whom removal is sought, then an affirmative vote of at least two-thirds of 9 of them (i.e., 6) is required for removal.

7.7.3.2 As used in Section 7.7.3, "good cause" includes but is not necessarily limited to a director's failure to attend three successive board meetings unless the director (i) requests and receives by a majority vote of the board a leave of absence for a limited time; (ii) suffers from an illness or disability that prevents him or her from attending meetings and by majority vote, the board waives removal proceedings on these grounds; or (iii) is reinstated by a majority vote after he or she has missed three meetings.

7.7.3.3 As used in Section 7.7.3, "good cause" includes but is not necessarily limited to acts or omissions that violate or substantially impair these bylaws or the fundamental mission or purpose of The Brother Benno Foundation, Inc., which includes the following:

- i. The Brother Benno Foundation, Inc. is primarily a volunteer organization;
- ii. Fund raising shall be non-aggressive. Private donations or grants shall comprise the bulk of fund raising. Federal grant money (excluding FEMA and CDBG's) is not to be sought. No money shall be accepted from any person or organization that in exchange for such donation will attempt, directly or indirectly, to dictate the mission or activities of The Brother Benno Foundation, Inc.;
- iii. The Brother Benno Foundation, Inc. is a ministry to the poor, not a social service organization;
- iv. Donations are to be used wisely within the boundaries of a budget and fiscal responsibility;

- v. The Brother Benno Foundation, Inc. does not evangelize. No person is required to conform to religious doctrine or religious practices to be served or to serve.

7.7.3.4 Any vacancy caused by the removal of a director shall be filled as provided in Section 7.8 below.

7.8 Filling Vacancies on the Board of Directors: Vacancies on the board may be filled by approval of the board as stated in Section 7.6 of these bylaws — 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 two-thirds majority of the directors then in office at a meeting held according to notice or waivers of notice complying with the California Corporations Code, or (3) a sole remaining director.

7.9 Meetings of Board of Directors: Meetings of the board shall be held at any place within or outside California that has been designated by resolution of the board or in the notice of the meeting or, if not so designated, at the principal office of the corporation.

7.9.1 Any board meeting may be held by conference telephone, video screen communication, or other communications equipment. Participation in a meeting under this Section shall constitute presence in person at the meeting if both of the following apply: (a) Each member participating in the meeting can communicate concurrently with all other members; and (b) Each member is provided the means of participating in all matters before the board, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the corporation.

7.9.2 General Meetings: There shall be at least one annual general meeting of the board for the purposes of organization, election, retention, or removal of officers, and transaction of other business. Other general meetings of the board may be held as such time and place as the board may fix from time to time.

7.9.3 Special Meetings: Special meetings of the board for any purpose may be called at any time by the chairman of the board, if any, the president or any vice president, the secretary, or any two directors.

7.9.3.1 Notice of the time and place of special meetings shall be given to each director by (a) personal delivery of written notice; (b) first-class mail, postage prepaid; (c) telephone, including a voice messaging system or other system or technology designed to record and communicate messages, or by electronic transmission, either directly to the director or to a person at the director's office who would reasonably be expected to communicate that notice promptly to the director; (d) facsimile; (e) e-mail; or (f) other electronic means. All such notices shall be given or sent to the director's address or telephone number as shown on the corporation's records. Notices sent by first-class mail shall be deposited in the United States mail at least 10 calendar days before the time set for the meeting. Notices given by personal delivery, telephone, or electronic transmission shall be delivered, telephoned, or sent, respectively at least 7 calendar days before the time set for the hearing. Holidays and Sundays count as calendar days.

7.9.3.2 The notice required under Section 7.9.3.1 shall state the time of the meeting and the place of the meeting, if the place is other than the corporation's principal office. Except as provided elsewhere in these bylaws (see, for example, Section 7.7.3), the notice need not specify the purpose of the meeting.

7.9.4 Quorum: A majority of the authorized number of directors shall constitute a quorum for the transaction of any business except adjournment. Except as provided elsewhere in these bylaws where a supermajority vote is required, every action taken or decision made by a majority of the directors present at a duly held meeting at which a quorum is present shall be an act of the board, subject to the more stringent provisions of the California Nonprofit Public Benefit Corporation Law, including without limitation, those provision relating to (a) approval of contracts or transactions in which a director has a direct or indirect material financial interest; (b) approval of certain transactions between corporations having common directorships; (c) creation of and appointments to committees of the board; and (d) indemnification of directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of some directors from that meeting, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

7.9.5 Waiver of Notice: Notice of a meeting need not be given to any director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any director who attends the meeting and who, before or at the beginning of the meeting, does not protest the lack of notice to him or her.

7.9.6 Adjournment: A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place.

7.9.6.1 Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than 24 hours. If the original meeting is adjourned for more than 24 hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the directors who were present at the time of the adjournment.

7.9.7 Action Without Meeting: Any action that the board is required or permitted to take may be taken without a meeting if all board members consent in writing to the action; provided, however, that the consent of any director who has a material financial interest in a transaction to which the corporation is a party and who is an "interested director" as defined in the Corporations Code (presently, section 5233) shall not be required for approval of that transaction. Such action by written consent shall have the same force and effect as any other validly approved action of the board. All such consents shall be filed with the minutes of the proceedings of the board.

7.10 Executive Committee: The board may appoint three or more directors of the corporation to serve as the executive committee of the board. The executive committee shall have and may exercise only that authority expressly and specifically granted to it by the Board as stated in the minutes of the Board or other writing. In no case may the executive committee have authority in reference to those matters requiring supermajority vote as provided in these bylaws.

ARTICLE 8

COMPENSATION

8.0 The Brother Benno Foundation, Inc. is and is intended to always be an organization comprised of volunteers dedicated to serving the poor. Accordingly, each director and each officer of The Brother Benno Foundation, Inc. shall serve without any compensation whatsoever, whether monetary or non-monetary.

8.1 Notwithstanding the foregoing, The Brother Benno Foundation, Inc. may pay discretionary allowances to program members, "servants of the poor," and staff members. Beginning in the year 2007, the amount of each such discretionary allowance may not exceed five-hundred dollars (\$500) per month. Annually thereafter, this maximum amount may be increased by three percent to account for the effects of inflation. By way of example, for 2008 the maximum will be \$515. For 2009, the maximum will be \$530.45 $[(\$515 \times .03) + 515]$. These potential increases are not mandatory. They are at the sole discretion of the existing board of directors by a two thirds majority vote.

8.2 Notwithstanding anything provided herein to the contrary, the board in its discretion by a vote of at least 90 percent of the existing board may provide room and board to the Executive Director, servants of the poor and staff members.

8.3 No other form or amount of compensation to anyone is permitted without the written approval of at least 90 percent of the existing board.

8.4 Paragraphs 8.0 through 8.3 above do not apply to compensation for work or services performed at or rendered for the Thrift Shop. Compensation for work or services performed or rendered at the Thrift Shop shall be established by the board by an affirmative vote of at least 90 percent of the existing board of directors.

ARTICLE 9

OFFICERS OF THE CORPORATION

9.0 The officers of this corporation shall be a president, a secretary, and a treasurer (also known as chief financial officer). The corporation, at the board's discretion, may also have a chairman of the board, one or more vice presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed under these bylaws.

9.1 Any number of offices may be held by the same person, except that neither the secretary nor the treasurer may serve concurrently as either the president or the chairman of the board.

9.2 The officers of this corporation shall be elected annually at the February meeting of the Board of Directors. Election of officers shall be by simple majority vote of the board of directors.

9.3 Resignation: Any officer may resign at any time by giving written notice to the board. The resignation shall take effect on the date the notice is received or at any later time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to any rights of the corporation under any contract to which the officer is a party.

9.4 Vacancies: A vacancy in any office because of death, resignation, removal, or any other cause shall be filled in the manner prescribed in these bylaws for normal *elections* to that office, provided, however, that vacancies may be filled as and when they occur and need not wait for the next annual election.

9.5 Chairman of the Board Responsibilities: If a chairman of the board of directors is elected, he or she shall preside at board meetings and shall exercise and perform such other powers and duties as the board may assign from time to time. If there is no president, the chairman of the board shall also be the chief executive officer and shall have the powers and duties of the president of the corporation set forth in these bylaws.

9.6 President, Responsibilities: Subject to such supervisory powers as the board may give to the chairman of the board, if any, and subject to the control of the board, the president shall be the general manager of the corporation and shall supervise, direct, and control the corporation's activities, affairs, and officers. The president shall preside at all members' meetings and, in the absence of the chairman of the board, of if none, at all board meetings. The president shall have such other powers and duties as the board or the bylaws may require.

9.7 Vice President, Responsibilities: If the president is absent or disabled, the vice presidents, if any, in order of their rank as fixed by the board, or, if not ranked, a vice president designated by the board, shall perform all duties of the president. When so acting, a vice president shall have all powers of and be subject to all restrictions on the president. The vice presidents shall have such other powers and perform such other duties as the board or the bylaws may require.

9.8 Secretary, Responsibilities: The secretary shall keep or cause to be kept, at the corporation's principal office or such other place as the board may direct, a book of minutes of all meetings, proceedings, and actions of the board, of committees of the board, and of members' meetings. The minutes of meetings shall include the time and place that the meeting was held; whether the meeting was annual, general, or special, and, if special, how

authorized; the notice given, the names of persons present at board and committee meetings; and the number of members present or represented at members' meetings.

9.8.1 The secretary shall keep or cause to be kept, at the principal California office, a copy of the articles of incorporation and bylaws, as amended to date.

9.8.2 The secretary shall give, or cause to be given, notice of all meetings of members, of the board, and of committees of the board that these bylaws require to be given. The secretary shall keep the corporate seal, if any, in safe custody and shall have such other powers and perform such other duties as the board or the bylaws may require.

9.9 Treasurer (Chief Financial Officer) Responsibilities: The treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the corporation's properties and transactions. The chief financial officer shall send or cause to be given to the members and directors such financial statements and reports as are required to be given by law, by these bylaws, or by the board. The books of account shall be open to inspection by any director at all reasonable times.

9.9.1 The treasurer shall (i) deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the corporation with such depositories as the board may designate; (ii) disburse the corporation's funds as the board may order; (iii) render to the president, chairman of the board, if any, and the board, when requested, an account of all transactions as treasurer and of the financial condition of the corporation; and (iv) have such other powers and perform such other duties as the board or the bylaws may require.

9.9.2 If required by the board, the treasurer shall be bonded in the amount and with the surety or sureties specified by the board for faithful performance of the duties of the office and for restoration to the corporation of all of its books, papers, vouchers, money, and other property of every kind in the possession or under the control of the treasurer on his or her death, resignation, retirement, or removal from office.

ARTICLE 10

CONTRACTS WITH DIRECTORS

10.0 No director of this corporation nor any other corporation, firm, association, or other entity in which one or more of this corporation's directors are directors or have a material financial interest, shall be interested, directly or indirectly, in any contract or transaction with this corporation, unless (a) the material facts regarding that director's financial interest in such contract or transaction or regarding such common directorship, officership, or financial interest are fully disclosed in good faith and noted in the minutes, or are known to all members of the board prior to the board's consideration of such contract or transaction; (b) such contract or transaction is authorized in good faith by a ninety percent majority of the board by a vote sufficient for that purpose without counting the votes of the interested directors; (c) before authorizing or approving the transaction, the board considers and in good faith decides after reasonable investigation that the corporation could not obtain a more

advantageous arrangement with reasonable effort under the circumstances; and (d) the corporation for its own benefit enters into the transaction which is fair and reasonable to the corporation at the time the transaction is entered into.

ARTICLE 11

LOANS TO DIRECTORS AND OFFICERS

11.0 This corporation shall not lend any money or property to or guarantee the obligation of any director or officer.

11.1 Notwithstanding the foregoing, the corporation may advance money to a director or officer of the corporation for expenses reasonably anticipated to be incurred in the performance of his or her duties if that director or officer would be entitled to reimbursement for such expenses by the corporation.

ARTICLE 12

INDEMNIFICATION

12.0 To the fullest extent permitted by law, this corporation shall indemnify its directors, officers, employees, volunteers and other persons described in Corporations Code, including persons formerly occupying such positions, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that section, and including an action by or in the right of the corporation, by reason of the fact that the person is or was a person described in that section. "Expenses" as used in this bylaw shall have the same meaning as in the Corporations Code.

12.1 On written request to the board by any person seeking indemnification under the Corporations Code, the board shall promptly decide whether the applicable standard of conduct set forth in the Corporations Code has been met and, if so, the board shall authorize indemnification.

12.2 To the fullest extent permitted by law and except as otherwise determined by the board in a specific instance, expenses incurred by a person seeking indemnification under these bylaws in defending any proceeding covered by those sections shall be advanced by the corporation before final disposition of the proceeding, on receipt by the corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately found that the person is entitled to be indemnified by the corporation for those expenses.

ARTICLE 13

INSURANCE

13.0 This corporation shall have the right, and shall use its best efforts, to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees, volunteers, and other agents, to cover any liability asserted against or incurred by any officer, director, employee, volunteers, or agent in such capacity or arising from the officer's, director's, employee's, volunteers, or agent's status as such.

ARTICLE 14

MAINTENANCE OF RECORDS

14.0 This corporation shall keep (a) adequate and correct books and records of account; and (b) minutes of the proceedings of its board and committees of the board.

14.1 The minutes and other books and records shall be kept either in written form or in any other form capable of being converted into clearly legible tangible form or in any combination of the two.

ARTICLE 15

INSPECTION RIGHTS

15.0 Every director shall have the absolute right at any reasonable time to inspect the corporation's books, records, documents of every kind, and the corporation's physical properties. The inspection may be made in person or by the director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents, at the director's own expense.

ARTICLE 16

AMENDMENTS TO BYLAWS

16.0 Any amendments, alterations, modifications, or repeals of the Articles of Incorporation or the Bylaws shall require the affirmative vote of at least 90 percent of the existing directors.

16.1 Notwithstanding the foregoing, this Article 16 can never be amended, altered, modified, or repealed. This Article 16 is permanent and irrevocable.

WE, THE UNDERSIGNED, ARE ALL OF THE MEMBERS OF THE BOARD OF DIRECTORS OF THE BROTHER BENNO FOUNDATION, INC, AND PURSUANT TO OUR AUTHORITY AS SET FORTH IN THE ARTICLES OF INCORPORATION, BYLAWS, AND THE CALIFORNIA CORPORATION NONPROFIT LAW, DO HEREBY UNANIMOUSLY CONSENT IN WRITING TO THIS SECOND AMENDMENT AND

COMPLETE RESTATEMENT OF THE BYLAWS OF BROTHER BENNO
FOUNDATION INC. AS SET FORTH ABOVE:

Dated: 7-19-07

Dixie Bales
Dixie Bales

John Blasier
John Blasier

Daniel E. Boone, Jr.
Daniel Boone

Harold Kutler
Harold Kutler

Kay Kutler
Kay Kutler

James J. O'Connell
James J. O'Connell

Blanch Ogle
Blanch Ogle

Mary Robinson
Mary Robinson

Nick Sauer
Nick Sauer

Richard Shlemmer
Richard Shlemmer

Abbot Charles Wright
Abbot Charles Wright

Harold B. Kuttler

• If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** and check this box

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

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

| | | |
|--|---|---|
| Part II Additional (not automatic) 3-Month Extension of Time. You must file original and one copy | | |
| Type or print File by the extended due date for filing the return See instructions | Name of Exempt Organization BROTHER BENNO FOUNDATION, INC | Employer identification number 33-0051575 |
| | Number, street, and room or suite no. If a P.O. box, see instructions. PO BOX 308 | For IRS use only |
| | City, town or post office, state, and ZIP code For a foreign address, see instructions. OCEANSIDE, CA 92049 | |

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

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

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

• The books are in the care of **DANIEL BOONE**
Telephone No. **760-439-1244** FAX No. _____

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

4 I request an additional 3-month extension of time until **JUNE 15, 2008**
5 For calendar year _____, or other tax year beginning **AUG 1, 2006**, and ending **JUL 31, 2007**
6 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

7 State in detail why you need the extension
THE ORGANIZATION RESPECTFULLY REQUESTS ADDITIONAL TIME TO GATHER THE INFORMATION NECESSARY TO FILE A COMPLETE AND ACCURATE TAX RETURN

| | | | |
|----|---|----|---------------|
| 8a | If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions | 8a | \$ |
| b | If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 | 8b | \$ |
| c | Balance Due. Subtract line 8b from line 8a Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions | 8c | \$ N/A |

Signature and Verification

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

Signature _____ Title _____ Date _____

Notice to Applicant. (To Be Completed by the IRS)

- We **have** approved this application Please attach this form to the organization's return
- We **have not** approved this application However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions) This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return Please attach this form to the organization's return
- We **have not** approved this application After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period
- We **cannot consider** this application because it was filed after the extended due date of the return for which an extension was requested
- Other _____

Director _____ By: _____ Date _____

Alternate Mailing Address. Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above

| | |
|---------------|--|
| Type or print | Name AKT, LLP |
| | Number and street (include suite, room, or apt. no.) or a P.O. box number 312 S JUNIPER ST., STE 100 |
| | City or town, province or state, and country (including postal or ZIP code) ESCONDIDO, CA 92025 |