

Appendix 11: Davini Properties, Inc.

Bertha Davini and her children developed a Subchapter S Small Business Corporation in January of 1971, for tax purposes as well as ease of property management and liability issues. Davini Properties, Inc. gradually purchased and ultimately sold all the commercial property owned by Bertha Davini. The Subchapter S Small Business Corporation was a convenient way to own and manage family property. Regular meetings were held and management decisions made as necessary. The corporation operated successfully for 23 years and was dissolved in February of 2004.

- A. Minutes of First Board Meeting – January 26, 1971. The first formal meeting of the Board of Directors set up the Bylaws and operating policy of the Corporation. There were many informal meetings with accountants and attorneys.
- B. Special Meeting – February 5, 1971. Shortly after the Corporation was formed and agreed to by family members, a special meeting was held to purchase the first property and set up the method to pay for the property.
- C. Articles of Incorporation – January 25, 1971. The Articles of Incorporation set forth the purposes of the Corporation and start its legal life as an entity of the State of California.
- D. Company Stock Certificates were issued to the three children as owners. The stock had a par value of \$1.00 per share and each family owned 3,000 shares.
- E. Correspondence with Cloverdale Fire Department dealing with typical problems of Davini Properties, Inc. – February 1986.
- F. Dissolution – February 2, 2004. On February 2, 2004, Davini Properties, Inc. officially dissolved. The property and assets of the corporation were split three ways among Dave and Bertha Davini's children and their spouses, and all final tax documents were submitted to the Internal Revenue Service and California State Franchise Tax Board.

MINUTES OF THE FIRST MEETING OF THE
BOARD OF DIRECTORS OF DAVINI PROPERTIES,
INC.

The directors named in the Articles of Incorporation of DAVINI PROPERTIES, INC., a California corporation, and constituting the Board of Directors of said corporation, held their first meeting at Santa Rosa, California, on the 26th day of January, 1971 at 10:00 A.M.

There were present at said meeting the following directors, constituting a quorum of the full board: DAVID A. DAVINI, JOAN N. JOHNSON and MARIANNE G. DALKE. There were absent: none.

On a motion and by unanimous vote, DAVID A. DAVINI was elected temporary chairman of the meeting and MARIANNE G. DALKE was elected temporary secretary.

The chairman announced that the meeting was held pursuant to written waiver of notice thereof and consent thereto signed by all of the directors of the corporation named as such in the Articles of Incorporation; such waiver and consent were presented to the meeting and upon motion duly made, seconded and unanimously carried, was made a part of the records of the meeting and now precedes the minutes of this meeting in the book of minutes of the corporation.

The chairman stated that the original Articles of Incorporation of the corporation had been filed in the office of the Secretary of State on January 25th, 1971 and have been filed in the office of the County Clerk of the County of Sonoma on January 26th, 1971, said County being the County in which the corporation is to have its principal office, and that a copy of said Articles of Incorporation, similarly certified, had been filed in the office of each county in the State of California in which the corporation holds, or contemplates holding, real property. He presented to the meeting a certified copy of said Articles of Incorporation showing filing as stated and the secretary was directed to insert said copy in the book of minutes of the corporation.

The matter of the adoption of by-laws for the regulation of the corporation was next considered. The secretary presented to the meeting a form of by-laws which were duly considered and discussed. On motion duly made, seconded and unanimously carried, the following resolutions were adopted:

WHEREAS, the shareholders of this corporation have not as yet adopted any by-laws for the regulation of its affairs; and

WHEREAS, there has been presented to this meeting a form of by-laws for the regulation of the affairs of this corporation; and

WHEREAS, it is deemed to be to the best interests of this corporation and its shareholders that said by-laws be adopted by this board of directors as and for the by-laws of this corporation;

NOW, THEREFORE, BE IT RESOLVED, that the by-laws presented to this meeting and discussed hereat be and the same hereby are adopted as and for the by-laws of this corporation.

RESOLVED FURTHER that the secretary of this corporation be and she hereby is authorized and directed to execute a certificate of the adoption of said by-laws and to insert said by-laws as so certified in the book of minutes of this corporation and to see that a copy of said by-laws similarly certified, is kept at the principal office for the transaction of business of this corporation, in accordance with Section 502 of the California Corporations Code.

The meeting then proceeded to the election of a president, a vice president, a secretary and a treasurer. The following were duly elected to the offices indicated after the names of each:

DAVID A. DAVINI	President
JOAN N. JOHNSON	Vice President
MARIANNE G. DALKE	Secretary, Treasurer

Each officer so elected being present accepted his office, and thereafter the president presided at the meeting as chairman and the secretary acted as secretary of the meeting.

The secretary presented for the approval of the meeting a proposed seal of the corporation consisting of two concentric circles with the words: "Davini Properties, Inc" and the words and figures "Incorporated January 26, 1971" in the form and figures as follows:

There was next presented to the directors the capitalization for the corporation.

It was agreed that each of the three proposed shareholders, to wit: DAVID A. DAVINI, JOAN N. JOHNSON and MARIANNE G. DALKE and their respective spouses would each contribute the sum of \$3,000.00. The proposal is that the corporation will issue \$9,000.00 of its \$1.00 par value stock to the above named persons and their respective spouses as joint tenants in exchange for \$3,000.00 cash each.

On motion duly made, seconded and passed the following resolution was adopted:

WHEREAS, this corporation is authorized to issue 75,000 shares of its \$1.00 par value stock.

NOW, THEREFORE, BE IT RESOLVED that any officer of this corporation be and he is hereby authorized and directed to prepare or cause to be prepared and filed on behalf of this corporation such documents with the Commissioner of Corporations of the State of California such documents as are necessary to evidence the issuance of 9,000 shares of the \$1.00 par value capital stock of the corporation and to execute and prepare the appropriate notices for the issuance of the securities and for a closed corporation exemption.

BE IT FURTHER RESOLVED that the corporation be authorized to issue the following shares:

TO DAVID A. DAVINI and MARY JEAN DAVINI, as joint tenants, 3,000 shares.

TO JOAN N. JOHNSON and JAMES A. JOHNSON, as joint tenants, 3,000 shares.

TO MARIANNE G. DALKE and JAMES C. DALKE, as joint tenants, 3,000 shares.

BE IT FURTHER RESOLVED that the officers of this corporation be and they are hereby authorized and directed to execute all documents and to take such action as they may deem necessary or advisable in the order to carry out and perform the purpose of these resolutions.

On motion duly made, seconded and passed it was resolved that 506 Hillside Drive, Cloverdale, California, 95425 is designated and fixed as the principal office for the transaction of the business of the corporation.

To provide for a depository for the funds of the corporation and to authorize officers to deal with the corporate funds; on motion duly made, seconded and passed it was resolved that all funds would be deposited in the Bank of America, Cloverdale Branch, and the signature of BERTHA DAVINI as General Manager of the Corporation shall have authority to execute checks for all normal operating expenses and repairs in connection with the business up to the sum of \$500.00.

On motion duly made, seconded and passed the following resolutions were adopted:

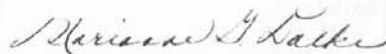
1. The plan as herein set forth upon its adoption by the Board of Directors of the corporation shall become effective January 1, 1971.
2. The corporation is authorized to offer and issue 75,000 shares of common stock with a par value of \$1.00 per share, and all of said stock which shall apply to this plan shall be issued subsequent to the date of the plan becoming effective.
3. The corporation shall offer and issue 9,000 shares of common stock to the parties as set forth in these minutes.
4. Such common stock shall be issued only for money and other property (other than stock or securities).
5. Such other action shall be taken by the corporation and shall qualify the stock offered and issued under this plan as "Section 1244 Stock" as such term is defined in the Internal Revenue Code and the regulations issued thereunder.

A discussion was had concerning the election of sub-chapter S status pursuant to the provisions of the Internal Revenue Code.

On motion duly made, seconded and passed the corporation agreed to elect to come within sub-chapter S status and the secretary and accountant were directed to file the appropriate forms with the District Director of the Internal Revenue to comply with the provisions of said sub-chapter S.

There being no further business to come before the meeting, the meeting was duly adjourned.

Respectfully,



MARIANNE G. DALKE

*Thought you
might like a
copy for your files
M.*

MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS
OF

DAVINI PROPERTIES, INC.
A California Corporation

The directors of DAVINI PROPERTIES, INC. held a special meeting of the board of directors on February 5, 1971 at Cloverdale, California.

There were present at said meeting the following directors constituting the full Board of Directors: DAVID A. DAVINI, JOAN N. JOHNSON and MARIANNE G. DALKE. Also present was BERTHA DAVINI, the Manager of the corporation.

The corporation accountant, Mr. E. J. Groom, presented a proposal to purchase the real property being a portion of Lot 28, Block 38 of Parsons Map of Cloverdale and Lot 12, Block 37 on the Map of Cloverdale. The total purchase for these two properties would be in the amount of \$80,000.00. It was the opinion of the accountant that the property would pay for itself from the rent collected and would be a proper investment for the corporation.

A schedule of real property improvements on both properties together with a summary of the sales, schedules of depreciation and sample income and expense statements were presented.

On motion duly made, seconded and passed the manager of the corporation and the accountant were authorized to proceed with the purchase of the above named properties for a total purchase price of \$80,000.00 with a down payment of \$6,000.00 and the balance of \$74,000.00 to be covered by a promissory note and first deed of trust

payable in equal monthly installments commencing retroactively to January 1, 1971 and monthly thereafter with interest at the rate of five percent (5%) per annum on unpaid principal. Payments would be in the amount of \$585.20 per month or more.

There was some discussion concerning the failure of the tenants on one of the properties to pay their rent. The manager was further instructed to have the corporation's attorney proceed with eviction proceedings if the same became necessary in the discretion of the manager.

There being no further business to come before the meeting, it was duly adjourned.

Respectfully,

MARIANNE G. DALKE, Secretary
DAVINI PROPERTIES, INC.

STATE OF CALIFORNIA



OFFICE OF THE SECRETARY OF STATE

I, *EDMUND G. BROWN JR.*, Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the RECORD on file in this office, of which it purports to be a copy, and that same is full, true and correct.

IN WITNESS WHEREOF, I execute
this certificate and affix the Great
Seal of the State of California this

_____ JAN 25 1971



Edmund G. Brown Jr.
Secretary of State

ENDORSED
FILED

In the office of the Secretary of State
of the State of California

JAN 25 1971

ARTICLES OF INCORPORATION
OF
DAVINI PROPERTIES, INC.

EDMUND G. BROWN Jr., Secretary of State
By JAMES E. HARRIS
Deputy

616218

1
2
3
4 ONE: The name of the corporation is DAVINI PROPERTIES, INC.

5
6 TWO: The corporation's purposes are:

7 A. Primarily to engage in the specific business of
8 the purchase, sale, development, lease, or otherwise engage in
9 real property transactions.

10 B. To engage in any business related or unrelated to
11 that described in Clause A of this article TWO and from time to
12 time authorized or approved by the Board of Directors of this
13 corporation.

14 C. To act as a partner or a joint venturer or in any
15 other legal capacity in any transaction.

16 D. To do business anywhere in the world; and

17 E. To have and exercise all rights and powers from
18 time to time granted to the corporation by law.

19 The above purpose clauses shall not be limited by
20 reference to or inference from one another, but each purpose
21 clause shall be constructed as a separate statement conferring
22 independent purposes and powers upon the corporation.

23 THREE: The County in the State of California where the
24 principal office for the transaction of business is located
25 is the County of Sonoma.

26
27 FOUR: A. The number of directors of the corporation is three.

28 B. The names and addresses of the persons who are
29 appointed to act as first directors are:

30 1. DAVID A. DAVINI, 329 Neil Drive, Yuba City, Califor-
31 nia, 95991.

32 2. JOAN N. JOHNSON, 3085 El Capitan, Merced, California,
95340

1 3. MARIANNE G. DALKE, 1423 La Vurnum, Chico,
2 California, 95926.

3 FIVE: The total number of shares which the corporation is
4 authorized to issue is 75,000 shares. The aggregate par value
5 of said shares is \$75,000.00 and the par value of each share is
6 \$1.00.

7 No distinction shall exist between the shares of the
8 corporation or the holders thereof.

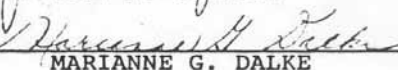
9
10 IN WITNESS WHEREOF the undersigned, being the first
11 directors of this corporation, have executed these Articles of
12 Incorporation on January 4, 1971.

13 
14 _____

15 DAVID A. DAVINI

16 
17 _____

18 JOAN N. JOHNSON

19 
20 _____

21 MARIANNE G. DALKE

22 State of California]
23] SS.
24 County of Merced]

25 On the 7 day of January, 1970, before me
26 the undersigned notary public, personally appeared JOAN N. JOHNSON
27 known to me to be the person whose name is subscribed to the within
28 instrument and acknowledged to me that he executed the same.

29 
30 _____

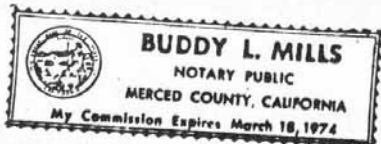
31 NOTARY PUBLIC

32 State of California]
] SS.
County of Sutter]

On the 11 day of January, 1970, before me
the undersigned notary public, personally appeared DAVID A. DAVINI
known to me to be the person whose name is subscribed to the within
instrument and acknowledged to me that she executed the same.

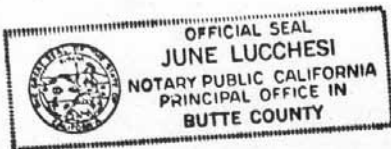


NOTARY PUBLIC



1 State of California]
2 County of Butte] ss.
3 County of ~~Butte~~]

3 On the 29th day of December, 1970, before me
4 the undersigned notary public, personally appeared MARIANNE G.
5 DALKE known to me to be the person whose name is subscribed to
6 the within instrument and acknowledged to me that she executed
7 the same.



June Lucchesi
NOTARY PUBLIC
My Commission expires Feb. 10, 1971.

INCORPORATED UNDER THE LAWS OF

No. 1 THE STATE OF CALIFORNIA Shares 3,000

DAVINI PROPERTIES, INC.
A CALIFORNIA CORPORATION

INCORPORATED JANUARY, 1970

DAVID A. DAVINI AND MARY JEAN DAVINI
AS JOINT TENANTS

THIS CERTIFIES THAT
THREE THOUSAND (3,000) *is the owner of*
Shares of the Capital Stock of
DAVINI PROPERTIES, INC.
transferable only on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this certificate properly endorsed

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers and to be sealed with the Seal of the Corporation
this 29th day of January 1971

David A. Davini PRESIDENT *Marianne G. Dalke* SECRETARY

INCORPORATED UNDER THE LAWS OF

No. 2 THE STATE OF CALIFORNIA Shares 3,000

DAVINI PROPERTIES, INC.
A CALIFORNIA CORPORATION

INCORPORATED JANUARY _____, 1971

JOAN N. JOHNSON & JAMES A. JOHNSON
AS JOINT TENANTS

THIS CERTIFIES THAT _____ is the owner of
THREE THOUSAND (3,000) _____ Shares of the Capital Stock of
DAVINI PROPERTIES, INC.

transferable only on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this certificate properly endorsed

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers and to be sealed with the Seal of the Corporation
this _____ day of January 1971

[Signature] PRESIDENT *[Signature]* SECRETARY

SHARES EACH

INCORPORATED UNDER THE LAWS OF

No. 3 THE STATE OF CALIFORNIA Shares 3,000

DAVINI PROPERTIES, INC.
A CALIFORNIA CORPORATION

INCORPORATED JANUARY _____, 1971

MARIANNE G. DALKE & JAMES C. DALKE
AS JOINT TENANTS

THIS CERTIFIES THAT _____ is the owner of
THREE THOUSAND (3,000) _____ Shares of the Capital Stock of
DAVINI PROPERTIES, INC.

transferable only on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this certificate properly endorsed

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers and to be sealed with the Seal of the Corporation
this _____ day of January 1971

[Signature] PRESIDENT *[Signature]* SECRETARY

SHARES EACH

CLOVERDALE FIRE DEPARTMENT

116 Broad Street • Cloverdale, CA 95425

Business Phone (707)894-3545

MILTON HOLT, Chief

February 19, 1986

Mr. David Divini
463 2nd St.
Yuba City, CA 95991

Dear Mr. Divini,

An Inspection was conducted at 116E. First St. and 112 E. First St. on February 19, 1986 and the following violations noted:

Pizza Queen:
116 E. First St.

All Violations noted on inspection of 30 August 85 have been corrected.

Copyrite Printing
112 E. First St.

The following is a list of violations that have not been corrected that were listed on the inspection dated 26 August, 86.:

- 1- LAYOUT / TYPESET AREA: Wiring exposed on west wall. Hole needs to be covered in ceiling space. Extention cord running type set machine needs to be removed and permanently wired.
- 2- Replace Cover plates on electrical junction boxes.
Replace with permanent wiring the extention cord from printer. Exposed Wiring on east wall near copier that needs to be protected.

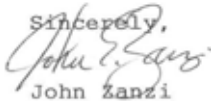


I will consider this the first inspection as you were not advised as to the date of the inspection 26 August 85. I will make a re-inspection on 20 March 86, 10:00 am.

It would be advisable to contact the owners of copyrite printing as they may be interested in helping with some of the corrections.

If you have any questions, or would like to go through the building next time you are in town, please feel free to contact me. If you are coming to town, let me know in advance so I may set some time aside.

Sincerely,



John Zanzi

Fire Prevention Officer

Davini Properties, Inc.
588 S. Barrett Road
Yuba City, CA 95991
February 26, 1986

John Zanzi
Fire Prevention Officer
Cloverdale Fire Department
116 Broad Street
Cloverdale, CA 95425

Dear Mr. Zanzi:

I am sending a copy of your letter dated February 19, 1986, to Copyrite Printing, 112 E. First Street, Cloverdale, Calif., for their review and comment. Your letter does not indicate that you gave them a copy.

As a landlord we cannot monitor whether our tenants use extension cords to connect equipment or whether they remove a ceiling tile. We like to let our tenants have maximum privacy in the conduct of their affairs. Our rents are low and, therefore, we ask our tenants to maintain the interiors of their stores.

Recently our insurance company inspected the Copyrite Printing shop and asked them to comply with reasonable safety items and they gladly complied. I think our tenants are safety minded and wish to remain in their business for years to come.

Perhaps the tenants do not think your request is warranted or reasonable. For example, if a machine comes with a long connecting cord, is that legal? Are all extension cords in all businesses illegal? Are all businesses in Cloverdale measured by the same standards?

We encourage our tenants to cooperate with all public safety laws and expect that those in charge of public safety will explain their positions very carefully. Business people are expected to absorb many costs without question, just because someone in government requests it. Those in government need to realize that it's difficult to make a profit in small business. All costs are passed along to the consumer; and if the price gets too high, the consumer shops outside Cloverdale for goods and services. What would government do without businesses to tax. Please be sure that all the costs you are trying to pass along to the consumer are really warranted.

I will check with the owners of Copyrite Printing when I am in Cloverdale. Thank you for sharing your information.

Sincerely,



David A. Davini
President

cc:Copyrite Printing

DAVINI PROPERTIES, INC.
CORP. # CO616218
CERTIFICATE OF DISSOLUTION

D0726176


The undersigned certify that:

1. They constitute a majority of the directors now in office of Davini Properties, Inc. a California corporation, California Corp. # CO616218.
2. The corporation has been completely wound up.
3. The corporation's know debts and liabilities have been actually paid.
4. The known assets have been distributed to the persons entitled thereto.
5. The tax liability will be satisfied on a taxes paid basis.
6. The election to dissolve was made by the vote of all the outstanding shares.
7. The corporation is dissolved.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

Date: _____

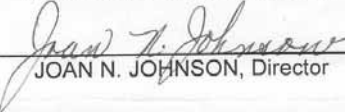
10/31/03



DAVID A. DAVINI, Director



MARIANNE G. DALKE, Director



JOAN N. JOHNSON, Director

ENDORSED - FILED
In the office of the Secretary of State
of the State of California

DEC 05 2003

KEVIN SHELLEY
Secretary of State

