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Form 990-PF

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

OMB No 1545-0052

2009

Department of the Treasury  
Internal Revenue Service

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

For calendar year 2009, or tax year beginning

, and ending

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

<b>Use the IRS label. Otherwise, print or type. See Specific Instructions.</b>	Name of foundation <b>SAUNDERS FOUNDATION</b>		A Employer identification number <b>76-0574880</b>
	Number and street (or P O box number if mail is not delivered to street address) <b>7500 SAN FELIPE</b>		Room/suite <b>1070</b>
	City or town, state, and ZIP code <b>HOUSTON TX 77063</b>		B Telephone number (see page 10 of the instructions) <b>713-914-9778</b>
			C If exemption application is pending, check here ► <input type="checkbox"/> D 1. Foreign organizations, check here ► <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation ► <input type="checkbox"/> E If private foundation status was terminated under section 507(b)(1)(A), check here ► <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ► <input type="checkbox"/>
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation			
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ► <b>\$ 4,421,760</b> (Part I, column (d) must be on cash basis)		J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	

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

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1	Contributions, gifts, grants, etc., received (attach schedule)				
2	Check ► <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments	7,751	7,751		
4	Dividends and interest from securities	83,763	83,763		
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	131,281			
b	Gross sales price for all assets on line 6a	714,342			
7	Capital gain net income (from Part IV, line 2)		131,281		
8	Net short-term capital gain			0	
9	Income modifications				
10a	Gross sales less returns & allowances				
b	Less Cost of goods sold				
c	Gross profit or (loss) (attach schedule)				
11	Other income (attach schedule)	871	871		
12	<b>Total. Add lines 1 through 11.</b> <i>RECEIVED STMT 1</i>	223,666	223,666	0	
13	Compensation of officers, directors, trustees, etc.				
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule)	5,387	3,591	1,796	
b	Accounting fees (attach schedule)	STMT 2			
c	Other professional fees (attach schedule)				
17	Interest				
18	Taxes (attach schedule) (see page 14 of the instructions)				
19	Depreciation (attach schedule) and depletion	142	142		
20	Occupancy				
21	Travel, conferences, and meetings	4,319		4,319	
22	Printing and publications				
23	Other expenses (att. sch.)	6,959	5,230	1,729	
24	<b>Total operating and administrative expenses.</b>	16,807	8,963	7,844	
	Add lines 13 through 23	159,252		159,252	
25	Contributions, gifts, grants paid	176,059	8,963	0	167,096
26	<b>Total expenses and disbursements.</b> Add lines 24 and 25				
27	Subtract line 26 from line 12	47,607			
a	Excess of revenue over expenses and disbursements				
b	Net investment income (if negative, enter -0-)	214,703			
c	Adjusted net income (if negative, enter -0-)			0	

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Assets	Part II Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions )	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
1	Cash—non-interest-bearing				
2	Savings and temporary cash investments		837,712	484,826	484,826
3	Accounts receivable ►				
	Less allowance for doubtful accounts ►				
4	Pledges receivable ►				
	Less allowance for doubtful accounts ►				
5	Grants receivable				
6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 16 of the instructions)				
7	Other notes and loans receivable (att. schedule) ► SEE WRK	88,120			
	Less allowance for doubtful accounts ►		96,654	88,120	88,120
8	Inventories for sale or use				
9	Prepaid expenses and deferred charges				
10a	Investments—U S and state government obligations (attach schedule)	SEE STMT 5			
b	Investments—corporate stock (attach schedule)		2,884,226	3,893,627	3,893,627
c	Investments—corporate bonds (attach schedule)				
11	Investments—land, buildings, and equipment basis ►				
	Less accumulated depreciation (attach sch ) ►				
12	Investments—mortgage loans				
13	Investments—other (attach schedule) SEE STATEMENT 6		-45,736	-44,813	-44,813
14	Land, buildings, and equipment basis ►	1,685			
	Less accumulated depreciation (attach sch ) ► STMT 7	1,685	144		
15	Other assets (describe ►	)			
16	<b>Total assets</b> (to be completed by all filers—see the instructions Also, see page 1, item I)		3,773,000	4,421,760	4,421,760
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ►	)		
	23	<b>Total liabilities</b> (add lines 17 through 22)	0	0	
Net Assets or Fund Balances	24	Foundations that follow SFAS 117, check here ► <input type="checkbox"/>			
	and complete lines 24 through 26 and lines 30 and 31.				
	25	Unrestricted			
	26	Temporarily restricted			
	27	Permanently restricted			
	Foundations that do not follow SFAS 117, check here ► <input checked="" type="checkbox"/>				
	and complete lines 27 through 31.				
	28	Capital stock, trust principal, or current funds			
	29	Paid-in or capital surplus, or land, bldg , and equipment fund			
	30	Retained earnings, accumulated income, endowment, or other funds	3,773,000	4,421,760	
	31	<b>Total net assets or fund balances</b> (see page 17 of the instructions)	3,773,000	4,421,760	
		<b>Total liabilities and net assets/fund balances</b> (see page 17 of the instructions)	3,773,000	4,421,760	

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

1	Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	3,773,000
2	Enter amount from Part I, line 27a	2	47,607
3	Other increases not included in line 2 (itemize) ► SEE STATEMENT 8	3	601,153
4	Add lines 1, 2, and 3	4	4,421,760
5	Decreases not included in line 2 (itemize) ►	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30 .	6	4,421,760

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## Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co.)			(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
<b>1a</b> 870 WELLS FARGO JULY 09 \$26.00 CALLS			D	07/20/09	04/13/09
<b>b</b> 435 WELLS FARGO OCT 09 \$30.00 CALLS			D	09/30/09	07/22/09
<b>c</b> 435 WELLS FARGO NOV 09 \$32.00 CALLS			D	11/23/09	09/30/09
<b>d</b> SALIENT TRUST SEE ATTACHED STMT			P	VARIOUS	VARIOUS
<b>e</b> SALIENT TRUST SEE ATTACHED STMT			P	VARIOUS	VARIOUS
<b>(e) Gross sales price</b>	<b>(f) Depreciation allowed (or allowable)</b>	<b>(g) Cost or other basis plus expense of sale</b>		<b>(h) Gain or (loss) (e) plus (f) minus (g)</b>	
<b>a</b> 105,758				105,758	
<b>b</b> 16,724		11,797		4,927	
<b>c</b> 18,088				18,088	
<b>d</b> 360,833		277,171		83,662	
<b>e</b> 212,939		294,093		-81,154	

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

(I) FMV as of 12/31/69	(J) Adjusted basis as of 12/31/69	(K) Excess of col (I) over col (J), if any	(L) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
<b>a</b>			105,758
<b>b</b>			4,927
<b>c</b>			18,088
<b>d</b>			83,662
<b>e</b>			-81,154
<b>2 Capital gain net income or (net capital loss)</b>	If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7		<b>2</b> 131,281
<b>3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)</b>	If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8		<b>3</b> 212,435

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?  Yes  No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2008	197,292	3,581,831	0.055081
2007	73,805	3,693,274	0.019984
2006	70,246	2,934,599	0.023937
2005	79,471	1,565,070	0.050778
2004	24,050	1,355,720	0.017740

2 Total of line 1, column (d) **2** 0.167520

3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years **3** 0.033504

4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5 **4** 3,319,562

5 Multiply line 4 by line 3 **5** 111,219

6 Enter 1% of net investment income (1% of Part I, line 27b) **6** 2,147

7 Add lines 5 and 6 **7** 113,366

8 Enter qualifying distributions from Part XII, line 4 **8** 167,096

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

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

1a Exempt operating foundations described in section 4940(d)(2), check here ►  and enter "N/A" on line 1  
Date of ruling or determination letter (attach copy of letter if necessary—see instructions)

1 2,147

b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ►  and enter 1% of Part I, line 27b

2 0

c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)

3 2,147

4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only) Others enter -0-

5 Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-

6 Credits/Payments:

a 2009 estimated tax payments and 2008 overpayment credited to 2009 6a 2,488

b Exempt foreign organizations—tax withheld at source 6b

c Tax paid with application for extension of time to file (Form 8868) 6c

d Backup withholding erroneously withheld 6d

7 Total credits and payments Add lines 6a through 6d 7 2,488

8 Enter any penalty for underpayment of estimated tax Check here  if Form 2220 is attached 8

9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed 9

10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid 10 341

11 Enter the amount of line 10 to be Credited to 2010 estimated tax ► 341 Refunded 11

## Part VII-A Statements Regarding Activities

1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign? 1a Yes X

b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? 1b Yes X

If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities 1c Yes X

c Did the foundation file Form 1120-POL for this year? 2 Yes X

d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year  
(1) On the foundation ► \$ \_\_\_\_\_ (2) On foundation managers ► \$ \_\_\_\_\_ 3 Yes X

e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► \$ \_\_\_\_\_ 4a Yes X

2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities 4b Yes X

3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes 5 Yes X

4a Did the foundation have unrelated business gross income of \$1,000 or more during the year? 5 Yes X

b If "Yes," has it filed a tax return on Form 990-T for this year? 6 Yes X

5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T 7 Yes X

6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either  
• By language in the governing instrument, or  
• By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument? 8b Yes X

7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV 8b Yes X

8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ► NONE 9 Yes X

b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation 10 Yes X

9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV

10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses

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

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11	X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12	X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	N/A	13
14	The books are in care of ► STUART SAUNDERS 7500 SAN FELIPE #1070 Located at ► HOUSTON, TX	Telephone no ► 713-914-9778 ZIP+4 ► 77063	
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the year	► 15	► □

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

	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.	Yes	No
1a	During the year did the foundation (either directly or indirectly)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here	N/A	1b
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?	N/A	1c
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a	At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	If "Yes," list the years ► 20 , 20 , 20 , 20		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 20 of the instructions)	N/A	2b
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► 20 , 20 , 20 , 20		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If "Yes," did it have excess business holdings in 2009 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009)	N/A	3b
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?		
		4a	X
		4b	X

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

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

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
FREDERIC M SAUNDERS 515 HUNTERWOOD	HOUSTON TX 77024	DIRECTOR 5 00	0	0
GAYLE D SAUNDERS 515 HUNTERWOOD	HOUSTON TX 77024	DIRECTOR 1.00	0	0
MEREDITH S MASON 501 VALE STREET	AUSTIN TX 78746	DIRECTOR 1.00	0	0
STUART D SAUNDERS 8 SADDLEBROOK LANE	HOUSTON TX 77024	DIRECTOR 5.00	0	0

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

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

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

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**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**
**3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."**

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

Total number of others receiving over \$50,000 for professional services ►

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

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

Expenses

1 N/A

2

3

4

**Part IX-B Summary of Program-Related Investments (see page 24 of the instructions)**

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

Amount

1 N/A

2

All other program-related investments. See page 24 of the instructions

3

Total. Add lines 1 through 3 ►

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	2,646,649
b	Average of monthly cash balances	1b	676,222
c	Fair market value of all other assets (see page 24 of the instructions)	1c	47,243
d	<b>Total</b> (add lines 1a, b, and c)	1d	3,370,114
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	3,370,114
4	Cash deemed held for charitable activities Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	50,552
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	5	3,319,562
6	<b>Minimum investment return.</b> Enter 5% of line 5	6	165,978

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

1	Minimum investment return from Part X, line 6	1	165,978
2a	Tax on investment income for 2009 from Part VI, line 5	2a	2,147
b	Income tax for 2009 (This does not include the tax from Part VI )	2b	
c	Add lines 2a and 2b	2c	2,147
3	Distrnbutable amount before adjustments Subtract line 2c from line 1	3	163,831
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	163,831
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	<b>Distributable amount as adjusted</b> Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	163,831

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

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1a	167,096
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the	3a	
a	Suitability test (prior IRS approval required)	3b	
b	Cash distribution test (attach the required schedule)	4	167,096
4	<b>Qualifying distributions.</b> Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	5	2,147
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions)	6	164,949
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4		

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

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

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				163,831
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only				
b Total for prior years 20 ____ , 20 ____ , 20 ____				
3 Excess distributions carryover, if any, to 2009				
a From 2004				
b From 2005				
c From 2006				
d From 2007				
e From 2008				
f Total of lines 3a through e	17,550	17,550		
4 Qualifying distributions for 2009 from Part XII, line 4 ► \$ 167,096				
a Applied to 2008, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)				
d Applied to 2009 distributable amount				163,831
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a) )				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	20,815			
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions				
e Undistributed income for 2008 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions				
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	20,815			
10 Analysis of line 9.				
a Excess from 2005				
b Excess from 2006				
c Excess from 2007				
d Excess from 2008	17,550			
e Excess from 2009	3,265			



## Part XV Supplementary Information (continued)

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year SEE STATEMENT 9				159,252
<b>Total</b>			► 3a	159,252
b Approved for future payment N/A				
<b>Total</b>			► 3b	

## **Part XVI-A      Analysis of Income-Producing Activities**

Enter gross amounts unless otherwise indicated

	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	Related or exempt function income (See page 28 of the instructions )
<b>1 Program service revenue</b>					
a					
b					
c					
d					
e					
f					
<b>g Fees and contracts from government agencies</b>					
<b>2 Membership dues and assessments</b>					
<b>3 Interest on savings and temporary cash investments</b>			14	7,751	
<b>4 Dividends and interest from securities</b>			14	83,763	
<b>5 Net rental income or (loss) from real estate</b>					
a Debt-financed property					
b Not debt-financed property					
<b>6 Net rental income or (loss) from personal property</b>					
<b>7 Other investment income</b>					
<b>8 Gain or (loss) from sales of assets other than inventory</b>			18	131,281	
<b>9 Net income or (loss) from special events</b>					
<b>10 Gross profit or (loss) from sales of inventory</b>					
<b>11 Other revenue: a</b>					
<b>b NET RENTAL RE INCOME FROM K-1</b>			16	871	
c					
d					
e					
<b>12 Subtotal Add columns (b), (d), and (e)</b>		0		223,666	0
<b>13 Total. Add line 12, columns (b), (d), and (e)</b>				223,666	

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

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See page 29 of the instructions )
N/A	



Forms  
**990 / 990-PF****Other Notes and Loans Receivable****2009**

For calendar year 2009, or tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

Name

SAUNDERS FOUNDATION

Employer Identification Number

76-0574880

**FORM 990-PF, PART II, LINE 7 - ADDITIONAL INFORMATION**

## Name of borrower

## Relationship to disqualified person

(1) GEORGE THOMAS 502 FREEPORT

(2)  
(3)  
(4)  
(5)  
(6)  
(7)  
(8)  
(9)  
(10)

## Original amount borrowed

## Date of loan

## Maturity date

## Repayment terms

## Interest rate

(1)  
(2)  
(3)  
(4)  
(5)  
(6)  
(7)  
(8)  
(9)  
(10)

## Security provided by borrower

## Purpose of loan

(1)  
(2)  
(3)  
(4)  
(5)  
(6)  
(7)  
(8)  
(9)  
(10)

## Consideration furnished by lender

## Balance due at beginning of year

## Balance due at end of year

## Fair market value (990-PF only)

(1) 96,654 88,120 88,120  
(2)  
(3)  
(4)  
(5)  
(6)  
(7)  
(8)  
(9)  
(10)

Totals

96,654

88,120

88,120

**Statement 1 - Form 990-PF, Part I, Line 11 - Other Income**

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
NET RENTAL RE INCOME FROM K-1	\$ 871	\$ 871	\$
<b>TOTAL</b>	<b>\$ 871</b>	<b>\$ 871</b>	<b>\$ 0</b>

**Statement 2 - Form 990-PF, Part I, Line 16b - Accounting Fees**

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
	\$ 5,387	\$ 3,591	\$	\$ 1,796
<b>TOTAL</b>	<b>\$ 5,387</b>	<b>\$ 3,591</b>	<b>\$ 0</b>	<b>\$ 1,796</b>

**Statement 3 - Form 990-PF, Part I, Line 19 - Depreciation**

Prior Year Depreciation	Description	Method	Life	Current Year Depreciation	Date Acquired	Cost Basis	Net Investment Income	Adjusted Net Income
DEPRECIATION \$				\$ 142	\$	\$	\$	\$
<b>TOTAL</b>				<b>\$ 142</b>			<b>\$ 0</b>	<b>\$ 0</b>
<b>\$ 0</b>				<b>\$ 142</b>			<b>\$ 0</b>	<b>\$ 0</b>

**Statement 4 - Form 990-PF, Part I, Line 23 - Other Expenses**

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
	\$	\$	\$	\$
<b>EXPENSES</b>				
DUES & SUBSCRIPTIONS	495	495		
INVESTMENT FEES	2,755	2,755		
MISCELLANEOUS FEES	1,980	1,980		
STUDENT ORIENTATION	1,729			1,729
<b>TOTAL</b>	<b>\$ 6,959</b>	<b>\$ 5,230</b>	<b>\$ 0</b>	<b>\$ 1,729</b>

**Statement 5 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments**

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
UBS FINANCIAL SERVICES #52986	\$ 2,688,205	\$ 2,848,920		\$ 2,848,920
SALIENT TRUST #771700	196,021	580,699		580,699
INTERACTIVE BROKERS		464,008		464,008
<b>TOTAL</b>	<b>\$ 2,884,226</b>	<b>\$ 3,893,627</b>		<b>\$ 3,893,627</b>

**Statement 6 - Form 990-PF, Part II, Line 13 - Other Investments**

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
STC REAL ESTATE PARTNERS	\$ -45,736	\$ -44,813	COST	\$ -44,813
<b>TOTAL</b>	<b>\$ -45,736</b>	<b>\$ -44,813</b>		<b>\$ -44,813</b>

**Statement 7 - Form 990-PF, Part II, Line 14 - Land, Building, and Equipment**

Description		Beginning Net Book	End Cost / Basis	End Accumulated Depreciation	Net FMV
COMPUTER		\$ 87	\$ 1,432	\$ 1,432	\$
SOFTWARE		57	253	253	
<b>TOTAL</b>		<b>\$ 144</b>	<b>\$ 1,685</b>	<b>\$ 1,685</b>	<b>\$ 0</b>

**Statement 8 - Form 990-PF, Part III, Line 3 - Other Increases**

Description	Amount
FAIR MARKET VALUE ADJUSTMENTS	\$ 601,153
<b>TOTAL</b>	<b>\$ 601,153</b>

**Statement 9 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year**

Name	Address	Address	Amount
Relationship	Status	Purpose	
AMY FLORES NONE	C/O 7500 SAN FELIPE COLLEGE SCHOLARSHIP	HOUSTON TX 77063	9,812
CRYSTAL CASTELLANO NONE	C/O 7500 SAN FELIPE COLLEGE SCHOLARSHIP	HOUSTON TX 77063	9,019
AURELIA CORTEZ NONE	C/O 7500 SAN FELIPE COLLEGE SCHOLARSHIP	HOUSTON TX 77063	1,327
LISSETH GARCIA NONE	C/O 7500 SAN FELIPE COLLEGE SCHOLARSHIP	HOUSTON TX 77063	9,291
LUZ RAMIREZ NONE	C/O 7500 SAN FELIPE COLLEGE SCHOLARSHIP	HOUSTON TX 77063	2,517
SONYA VILLEGAS NONE	C/O 7500 SAN FELIPE COLLEGE SCHOLARSHIP	HOUSTON TX 77063	15,666
LIGHTHOUSE OF HOUSTON NONE	3602 W DALLAS PUBLIC CHARI PUBLIC CHARITY	HOUSTON TX 77019	1,500
CHI OMEGA FOUNDATION NONE	PO BOX 27543 PUBLIC CHARI PUBLIC CHARITY	HOUSTON TX 77227-7543	14,000
FIRST UNITED METHODIST CH NONE	1101 DOHERTY CHURCH RELIGION	MISSION TX 78572	3,000
THE BRIANNA BADGER FOUNDA NONE	508 E TEMPLE STE 20 PUBLIC CHARI PULBIC CHARITY	SALT LAKE CITY UT 84102	500
HILLSDALE COLLEGE NONE	33 EAST COLLEGE ST COLLEGE EDUCATION	HILLSDALE MI 49242	1,000
THE 100 CLUB NONE	1233 WEST LOOP SOUTH PUBLIC CHARI PUBLIC CHARITY	HOUSTON TX 77027	500
EANES ELEMENTARY PTO NONE	4101 BEES CAVES RD SCHOOL EDUCATION	AUSTIN TX 78746	5,000
INSTITUTE OF SHIPBOARD ED NONE	811 WILLIAM PITT UNION, U SCHOOL EDUCATION	PITTSBURG PA 15260	37,500
SCHREINER UNIVERSITY NONE	2100 MEMORIAL BLVD UNIVERSITY EDUCATION	KERRVILLE TX 78028	5,750

**Statement 9 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year (continued)**

Name	Address	Address	
Relationship	Status	Purpose	Amount
THE RISE SCHOOL NONE	8080 SCHOOL	NORTH STADIUM DR EDUCATION	20,150
THE CENTER NONE	3550 PUBLIC	W DALLAS CHARI MENTAL HEALTH	8,130
JUVENILE DIABETES NONE	RESEARC	2425 FOUNTAIN VIEW STE 28 CHARI MEDICAL	5,000
EAST WACO GREENWOOD NONE	CEMET	PO BOX 154115 CHARI PUBLIC CHARITY	500
SEMESTER AT SEA NONE		PO BOX 400885 EDUCATION	2,500
THE TEXAS A&M FOUNDATION NONE	401 SCHOOL	GEORGE BUSH DRIVE EDUCATION	100
HOUSTON HOSPICE NONE	1905 PUBLIC	HOLCOMBE CHARI HEALTH	100
CASNER CHRISTIAN ACADEMY NONE	3838 SCHOOL	STECK AVENUE EDUCATION	1,000
FIRST PRESBYTERIAN CHURCH NONE	5300 CHURCH	MAIN ST RELIGION	200
TRINTARIAN CONGREGATIONAL NONE	PO BOX 108	CHURCH RELIGION	200
AMERICAN HEART ASSOCIATIO NONE	10060 PUBLIC	BUFFALO SPEEDWAY CHARI MEDICAL	100
PINE COVE PROJECT NONE	319 PUBLIC	PO BOX 9055 CHARI PUBLIC CHARITY	635
HELPING A HERO NONE		PO BOX 890786 PUBLIC CHARI PUBLIC CHARITY	1,000
AMERICAN DIABETES ASSOCIA NONE	2400 PUBLIC	AUGUSTA DR CHARI MEDICAL	50
BAPTIST CHILDRENS VILLAGE NONE	PO BOX 27	CHURCH RELIGION	205
HOUSTON PANHELLENIC FOUND NONE	BOX 342, 5868 A-1 WESTHEI	UNIVERSITY EDUCATION	3,000
<b>TOTAL</b>			<b>159,252</b>

**Taxable Interest on Investments**

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code
FREEPORT NOTE RECEIVABLE	\$ 7,656		14	
REAL ESTATE PARTNERS K-1	52		14	
NORTHERN TRUST BANK	43		14	
<b>TOTAL</b>	<b>\$ 7,751</b>			

**Taxable Dividends from Securities**

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code
NORTHERN TRUST BANK	\$ 10		14	
SALIENT TRUST	27,703		14	
UBS #52986	42,966		14	
UBS #13296	34		14	
INTERACTIVE BROKETS	13,050		14	
<b>TOTAL</b>	<b>\$ 83,763</b>			

## Tax Worksheet

(Tax Yr: 2009 Version: Client)

**Tax ID:** 760574880      **Acct#:** 771700      **Account Name:** THE SAUNDERS FOUNDATION AGENCY  
**Administrator:** MAURY OLIVER      **Accountant:**  
**State of Domicile:** Texas  
**Closed Date:**

### Schedule D

Account Number	Asset Sold	Cusip	Shares/PV	Date Acquired	How Acquired	Trade Date	Tax Yr	Time Held	Net Sales Proceeds	Cost	Real G/L	Opt Type	Crv Opt
<b><u>Short Gain</u></b>													
771700	AVALON BAY COMMUNITIES	053484101	200.0000	1/13/2009	PURCHASE	1/28/2009	2009	Short	11,420.58	10,300.38	1,120.20		
771700	AMB INDUSTRIAL	00163T109	500.0000	3/25/2009	PURCHASE	4/2/2009	2009	Short	7,704.96	6,075.00	1,629.96		
771700	VORNADO REALTY TRUST	929042109	0.3394	3/12/2009	PURCHASE	4/3/2009	2009	Short	13.67	10.89	2.78		
771700	FEDERAL REALTY	313747206	200.0000	2/25/2009	PURCHASE	4/16/2009	2009	Short	12,056.85	8,439.56	3,617.29		
771700	FEDERAL REALTY	313747206	100.0000	3/4/2009	PURCHASE	4/16/2009	2009	Short	6,028.42	4,081.34	1,947.08		
771700	U STORE IT TRUST	91274F104	2,000.0000	3/5/2009	PURCHASE	5/7/2009	2009	Short	6,523.03	2,912.80	3,610.23		
771700	SIMON PTY GROUP	828806109	0.5606	3/19/2009	PURCHASE	7/15/2009	2009	Short	28.16	19.03	9.13		
771700	HOST HOTELS & RESORTS	44107P104	1,000.0000	2/19/2009	PURCHASE	7/23/2009	2009	Short	8,651.08	4,920.00	3,731.08		
771700	VENTAS INC	92276F100	500.0000	4/8/2009	PURCHASE	7/23/2009	2009	Short	15,929.64	11,779.90	4,149.74		
771700	FEDERAL REALTY	313747206	200.0000	7/2/2009	PURCHASE	7/28/2009	2009	Short	11,062.45	10,014.26	1,048.19		
771700	FEDERAL REALTY	313747206	100.0000	7/9/2009	PURCHASE	7/28/2009	2009	Short	5,531.23	4,936.72	594.51		
771700	AVALON BAY COMMUNITIES	053484101	300.0000	2/3/2009	PURCHASE	7/30/2009	2009	Short	17,881.70	15,539.88	2,341.82		
771700	MACK-CALI REALTY CORP.	554489104	500.0000	1/21/2009	PURCHASE	8/11/2009	2009	Short	15,339.40	10,166.90	5,172.50		
771700	SIMON PTY GROUP	828806109	16.0000	3/19/2009	PURCHASE	9/15/2009	2009	Short	1,137.24	543.00	594.24		

## Tax Worksheet

(Tax Yr: 2009 Version: Client)

**Tax ID:** 760574880      **Acct#:** 771700

**Account Name:** THE SAUNDERS FOUNDATION AGENCY

**Administrator:** MAURY OLVER

**Accountant:**

**State of Domicile:** Texas

**Closed Date:**

Account Number	Asset Sold	Cusip	Shares/PV	Date Acquired	How Acquired	Trade Date	Tax Yr	Time Held	Net Sales Proceeds	Cost	Real GL	Opt Cvr Type
771700	SIMON PPTY GROUP	828806109	6,0000	6/19/2009	PURCHASE	9/15/2009	2009	Short	426.46	317.25	109.21	
771700	SIMON PPTY GROUP	828806109	28,0000	7/9/2009	PURCHASE	9/15/2009	2009	Short	1,990.17	1,340.88	649.29	
771700	BRE PROPERTIES	05564E106	1,000,0000	6/3/2009	PURCHASE	9/15/2009	2009	Short	30,007.83	24,797.60	5,210.23	
771700	TAUBMAN CENTERS	875664103	400,0000	9/16/2009	PURCHASE	9/16/2009	2009	Short	14,868.54	14,499.52	369.02	
771700	DOUGLAS EMMETT INC.	25960P109	50,0000	10/22/2008	PURCHASE	9/17/2009	2009	Short	687.80	670.25	17.55	
771700	DOUGLAS EMMETT INC.	25960P109	350,0000	12/2/2008	PURCHASE	9/17/2009	2009	Short	4,814.58	3,115.46	1,699.12	
771700	DOUGLAS EMMETT INC.	25960P109	500,0000	1/22/2009	PURCHASE	9/17/2009	2009	Short	6,877.97	5,286.90	1,591.07	
771700	DOUGLAS EMMETT INC.	25960P109	500,0000	5/13/2009	PURCHASE	9/17/2009	2009	Short	6,877.97	4,551.00	2,326.97	
771700	EQUITY RESIDENTIAL	29476L107	500,0000	11/13/2008	PURCHASE	9/17/2009	2009	Short	15,969.74	14,349.40	1,620.34	
771700	EQUITY RESIDENTIAL	29476L107	100,0000	1/22/2009	PURCHASE	9/17/2009	2009	Short	3,193.95	2,553.00	640.95	
771700	HCP, INC.	40414L109	500,0000	11/25/2008	PURCHASE	9/17/2009	2009	Short	14,812.07	9,570.10	5,241.97	
771700	HCP, INC.	40414L109	200,0000	7/9/2009	PURCHASE	9/17/2009	2009	Short	5,924.83	4,157.26	1,767.57	
771700	MACERICH	554382101	300,0000	11/6/2008	PURCHASE	9/17/2009	2009	Short	9,900.65	8,393.40	1,507.25	
771700	MACERICH	554382101	200,0000	1/22/2009	PURCHASE	9/17/2009	2009	Short	6,600.43	3,419.70	3,180.73	
771700	MACERICH	554382101	800,0000	3/19/2009	PURCHASE	9/17/2009	2009	Short	26,401.72	6,776.00	19,625.72	
771700	MACERICH	554382101	200,0000	6/11/2009	PURCHASE	9/17/2009	2009	Short	6,600.43	3,966.84	2,633.59	
771700	MACERICH	554382101	53,0000	6/22/2009	PURCHASE	9/17/2009	2009	Short	1,749.11	1,059.61	689.50	
771700	CAMDEN PROPERTY TR	133131102	200,0000	11/26/2008	PURCHASE	9/18/2009	2009	Short	8,253.41	4,891.62	3,361.79	

## Tax Worksheet

(Tax Yr: 2009 Version: Client)

**Tax ID:** 760574880      **Acct#:** 771700      **Account Name:** THE SAUNDERS FOUNDATION AGENCY

**Administrator:** MAURY OLIVER      **Accountant:**

**State of Domicile:** Texas

**Closed Dates:**

Account Number	Asset Sold	Cusip	Shares/PV	Date Acquired	How Acquired	Trade Date	Tax Yr	Time Held	Net Sales Proceeds	Cost	Real GL Type	Opt Cvr Type
771700	VORNADO REALTY TRUST	929042109	0.2444	9/14/2009	PURCHASE	9/22/2009	2009	Short	16.82	13.26	3.56	
771700	MACERICH	554382101	0.2199	9/21/2009	PURCHASE	9/24/2009	2009	Short	6.84	6.27	0.57	
771700	MACERICH	554382101	29.0000	9/21/2009	PURCHASE	9/29/2009	2009	Short	913.93	826.79	87.14	
771700	SIMON PPTY GROUP	828806109	0.2497	9/18/2009	PURCHASE	10/16/2009	2009	Short	16.82	16.60	0.22	
771700	SOVRAN SELF STORAGE INC.	84610H108	700.0000	11/12/2009	PURCHASE	12/2/2009	2009	Short	23,623.48	21,132.93	2,490.55	
771700	AVALON BAY COMMUNITIES	053484101	500.0000	10/29/2009	PURCHASE	12/21/2009	2009	Short	40,416.81	34,150.80	6,266.01	
771700	KIMCO REALTY	49446R109	200.0000	3/19/2009	PURCHASE	12/21/2009	2009	Short	2,583.75	1,728.90	854.85	
771700	VORNADO REALTY TRUST	929042109	0.0181	12/15/2009	PURCHASE	12/23/2009	2009	Short	1.29	1.24	0.05	
									<b>352,845.80</b>	<b>261,332.23</b>	<b>91,513.57</b>	
												<b>Short Loss</b>
771700	PENN REAL ESTATE INVEST TRUST	709102107	1,000.0000	10/9/2008	PURCHASE	4/2/2009	2009	Short	3,960.17	10,883.40	-6,923.22	
771700	PENN REAL ESTATE INVEST TRUST	709102107	1,000.0000	11/25/2008	PURCHASE	4/2/2009	2009	Short	3,960.18	4,882.00	-921.82	
771700	VORNADO REALTY TRUST	929042109	0.9428	6/12/2009	PURCHASE	6/17/2009	2009	Short	41.47	45.35	-3.88	
771700	MACERICH	554382101	0.4900	6/22/2009	PURCHASE	6/24/2009	2009	Short	8.18	9.80	-1.62	
771700	SIMON PPTY GROUP	828806109	0.3427	6/19/2009	PURCHASE	7/15/2009	2009	Short	17.21	18.12	-0.91	
									<b>7,987.20</b>	<b>15,838.66</b>	<b>-7,851.45</b>	
												<b>Long Gain</b>
771700	SIMON PPTY	828806109	0.5606	7/25/2002	PURCHASE	4/14/2009	2009	Long	22.80	17.60	5.20	

## Tax Worksheet

(Tax Yr: 2009 Version: Client)

**Tax ID:** 760574880      **Acct#:** 771700      **Account Name:** THE SAUNDERS FOUNDATION AGENCY  
**Administrator:** MAURY OLIVER      **Accountant:**  
**State of Domicile:** Texas  
**Closed Date:**

Account Number	Asset Sold	Cusip	Shares/PV	Date Acquired	How Acquired	Trade Date	Tax Yr	Time Held	Net Sales Proceeds	Cost	Real G/L	Opt Type	Cyr Opt
GROUP													
771700	SIMON PPTY GROUP	828806109	0.4394	7/25/2002	PURCHASE	7/15/2009	2009	Long	22.07	13.80	8.27		
771700	PUBLIC STORAGE, INC.	74460D109	400.0000	8/9/2002	PURCHASE	7/30/2009	2009	Long	29,034.25	12,864.00	16,170.25		
771700	SIMON PPTY GROUP	828806109	99.0000	7/25/2002	PURCHASE	9/15/2009	2009	Long	7,036.65	3,108.60	3,928.06		
771700	SIMON PPTY GROUP	828806109	250.0000	8/1/2002	PURCHASE	9/15/2009	2009	Long	17,769.34	8,916.70	8,852.64		
771700	SIMON PPTY GROUP	828806109	150.0000	9/25/2002	PURCHASE	9/15/2009	2009	Long	10,661.61	5,383.50	5,278.11		
771700	HCP, INC.	40414L109	500.0000	7/27/2007	PURCHASE	9/17/2009	2009	Long	14,812.07	12,977.65	1,834.42		
<b>Long Loss</b>													
771700	U STORE IT TRUST	91274F104	3,000.0000	8/22/2007	PURCHASE	5/7/2009	2009	Long	9,784.55	37,131.42	-27,346.87		
771700	HOST HOTELS & RESORTS	44107P104	499.4600	7/27/2004	PURCHASE	7/23/2009	2009	Long	4,320.86	6,554.41	-2,233.54		
771700	HOST HOTELS & RESORTS	44107P104	1,000.0000	10/14/2004	PURCHASE	7/23/2009	2009	Long	8,651.08	14,550.00	-5,898.92		
771700	HOST HOTELS & RESORTS	44107P104	306.1000	5/4/2005	FREEREC	7/23/2009	2009	Long	2,648.09	5,590.00	-2,941.91		
771700	HOST HOTELS & RESORTS	44107P104	122.4400	8/24/2005	FREEREC	7/23/2009	2009	Long	1,059.24	2,238.40	-1,179.16		
771700	MACERICH	554382101	300.0000	1/26/2005	PURCHASE	8/4/2009	2009	Long	6,299.42	16,118.75	-9,819.33		
771700	MACERICH	554382101	200.0000	3/9/2005	PURCHASE	8/4/2009	2009	Long	4,199.61	11,486.84	-7,287.23		
771700	MACERICH	554382101	100.0000	9/26/2005	PURCHASE	8/7/2009	2009	Long	2,742.14	6,271.97	-3,529.82		

## Tax Worksheet

(Tax Yr: 2009 Version: Client)

**Tax ID:** 760574880      **Acct#:** 771700      **Account Name:** THE SAUNDERS FOUNDATION AGENCY  
**Administrator:** MAURY OLIVER      **Accountant:**  
**State of Domicile:** Texas  
**Closed Date:**

Account Number	Asset Sold	Cusip	Shares/PV	Date Acquired	How Acquired	Trade Date	Tax Yr	Time Held	Net Sales Proceeds	Cost	Real GL	Opt Type	Cvr Opt
771700	MACERICH	554382101	50.0000	10/11/2005	PURCHASE	8/7/2009	2009	Long	1,371.08	3,107.26	-1,736.18		
771700	MACERICH	554382101	50.0000	6/5/2007	PURCHASE	8/7/2009	2009	Long	1,371.08	4,482.95	-3,111.87		
771700	SIMON PTY GROUP	828806109	100.0000	7/11/2007	PURCHASE	9/15/2009	2009	Long	7,107.74	9,055.44	-1,947.70		
771700	SIMON PTY GROUP	828806109	100.0000	2/29/2008	PURCHASE	9/15/2009	2009	Long	7,107.74	8,436.58	-1,328.84		
771700	HCP, INC.	40414L109	500.0000	10/3/2007	PURCHASE	9/17/2009	2009	Long	14,812.07	16,950.00	-2,137.93		
771700	DOUGLAS EMMETT INC.	25960P109	1,000.0000	4/24/2008	PURCHASE	9/17/2009	2009	Long	13,755.94	23,566.80	-9,810.86		
771700	DOUGLAS EMMETT INC.	25960P109	500.0000	5/27/2008	PURCHASE	9/17/2009	2009	Long	6,877.97	12,034.70	-5,156.73		
771700	DOUGLAS EMMETT INC.	25960P109	100.0000	7/15/2008	PURCHASE	9/17/2009	2009	Long	1,375.59	2,047.86	-672.27		
771700	CAMDEN PROPERTY TR	133131102	800.0000	6/20/2007	PURCHASE	9/18/2009	2009	Long	33,013.63	55,516.72	-22,503.09		
771700	KIMCO REALTY	49446R109	500.0000	10/7/2008	PURCHASE	12/21/2009	2009	Long	6,459.38	14,219.45	-7,760.07		
<b>Total:</b>												<b>573,771.86</b>	<b>571,263.96</b>
<b>2,507.94</b>													

### Gain/Loss Summary

Short Term Gain	91,513.57
Short Term Losses	-7,851.45
<b>Net Short Term Gain/Loss</b>	<b>83,662.12</b>
Long Term Gain	36,076.95
Long Term Gain Distribution	0.00