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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 **2009**, and ending **20**

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

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation <b>THE BRAINERD FOUNDATION</b>		A Employer identification number <b>91-1675591</b>
	Number and street (or P O box number if mail is not delivered to street address) Room/suite <b>1601 SECOND AVE, SUITE 610</b>		B Telephone number (see page 10 of the instructions) <b>( ) -</b>
	City or town, state, and ZIP code <b>SEATTLE, WA 98101-1541</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"/>
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			E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) <b>\$ 32,169,751.</b>		J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis)	
		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>	

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)				
	2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B.				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	896,430.	894,612.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	-3,413,001.			
	b Gross sales price for all assets on line 6a	6,413,573.			
	7 Capital gain net income (from Part IV, line 2)				
	8 Net short-term capital gain				
	9 Income modifications				
	10 a Gross sales less returns and allowances				
b Less Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)	8,365,024.	12,665.		ATCH 1	
12 Total. Add lines 1 through 11	5,848,453.	907,277.			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	146,000.	1,460.		141,620.
	14 Other employee salaries and wages	289,113.	20,296.		271,738.
	15 Pension plans, employee benefits	113,884.	5,694.		108,190.
	16a Legal fees (attach schedule) ATCH 2	3,269.	164.	0.	3,105.
	b Accounting fees (attach schedule) ATCH 3	28,061.	13,726.	0.	14,335.
	c Other professional fees (attach schedule) *	328,174.	129,090.		199,084.
	17 Interest ATTACHMENT 5	36,099.	36,099.		
	18 Taxes (attach schedule) (see page 14 of the instructions) *	7,869.	12,460.		597.
	19 Depreciation (attach schedule) and depletion	9,795.	485.		
	20 Occupancy	111,287.	24,726.		86,560.
	21 Travel, conferences, and meetings	80,077.	3,207.		65,158.
	22 Printing and publications	1,345.	67.		1,278.
	23 Other expenses (attach schedule) ATCH 7	238,005.	194,415.		41,535.
	24 Total operating and administrative expenses. Add lines 13 through 23	1,392,978.	441,889.	0.	933,200.
	25 Contributions, gifts, grants paid	2,507,050.			2,507,050.
26 Total expenses and disbursements. Add lines 24 and 25	3,900,028.	441,889.	0.	3,440,250.	
27 Subtract line 26 from line 12.					
a Excess of revenue over expenses and disbursements	1,948,425.				
b Net investment income (if negative, enter -0-)		465,388.			
c Adjusted net income (if negative, enter -0-)			-0-		

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Part II Balance Sheets		Attached schedule and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing . . . . .			
	2	Savings and temporary cash investments . . . . .	2,405,276.	1,805,471.	1,805,471.
	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 (attach schedule) ▶ Less: allowance for doubtful accounts ▶			
	8	Inventories for sale or use . . . . .			
	9	Prepaid expenses and deferred charges . . . . .			
	10 a	Investments - U S and state government obligations (attach schedule)			
	b	Investments - corporate stock (attach schedule)			
	c	Investments - corporate bonds (attach schedule)			
	11	Investments - land, buildings, and equipment basis ▶ Less: accumulated depreciation (attach schedule) ▶			
	12	Investments - mortgage loans . . . . .			
	13	Investments - other (attach schedule) <u>ATCH 8</u>	27,745,762.	30,307,558.	30,307,558.
	14	Land, buildings, and equipment basis ▶ Less: accumulated depreciation (attach schedule) ▶	248,509. 197,352.	59,733. 51,157.	51,157.
15	Other assets (describe ▶ <u>ATCH 9</u> )	5,565.	5,565.	5,565.	
16	<b>Total assets</b> (to be completed by all filers - see the instructions Also, see page 1, item I)	30,216,336.	32,169,751.	32,169,751.	
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 ▶ <u>ATCH 10</u> )	4,173.	9,163.	
23	<b>Total liabilities</b> (add lines 17 through 22)	4,173.	9,163.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted . . . . .	30,212,163.	32,160,588.	
	25	Temporarily restricted . . . . .			
	26	Permanently restricted . . . . .			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input type="checkbox"/>				
	27	Capital stock, trust principal, or current funds . . . . .			
	28	Paid-in or capital surplus, or land, bldg, and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
30	<b>Total net assets or fund balances</b> (see page 17 of the instructions)	30,212,163.	32,160,588.		
31	<b>Total liabilities and net assets/fund balances</b> (see page 17 of the instructions)	30,216,336.	32,169,751.		

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	30,212,163.
2	Enter amount from Part I, line 27a	2	1,948,425.
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	32,160,588.
5	Decreases not included in line 2 (itemize) ▶	5	
6	<b>Total net assets or fund balances at end of year</b> (line 4 minus line 5) - Part II, column (b), line 30	6	32,160,588.

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

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs. MLC Co)				(b) How acquired P-Purchase D-Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a SEE PART IV SCHEDULE						
b						
c						
d						
e						
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)			
a						
b						
c						
d						
e						
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))			
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any				
a						
b						
c						
d						
e						
2 Capital gain net income or (net capital loss) . . . . .			2	-3,413,001.		
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8. . . . .						

**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	4,060,925.	39,301,774.	0.103327
2007	3,401,750.	45,249,059.	0.075178
2006	2,763,311.	43,545,231.	0.063458
2005	2,711,483.	41,339,987.	0.065590
2004	2,943,379.	39,428,028.	0.074652
2 Total of line 1, column (d) . . . . .			2 0.382205
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 0.076441
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5 . . . . .			4 30,164,050.
5 Multiply line 4 by line 3 . . . . .			5 2,305,770.
6 Enter 1% of net investment income (1% of Part I, line 27b) . . . . .			6 4,654.
7 Add lines 5 and 6 . . . . .			7 2,310,424.
8 Enter qualifying distributions from Part XII, line 4 . . . . . 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			8 3,441,408.

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

Table with 11 rows and 2 columns. Rows include: 1a Exempt operating foundations, 2 Tax under section 511, 3 Add lines 1 and 2, 4 Subtitle A (income) tax, 5 Tax based on investment income, 6 Credits/Payments (6a-6d), 7 Total credits and payments, 8 Enter any penalty, 9 Tax due, 10 Overpayment, 11 Enter the amount of line 10 to be credited to 2010 estimated tax.

Part VII-A Statements Regarding Activities

Table with 10 rows and 3 columns (Yes/No). Rows include: 1a During the tax year, did the foundation attempt to influence any national, state, or local legislation... 1b Did it spend more than \$100 during the year... 1c Did the foundation file Form 1120-POL for this year? 2 Has the foundation engaged in any activities that have not previously been reported to the IRS? 3 Has the foundation made any changes, not previously reported to the IRS... 4a Did the foundation have unrelated business gross income of \$1,000 or more during the year? 4b If "Yes," has it filed a tax return on Form 990-T for this year? 5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? 6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either... 7 Did the foundation have at least \$5,000 in assets at any time during the year? 8a Enter the states to which the foundation reports or with which it is registered... 8b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General... 9 Is the foundation claiming status as a private operating foundation... 10 Did any persons become substantial contributors during the tax year?

Form 990-PF (2009)

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) . . . . .			X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008? . . . . .			X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? . . . . .		X	
Website address <input type="checkbox"/> WWW.BRAINERD.ORG				
14 The books are in care of <input type="checkbox"/> CRYSTAL ANDERSON Telephone no <input type="checkbox"/> 206-448-0676				
Located at <input type="checkbox"/> 1601 SECOND AVENUE, SEATTLE, WA ZIP + 4 <input type="checkbox"/> 98101				
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here . . . . . N/A <input type="checkbox"/>				
and enter the amount of tax-exempt interest received or accrued during the year . . . . . <input type="checkbox"/> 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)		
(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 checked="" type="checkbox"/> Yes <input 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)? <input type="checkbox"/> Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1b	X
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? . . . . .	1c	X
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 <input type="checkbox"/>		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see page 20 of the instructions) . . . . .	2b	N/A
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here <input type="checkbox"/>		
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.) . . . . .	3b	N/A
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? . . . . .	4a	X
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? . . . . .	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

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?  Yes  No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?  Yes  No

(3) Provide a grant to an individual for travel, study, or other similar purposes?  Yes  No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions)  Yes  No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?  Yes  No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)?  Yes  No **5b N/A**

Organizations relying on a current notice regarding disaster assistance check here

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax **N/A** because it maintained expenditure responsibility for the grant?  Yes  No

If "Yes," attach the statement required by Regulations section 53.4945-5(d)

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?  Yes  No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  Yes  No **6b X**

If "Yes" to 6b, file Form 8870

\*\* 7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?  Yes  No

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?  Yes  No **7b N/A**

**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
ATTACHMENT 11		146,000.	14,600.	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
JAMES OWENS 1601 2ND AVE, STE 610, SEATTLE	PROGRAM OFFICER 37.50	103,185.	10,318.	0.
CRYSTAL ANDERSON 1601 2ND AVE, STE 610, SEATTLE	CONTROLLER 28.40	90,344.	9,034.	0.

Total number of other employees paid over \$50,000  Yes  No **NONE**

**\*\* SEE FORMS 8886 ATTACHED. THE FOUNDATION HAS AN INVESTMENT IN DORCHESTER CAPITAL PARTNERS, L.P. WHICH HAS MADE VARIOUS PROTECTIVE DISCLOSURES RELATING TO ITS INVESTMENTS.**

**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
ATTACHMENT 12		200,166.

Total number of others receiving over \$50,000 for professional services . . . . . NONE

**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 23 of the instructions)**

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 NONE	
2	
All other program-related investments See page 24 of the instructions	
3 NONE	
<b>Total.</b> Add lines 1 through 3 . . . . .	

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

<b>1</b>	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
<b>a</b>	Average monthly fair market value of securities	<b>1a</b>	28,380,363.
<b>b</b>	Average of monthly cash balances	<b>1b</b>	2,235,568.
<b>c</b>	Fair market value of all other assets (see page 24 of the instructions)	<b>1c</b>	7,470.
<b>d</b>	<b>Total</b> (add lines 1a, b, and c)	<b>1d</b>	30,623,401.
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	<b>1e</b>	
<b>2</b>	Acquisition indebtedness applicable to line 1 assets	<b>2</b>	0.
<b>3</b>	Subtract line 2 from line 1d	<b>3</b>	30,623,401.
<b>4</b>	Cash deemed held for charitable activities Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	<b>4</b>	459,351.
<b>5</b>	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3 Enter here and on Part V, line 4	<b>5</b>	30,164,050.
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5	<b>6</b>	1,508,203.

**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)

<b>1</b>	Minimum investment return from Part X, line 6	<b>1</b>	1,508,203.
<b>2a</b>	Tax on investment income for 2009 from Part VI, line 5	<b>2a</b>	4,654.
<b>b</b>	Income tax for 2009 (This does not include the tax from Part VI)	<b>2b</b>	
<b>c</b>	Add lines 2a and 2b	<b>2c</b>	4,654.
<b>3</b>	Distributable amount before adjustments Subtract line 2c from line 1	<b>3</b>	1,503,549.
<b>4</b>	Recoveries of amounts treated as qualifying distributions	<b>4</b>	4,133.
<b>5</b>	Add lines 3 and 4	<b>5</b>	1,507,682.
<b>6</b>	Deduction from distributable amount (see page 25 of the instructions)	<b>6</b>	
<b>7</b>	<b>Distributable amount as adjusted</b> Subtract line 6 from line 5 Enter here and on Part XIII, line 1	<b>7</b>	1,507,682.

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

<b>1</b>	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes		
<b>a</b>	Expenses, contributions, gifts, etc - total from Part I, column (d), line 26	<b>1a</b>	3,440,250.
<b>b</b>	Program-related investments - total from Part IX-B	<b>1b</b>	0.
<b>2</b>	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	<b>2</b>	1,158.
<b>3</b>	Amounts set aside for specific charitable projects that satisfy the		
<b>a</b>	Suitability test (prior IRS approval required)	<b>3a</b>	0.
<b>b</b>	Cash distribution test (attach the required schedule)	<b>3b</b>	0.
<b>4</b>	<b>Qualifying distributions.</b> Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	<b>4</b>	3,441,408.
<b>5</b>	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)	<b>5</b>	4,654.
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	<b>6</b>	3,436,754.

**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 . . . . .				1,507,682.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only . . . . .				
b Total for prior years 20 07, 20 06, 20 05 . . . . .				
3 Excess distributions carryover, if any, to 2009				
a From 2004 . . . . .	1,017,558.			
b From 2005 . . . . .	761,321.			
c From 2006 . . . . .	741,375.			
d From 2007 . . . . .	1,214,249.			
e From 2008 . . . . .	2,071,762.			
f Total of lines 3a through e . . . . .	5,806,265.			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 3,441,408.				
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) . . . . .	3,441,408.			
d Applied to 2009 distributable amount . . . . .	0.			
e Remaining amount distributed out of corpus . . . . .	1,507,682.			1,507,682.
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 . . . . .	7,739,991.			
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. . . . .				
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 . . . . .	7,739,991.			
10 Analysis of line 9				
a Excess from 2005 . . . . .	271,197.			
b Excess from 2006 . . . . .	741,375.			
c Excess from 2007 . . . . .	1,214,249.			
d Excess from 2008 . . . . .	2,071,762.			
e Excess from 2009 . . . . .	3,441,408.			

Part XIV Private Operating Foundations (see page 27 of the instructions and Part III-A, question 9) NOT APPLICABLE

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, enter the date of the ruling

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

Table with 5 columns: (a) 2009, (b) 2008, (c) 2007, (d) 2006, (e) Total. Rows include 2a-e (Qualifying distributions) and 3a-c (Alternative tests).

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year - see page 28 of the instructions.)

1 Information Regarding Foundation Managers:

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

PAUL BRAINERD

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

NONE

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

Check here [ ] if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds

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

ATTACHMENT 13

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

SEE THE WEBSITE WWW.BRAINERD.ORG FOR THE APPLICATION

c Any submission deadlines

APPLICATIONS ARE ACCEPTED THROUGHOUT THE YEAR

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

ATTACHMENT 14

**Part XV Supplementary Information (continued)**

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a <i>Paid during the year</i>  ATTACHMENT 15				
<b>Total.</b> . . . . . ▶ <b>3a</b>				2,507,050.
b <i>Approved for future payment</i>  ATTACHMENT 16				
<b>Total.</b> . . . . . ▶ <b>3b</b>				213,000.





FORM 990-PF - PART IV

CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
		PASS-THROUGH FROM TAXABLE FIXED INCOME M PROPERTY TYPE: SECURITIES 71,714.				P	VAR -71,714.	VAR
2,183,163.		PUBLICLY TRADED SECURITIES - SOUND SHORE PROPERTY TYPE: SECURITIES 2,505,416.				P	VAR -322,253.	VAR
498,365.		PUBLICLY TRADED SECURITIES - REAL ESTATE PROPERTY TYPE: SECURITIES 621,015.				P	VAR -122,650.	VAR
1,007.		GS #80706 - REAL ESTATE LTCG DISTRIBUTIO PROPERTY TYPE: SECURITIES				P	VAR 1,007.	VAR
278,870.		PUBLICLY TRADED SECURITIES - SNOW CAPITA PROPERTY TYPE: SECURITIES 365,831.				P	VAR -86,961.	VAR
2,302,256.		PUBLICLY TRADED SECURITIES - GARDNER LEW PROPERTY TYPE: SECURITIES 2,975,912.				P	VAR -673,656.	VAR
		PASS-THROUGH FROM SPRUCEGROVE NON-US EQU PROPERTY TYPE: SECURITIES 400,048.				P	VAR -400,048.	VAR
498,142.		PUBLICLY TRADED SECURITIES - ALETHEIA PROPERTY TYPE: SECURITIES 644,529.				P	VAR -146,387.	VAR
50,021.		PUBLICLY TRADED SECURITIES - ETF BROKERA PROPERTY TYPE: SECURITIES 57,682.				P	VAR -7,661.	VAR
248,087.		PUBLICLY TRADED SECURITIES - MUTUAL FUND PROPERTY TYPE: SECURITIES 594,343.				P	VAR -346,256.	VAR
		PASS-THROUGH FROM DORCHESTER CAPITAL PAR PROPERTY TYPE: SECURITIES 175,809.				P	VAR -175,809.	
		PASS-THROUGH FROM BOSTON TRUST PROPERTY TYPE: SECURITIES 254,761.				P	VAR -254,761.	VAR

FORM 990-PF - PART IV

CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				P or D	Date acquired	Date sold	
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)		
300,000.		39,654				P	VAR	VAR	
							-171,849.		
3,435.						P	VAR	VAR	
							3,435.		
8,051.						P	VAR	VAR	
							8,051.		
28,694.						P	VAR	VAR	
							-33,068.		
12,847.						P	VAR	VAR	
							28,694.		
						P	VAR	VAR	
							12,847.		
						P	VAR	VAR	
							-304,322.		
364.						P	VAR	VAR	
							364.		
						P	VAR	VAR	
							-350,012.		
271.						P	VAR	VAR	
							8.		
TOTAL GAIN (LOSS) .....								<u>-3413001.</u>	

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FORM 8886, PAGE 2 DETAIL

LINE 7B - EXPECTED TAX BENEFITS

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ADJUSTED TAX BASIS ON NON-US DOLLAR DENOMINATED CURRENCIES OBTAINED BY THE FUND ARE DETERMINED BY WAY OF CASH PAID AND GAINS AND LOSSES ON SUCH CURRENCY TRANSACTIONS ARE CHARACTERIZED AS ORDINARY UNDER INTERNAL REVENUE CODE SECTION 988. THE FUND IS A PARTNERSHIP WITH LIMITED PARTNERS. THE REGULAR ACTIVITY AND PURPOSE OF THE FUND IS TO GENERATE A PRE-TAX ECONOMIC RATE OF RETURN. THE FUND GENERATES INCOME AND LOSS FROM ITS REGULAR ACTIVITIES AND PROVIDES RELEVANT INFORMATION

CONTINUATION ON EXPECTED TAX BENEFIT EXPLANATION

EXPECTED TAX BENEFITS EXPLANATION

-----

TO EACH PARTNER FOR PURPOSES OF FILING THEIR RESPECTIVE TAX RETURN. A PARTNER'S SHARE OF ANY LOSS IS INCLUDED IN THEIR SCHEDULE K-1 AND IS AVAILABLE TO BE CLAIMED ON A PARTNER'S TAX RETURN FOR 2009. IT IS NOT ANTICIPATED THAT THESE TRANSACTIONS WILL RESULT IN TAX BENEFITS IN ANY PRIOR OR FUTURE RETURNS. THE PARTNER'S SHARE OF LOSSES IDENTIFIED AS POTENTIALLY BEING REPORTABLE ARE:

GREAT BRITAIN POUND-129,212  
GREAT BRITAIN POUND-89,991  
GREAT BRITAIN POUND-50,942  
SOUTH AFRICAN RAND-66,726

NOTE: TO DETERMINE YOUR SHARE OF THE EACH ITEM LISTED ABOVE MULTIPLY THE AMOUNTS BY THE ENDING PROFIT AND LOSS PERCENTAGE NOTED IN SECTION J OF THE K-1.

PLEASE CONSULT YOUR TAX ADVISER PLEASE CONSULT YOUR TAX ADVISER

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FORM 8886, PAGE 2 DETAIL

LINE 7B - EXPECTED TAX BENEFITS

-----

RELEVANT REPORTABLE LOSS THRESHOLD. THE FUND IS REPORTING THE FOLLOWING LOSSES CLAIMED UNDER IRC SECTION 165 AS THEY DO NOT MEET ANY OF THE SPECIFIED EXCEPTIONS PROVIDED IN REV. PRO 2004-66. THE INVESTMENT IN DUNE CAPITAL LLC WAS DISPOSED OF IN 2009. THE LOSS ALLOCATED TO THE TAXPAYER IN 2009 IS: \$ (2,842,805). TO DETERMINE YOUR APPLICABLE SHARE OF THE LOSS ABOVE, MULTIPLY THE LOSS ABOVE BY THE ENDING PROFIT AND LOSS PERCENTAGE.

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FORM 8886, PAGE 2 DETAIL

LINE 7B - EXPECTED TAX BENEFITS

-----

STATEMENT(S). YOUR ALLOCATED SHARES OF THE GROSS LOSSES FROM SECTION 988 TRANSACTIONS ARE AS FOLLOW:  
NOTE: TO DETERMINE YOUR SHARE OF THE LOSSES BELOW MULTIPLY YOUR ENDING PROFIT AND LOSS PERCENTAGE BY THE LOSS BELOW. PLEASE CONSULT YOUR TAX ADVISOR.

TRANSACTION 1:  
CURRENCY: AED FWD  
OPEN DATE: 5/02/2008  
CLOSE DATE: 5/6/2009  
LOSS AMOUNT: \$80,240

TRANSACTION 2:  
CURRENCY: BRITISH POUND  
OPEN DATE: 2/12/2009  
CLOSE DATE: 6/16/2009  
LOSS AMOUNT 75,190

TRANSACTION 3:  
CURRENCY: AED

CONTINUATION ON EXPECTEDTAXBENEFITSEXPLANATION

EXPECTED TAX BENEFITS EXPLANATION

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OPEN DATE: 5/2/2008  
CLOSE DATE: 5/6/2009  
LOSS AMOUNT: 68,055

TRANSACTION 4:  
CURRENCY BRITISH POUND  
OPEN DATE: 4/2/2009  
CLOSE DATE: 8/24/2009  
LOSS AMOUNT 58,052

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FORM 8886, PAGE 2 DETAIL

LINE 7B - EXPECTED TAX BENEFITS

-----  
STATEMENT(S). YOUR ALLOCATED SHARES OF THE GROSS LOSSES FROM  
SECTION 988 TRANSACTIONS ARE AS FOLLOW:  
NOTE: TO DETERMINE YOUR SHARE OF THE LOSSES BELOW MULTIPLY YOUR ENDING  
PROFIT AND LOSS PERCENTAGE BY THE LOSS BELOW. PLEASE CONSULT YOUR TAX  
ADVISOR.

TRANSACTION 1:  
CURRENCY: AED FWD  
OPEN DATE: 4/17/2008  
CLOSE DATE: 4/21/2009  
LOSS AMOUNT: \$132,932

TRANSACTION 2:  
CURRENCY: HKD FWD  
OPEN DATE: 5/23/2008  
CLOSE DATE: 5/21/2009  
LOSS AMOUNT 86,984

TRANSACTION 3:

CONTINUATION ON EXPECTEDTAXBENEFITSEXPLANATION

EXPECTED TAX BENEFITS EXPLANATION

-----  
CURRENCY: HKD FWD  
OPEN DATE: 5/23/2008  
CLOSE DATE: 5/21/2009  
LOSS AMOUNT: 85,261

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FORM 8886, PAGE 2 DETAIL

LINE 7B - EXPECTED TAX BENEFITS

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THE REALIZED LOSS ON IRC SECTION 988 TRANSACTIONS IS IN CONNECTION WITH THE FUND'S REGULAR TRADING ACTIVITIES AND THEREFORE, NOT CARRIED OUT AS PART OF ANY PLAN TO ACHIEVE TAX BENEFITS. AS A RESULT THERE ARE NOT ANY EXPECTED TAX BENEFITS. THE REALIZED LOSS ON IRC SECTION 165 TRANSACTIONS IS DERIVED FROM THE FUND'S REGULAR TRADING ACTIVITIES AND, THEREFORE, NOT INTENDED AS PART OF ANY PLAN ACHIEVE TAX BENEFITS. THE PARTNER'S SHARE OF THE SECTION 988 LOSS REFERRED ABOVE IS NETTED WITH THE OVERALL SECTION 988 GAIN OR LOSS REPORTED ON 2009 SCHEDULE K-1 WHICH IS AVAILABLE TO BE CLAIMED ON 2009 TAX

CONTINUATION ON EXPECTED TAX BENEFIT EXPLANATION

EXPECTED TAX BENEFITS EXPLANATION

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RETURNS. IT IS NOT EXPECTED THAT THESE SECTION 988 TRANSACTIONS WILL GENERATE ANY PRIOR OR FUTURE TAX BENEFITS.

DORCHESTER CAPITAL PARTNERS, L. P.  
GMAC THAILAND - WORTHLESS STOCK

95-4887637

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FORM 8886, PAGE 2 DETAIL

LINE 7B - EXPECTED TAX BENEFITS

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DISTRIBUTIONS RECEIVED.

STATEMENT 6

060402

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FORM 8886, PAGE 2 DETAIL

LINE 7B - EXPECTED TAX BENEFITS

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CONVERSION OF AN OUTSTANDING RECEIVABLE TO COMMON STOCK OF PENDA CORPORATION. BASIS IN THE INVESTMENT WAS CALCULATED AS INITIAL INVESTMENT, PLUS ADDITIONAL PAID-IN CAPITAL LESS DIVIDENDS RECEIVED.

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FORM 8886, PAGE 2 DETAIL

LINE 7B - EXPECTED TAX BENEFITS

-----

INVESTMENT WAS CALCULATED AS INITIAL INVESTMENT, PLUS ADDITIONAL  
PAID-IN CAPITAL, LESS DIVIDENDS RECEIVED.

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FORM 8886, PAGE 2 DETAIL

LINE 7B - EXPECTED TAX BENEFITS

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ECONOMIC RATE OF RETURN. THE AMOUNT OF SUCH NON-U.S. DOLLAR DENOMINATED CURRENCIES INCREASES AND/OR DECREASES THROUGHOUT THE YEAR AT FREQUENT INTERVALS. IT IS THEREFORE, IMPRACTICABLE TO MEASURE EACH INCREASE OR DECREASE IN THE FOREIGN CURRENCY AMOUNT. THE ADJUSTED TAX BASIS OF NON-U.S. DOLLAR DENOMINATED CURRENCIES OBTAINED BY THE FUND IS DETERMINED BY WAY OF CASH PAID AND GAINS AND LOSSES ON SUCH CURRENCY TRANSACTIONS ARE CHARACTERIZED AS ORDINARY UNDER INTERNAL

CONTINUATION ON EXPECTED TAX BENEFIT EXPLANATION

EXPECTED TAX BENEFITS EXPLANATION

-----

REVENUE CODE ("IRC") 988. THE ADJUSTED TAX BASIS OF NON-U.S. DOLLAR DENOMINATED BONDS AND CURRENCIES OBTAINED BY THE FUND IS DETERMINED BY WAY OF CASH PAID AND GAINS AND LOSSES ON SUCH FOREIGN CURRENCY COMPONENTS OF THE BONDS ARE CHARACTERIZED AS ORDINARY UNDER INTERNAL REVENUE CODE ("IRC") 988. DUE TO THE NATURE AND VOLUME OF ACTIVITY, IT IS NOT PRACTICAL TO ASCERTAIN WHETHER THE RELEVANT REPORTABLE LOSS THRESHOLDS ARE EXCEEDED FOR A GIVEN TRANSACTION OR DETERMINE WITH CERTAINTY WHETHER A GIVEN TRANSACTION HAS MET ANY OF THE SPECIFIED EXEMPTIONS PROVIDED IN REVENUE PROCEDURE 2004-66, AND AS SUCH FUND IS REPORTING THE SET TRANSACTIONS ON A PROTECTIVE BASIS. GAINS AND LOSSES, RECOGNIZED THIS YEAR MAY BE THE RESULT OF ACQUISITIONS OCCURRING IN THIS OR PRIOR YEARS(S). TAXPAYER IS A FUND WITH LIMITED PARTNERS. THE REGULAR ACTIVITY AND PURPOSE OF THE FUND IS TO GENERATE A PRE-TAX ECONOMIC RATE OF RETURN. FUND GENERATES INCOME AND LOSS FROM ITS REGULAR ACTIVITY AND PROVIDES RELEVANT INFORMATION TO EACH PARTNER FOR PURPOSES OF FILING THEIR RESPECTIVE TAX RETURN. A PARTNER'S SHARE OF ANY LOSS REFERRED TO IN THE ABOVE PARAGRAPHS IS AVAILABLE TO BE CLAIMED ON A PARTNER'S TAX RETURN FOR 2009.

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FORM 8886, PAGE 2 DETAIL

LINE 7B - EXPECTED TAX BENEFITS

-----  
DISTRIBUTIONS RECEIVED.

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FORM 8886, PAGE 2 DETAIL

LINE 7B - EXPECTED TAX BENEFITS

-----

CONVERSION OF AN OUTSTANDING RECEIVABLE TO COMMON STOCK OF PENDA CORPORATION. BASIS IN THE INVESTMENT WAS CALCULATED AS INITIAL INVESTMENT, PLUS ADDITIONAL PAID-IN CAPITAL LESS DIVIDENDS RECEIVED.

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FORM 8886, PAGE 2 DETAIL

LINE 7B - EXPECTED TAX BENEFITS

-----

INVESTMENT WAS CALCULATED AS INITIAL INVESTMENT, PLUS ADDITIONAL  
PAID-IN CAPITAL, LESS DIVIDENDS RECEIVED.

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FORM 8886, PAGE 2 DETAIL

LINE 7B - EXPECTED TAX BENEFITS

-----

TRADES INCLUDING THOSE FALLING UNDER IRC SECTION 988 HAVE BEEN ENTERED INTO FOR PROFIT. PARTNERS IN THE FUND MAY BE REQUIRED TO REPORT THERE IRC SECTION 988 LOSSES ON FORM 8886, REPORTABLE TRANSACTION DISCLOSURE STATEMENT. PLEASE CONSULT YOUR TAX ADVISER

NOTE: TO DETERMINE YOUR SHARE OF THE EACH ITEM LISTED BELOW MULTIPLY THE AMOUNTS BY THE ENDING PROFIT AND LOSS PERCENTAGE NOTED IN SECTION J OF THE K-1.

LOT 1: (74,064)

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FORM 8886, PAGE 2 DETAIL

LINE 7B - EXPECTED TAX BENEFITS

-----

BENEFITS. AN INVESTOR'S SHARE OF ANY LOSS IS AVAILABLE TO BE CLAIMED  
ON AN INVESTOR'S TAX RETURN FOR 2009.

DORCHESTER CAPITAL PARTNERS, L. P.'S SHARE OF FOREIGN CURRENCY  
CONTRACT LOSS AS DESCRIBED IN 1A IS: \$362,343.

NOTE: TO DETERMINE YOUR SHARE OF THE EACH ITEM LISTED BELOW MULTIPLY  
THE AMOUNTS BY THE ENDING PROFIT AND LOSS PERCENTAGE NOTED IN SECTION  
J OF THE K-1.

PLEASE CONSULT YOUR TAX ADVISER  
PLEASE CONSULT YOUR TAX ADVISER

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FORM 8886, PAGE 2 DETAIL

LINE 7B - EXPECTED TAX BENEFITS

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ENGAGES IN TRANSACTIONS THAT RESULT IN I. R. C. SECTION 988 ORDINARY GAINS AND/OR LOSSES. LOSSES REPORTED HEREIN AS WELL AS GAINS HAVE RESULTED FROM THE REGULAR ACTIVITIES OF THE FUND.  
EXPECTED TAX BENEFITS: TAXPAYER'S DISTRIBUTIVE SHARE OF CERTAIN LOSSES CLAIMED BY THE FUND UNDER I. R. C. SECTION 165 MAY EXCEED THE RELEVANT \$50,000 REPORTABLE LOSS THRESHOLD AND BE TREATED AS ORDINARY PURSUANT TO I. R. C. SECTION 988. THE FUND, AND ACCORDINGLY THE TAX

CONTINUATION ON EXPECTED TAX BENEFIT EXPLANATION

EXPECTED TAX BENEFITS EXPLANATION

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PAYER CANNOT DETERMINE WITH CERTAINTY WHETHER ALL SUCH LOSSES CLAIMED UNDER I. R. C. SECTION 165 HAVE MET ANY OF THE EXPECTATIONS PROVIDED IN REVENUE PROCEDURE 2003-24. AS SUCH TAXPAYER IS REPORTING THESE TRANSACTIONS TO THE INTERNAL REVENUE SERVICE ON A PROTECTIVE BASIS. IN GENERAL, THE ADJUSTED TAX BASIS OF ASSETS OBTAINED BY THE FUND ARE DETERMINED BY WAY OF CASH PAID AND MAY HAVE BEEN ADJUSTED BY ONE OR MORE STATUTORY PROVISIONS OF THE I. R. C. AS FOLLOWS: WASH SALES ADJUSTMENTS (SECTION 1091), CONSTRUCTIVE SALES (SECTION 1272), STRADDLE LOSS DEFERRALS (SECTION 1092), OR BY OTHER STATUTORY PROVISIONS OF THE I. R. C. NO TAX BENEFIT HAS BEEN REPORTED AS THE RESULT OF STATUTORY PROVISIONS THAT HAVE EITHER ACCELERATED INCOME OR DEFERRED GAINS. THE FUND IS A PARTNERSHIP WITH LIMITED PARTNERS. THE REGULAR ACTIVITY AND PURPOSE OF THE FUND IS TO GENERATE A PRE-TAX ECONOMIC RATE OF RETURN. THE FUND GENERATES INCOME AND LOSS FROM ITS REGULAR ACTIVITY AND PROVIDES RELEVANT INFORMATION TO EACH PARTNER FOR PURPOSES OF FILING THEIR RESPECTIVE TAX RETURN. A PARTNER'S SHARE OF ANY LOSS FROM THE FUND IS AVAILABLE TO BE CLAIMED ON A PARTNER'S TAX RETURN FOR 2009. IT IS NOT ANTICIPATED THAT THESE TRANSACTIONS WILL RESULT IN TAX BENEFITS IN ANY PRIOR OR FUTURE YEARS. PLEASE CONSULT YOUR TAX ADVISER.

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FORM 8886, PAGE 2 DETAIL

LINE 7B - EXPECTED TAX BENEFITS

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ENTERED INTO MANY OF THE SWAPS DISCUSSED BELOW AS PART OF THIS REGULAR ACTIVITY AND PURSUANT TO THIS SAME PURPOSE. THE TRANSACTION, TO WHICH FUND IS A PARTY, IS A TOTAL RETURN AND/OR CREDIT DEFAULT SWAP THAT IS EXPECTED TO REQUIRE A SERIES OF PAYMENTS FROM PARTY B TO PARTY A AT THE MATURITY OR EARLY TERMINATION OF THE CONTRACT. IT IS POSSIBLE THAT THE FUND COULD BE PARTY A IN CERTAIN TRANSACTIONS AND PARTY B IN OTHER DISTINC TRANSACTIONS. THE BACK-END PAYMENTS IS NOT

CONTINUATION ON EXPECTEDTAXBENEFITSEXPLANATION

EXPECTED TAX BENEFITS EXPLANATION

-----

DESCRIBED IN THE TRANSACTION DOCUMENTS AS THE SUM OF TWO AMOUNTS. FUND DOES NOT BELIEVE THAT THE SWAPS THEY ENGAGE IN ARE SUBSTANTIALLY SIMILAR TO THE CONTIGENT DEFERRED SWAP NOTICE 2002-35. HOWEVER DUE TO THE LACK OF CERTAINTY, THE FUND IS DISCLOSING THESE TRANSACTIONS ON A PROTECTIVE BASIS. FUND WILL ACCOUNT FOR THE SWAP(S) UNDER REG. SECTION 1.446-3 IT IS EXPECTED THAT PARTY A WILL RECOGNIZE SWAP EXPENSE DURING THE TERM OD THE SWAP(S) AND MAY RECOGNIZE SWAP INCOME, BUT ONLY AT THE MATURITY OR OTHER TERMINATION OF THE SWAP(S). TAXPAYER IS A FUND WITH LIMITED PARTNERS. THE REGULAR ACTIVITY AND PURPOSE OF THE FUNDS IS TO GENERATE A PRE-TAX ECONOMIC RATE OR RETURN. FUND GENERATES INCOME AND LOSS FROM ITS REGULAR ACTIVITY AND PROVIDES RELEVANT INFORMATION TO EACH PARTNER FOR PURPOSES OF FILING THIER RESPECTIVE TAX RETURN. A PARTNERS SHARE OF ANY INCOME OR LOSS FROM THE FUND IS AVAILABLE TO BE CLAIMED ON A PARTNERS TAX RETURN FOR 2009.

FORM 8886, PAGE 2 DETAIL

LINE 7B - EXPECTED TAX BENEFITS

BUILT-IN LOSS EXCEEDING \$250,000. AS A RESULT, THE PARTNERSHIP WAS REQUIRED TO ADJUST THE BASIS OF PARTNERSHIP PROPERTY UNDER SECTION 743(B) AND (D). THE PARTNERSHIPS ASSETS CONSIST OF THOUSANDS OF ASSETS, SUBSTANTIALLY ALL OF WHICH ARE CAPITAL GAIN ASSETS. THE PARTNERSHIP QUALIFIES TO USE AND USES THE FULL NETTING METHOD TO ACCOUNT FOR REVERSE SECTION 704(C) ALLOCATIONS WITH RESPECT TO QUALIFIED FINANCIAL ASSETS UNDER TREAS. REG SECTION 1.704-3(E). THE

CONTINUATION ON EXPECTED TAX BENEFIT EXPLANATION

EXPECTED TAX BENEFITS EXPLANATION

PARTNERSHIP FILED A FORM 8275-R WITH ITS 2009 RETURN EXPLAINING THAT INSTEAD OF ALLOCATING THE NEGATIVE SECTION 743(B) BASIS ADJUSTMENTS TO INDIVIDUAL PARTNERSHIP ASSETS, THE PARTNERSHIP CREATED A NEGATIVE VALUE NOTIONAL CAPITAL ASSET AFTER EACH TRANSFER DESCRIBED ABOVE. THE AMOUNT OF THE NEGATIVE VALUE NOTIONAL CAPITAL ASSETS EQUALED THE AMOUNT OF THE NEGATIVE SECTION 743(B) ADJUSTMENT RESULTING FROM EACH TRANSFER. THE ADJUSTMENTS WERE RECOVERED IN 2009 AS SHORT TERM CAPITAL GAIN. IF THE NEGATIVE SECTION 743(B) ADJUSTMENTS HAD BEEN ALLOCATED TO INDIVIDUAL PARTNERSHIP'S ASSETS THEY WOULD HAVE ATTACHED TO CAPITAL GAIN PROPERTY, BECAUSE SUBSTANTIALLY ALL OF THE PARTNERSHIP'S ASSETS ARE CAPITAL GAIN PROPERTY. THE CORRESPONDING REDUCTION IN THE BASIS OF EACH ASSET GENERALLY WOULD HAVE INCREASED THE PARTNERSHIP'S CAPITAL GAIN OR REDUCED THE PARTNERSHIP'S CAPITAL LOSSES WHEN THESE ASSETS EVENTUALLY WERE SOLD. UNDER REV. PROC. 2004-66, LOSSES FROM SALE OR EXCHANGE OF AN ASSETS WITH A "QUALIFYING BASIS" ARE NOT TAKEN INTO ACCOUNT IN DETERMINING WHETHER A TRANSACTION IS A REPORTABLE TRANSACTION FOR PURPOSES OF SECTION 1.6011-4(B)(5) OF THE REGULATIONS. A TAXPAYER'S BASIS IN AN ASSET IS "QUALIFYING BASIS" IF THE BASIS OF THE ASSET IS EQUAL TO, AND IS DETERMINED SOLELY BY REFERENCE TO THE AMOUNT PAID IN CASH BY THE TAXPAYER FOR THE ASSET. IF THE NEGATIVE SECTION 743(B) ADJUSTMENTS DESCRIBED ABOVE HAD BEEN ALLOCATED TO INDIVIDUAL PARTNERSHIP ASSETS, THE ASSETS ARGUABLY NO LONGER WOULD HAVE HAD QUALIFYING BASES AND ANY LOSS RESULTING FROM THE SALE OF THOSE ASSETS IN EXCESS OF THE APPLICABLE THRESHOLDS ARGUABLY WOULD HAVE RESULTED IN A REPORTABLE TRANSACTION. IN 2009, AFTER ONE OR MORE OF THE TRANSFERS OF INTERESTS IN THE PARTNERSHIP GIVING RISE TO THE NEGATIVE SECTION 743(B) ADJUSTMENT DESCRIBED ABOVE, THE PARTNERSHIP RECOGNIZED A CAPITAL LOSS IN EXCESS OF \$2 MILLION FROM SALE OR EXCHANGE OF THE FOLLOWING INDIVIDUAL ASSETS:

- (ASSET) HKC (HOLDINGS) LIMITED LTD. - (LOSS) \$5,365,372.
  - (ASSET) YANZHOU COAL MINING CMN CLASS H - (LOSS) \$2,450,478
- ALTHOUGH THE PARTNERSHIP DID NOT ADJUST THE BASIS OF THESE PARTNERSHIP ASSETS TO REFLECT THE NEGATIVE SECTION 743(B) ADJUSTMENTS DESCRIBED ABOVE, THE PARTNERSHIP IS TREATING ANY LOSSES FROM THE ASSETS IN EXCESS OF THE APPLICABLE THRESHOLDS AS REPORTABLE

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FORM 8886, PAGE 2 DETAIL

LINE 7B - EXPECTED TAX BENEFITS (CONT'D)

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TRANSACTIONS SOLELY FOR PURPOSES OF MAKING THIS DISCLOSURE BECUASE IF A PORTION OF THE SECTION 743(B) ADJUSTMENTS HAD BEEN ALLOCATED TO THESE ASSETS. THEN THESE ASSETS MAY NOT HAVE HAD QUAIFYING BASES. THE FUND IS A PARTNERSHIP WITH LIMIED PARTNERS. THE REGULAR ACTIVITY AND PURPOSE OF THE FUND IS TO GENERATE A PRE-TAX ECONOMIC RATE OF RETURN. THE FUND GENERATES INCOME AND LOSS FROM ITS REGULAR ACTIVITY AND PROVIDES RELEVANT INFORMATION TO EACH PARTNER FOR PURPOSES OF FILING THIER RESPECTIVE TAX RETRUN FOR 2009. IT IS NOT ANTICIPATED THAT THESE TRANSACTIONS WILL RESULT IN TAX BENEFITS IN ANY PRIOR OR FUTURE YEARS. PLEASE CONSULT YOUR TAX ADVISER.

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FORM 8886, PAGE 2 DETAIL

LINE 7B - EXPECTED TAX BENEFITS

-----

DENOMINATED CURRENCIES INCREASE AND/OR DECREASE THROUGH OUT THE YEAR. GAINS AND LOSSES ON SUCH CURRENCY TRANSACTIONS ARE CHARACTERIZED AS ORDINARY UNDER IRC SEC. 988. DUE TO THE NATURE AND VOLUME OF THE ACTIVITY, IT IS NOT PRACTICAL TO ASCERTAIN WHETHER THE RELEVANT REPORTABLE LOSS THRESHOLDS ARE EXCEEDED FOR A GIVEN TRANSACTION OR DETERMINE WITH CERTAINTY WHETHER A GIVEN TRANSACTION HAS MET ANY OF THE SPECIFIED EXCEPTIONS PROVIDED IN REVENUE PROCEDURE 2003-24.

CONTINUATION ON EXPECTEDTAXBENEFITSEXPLANATION

EXPECTED TAX BENEFITS EXPLANATION

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HOWEVER, DUE TO THE LACK OF CERTAINTY FOR THE NON-U. S. DOLLAR DENOMINATED CURRENCY TRANSACTIONS THE FUND AND ACCORDINLY THE TAXPAYER , IS MAKING THIS DISCLOSURE TO THE INTERNAL REVENUE SERVICE ON A PROTECTIVE BASIS.

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FORM 8886, PAGE 2 DETAIL

LINE 7B - EXPECTED TAX BENEFITS

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FUND'S PURPOSE FOR THESE TRANSACTIONS IS TO GENERATE A PRE-TAX ECONOMIC RATE OF RETURN. THE TRANSACTIONS WERE NOT ENTERED INTO FOR THE PURPOSE OF OBTAINING TAX BENEFITS. GAINS AND LOSSES ON SUCH FOREIGN CURRENCY TRANSACTIONS ARE CHARACTERIZED AS ORDINARY UNDER INTERNAL REVENUE CODE ("IRC") SECTION 988. DUE TO THE NATURE AND VOLUME OF ACTIVITIES IN THE MASTER FUND, IT IS NOT PRACTICAL TO ASCERTAIN WHETHER THE RELEVANT REPORTABLE LOSS THRESHOLDS ARE EXCEEDED

CONTINUATION ON EXPECTED TAX BENEFIT EXPLANATION

EXPECTED TAX BENEFITS EXPLANATION

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FOR A GIVEN TRANSACTION, OR WHETHER A GIVEN TRANSACTION HAS MET ANY OF THE SPECIFIC EXCEPTIONS TO THE REPORTABLE TRANSACTION RULES. THE FUND GENERATES INCOME AND LOSS FROM ITS REGULAR ACTIVITY AND PROVIDES RELEVANT INFORMATION TO EACH PARTNER FOR PURPOSES OF FILING THEIR RESPECTIVE TAX RETURN. A PARTNER'S SHARE OF ANY INCOME OR LOSS REFERRED TO ON LINE 8 IS AVAILABLE TO BE CLAIMED ON A PARTNER'S TAX RETURN FOR 2009.

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FORM 8886, PAGE 2 DETAIL

LINE 7B - EXPECTED TAX BENEFITS

-----

A PROSPECTIVE FORM 8886 (REPORTABLE TRANSACTION DISCLOSURE STATEMENT)  
UNDER TREAS. REG. SEC. 1.6011-4(F)(2).

IN ACCORDANCE WITH NOTICE 2006-16, SECTION 3.02 BY TIMELY RECEIPTS OF  
THIS ACKNOWLEDGEMENT, YOU SHOULD NOT BE REQUIRED TO FILE A DISCLOSURE  
STATEMENT FOR THIS TRANSACTION(S), PROVIDED YOUR ONLY DISCLOSURE  
OBLIGATION WITH RESPECT TO THIS TRANSACTION(S) UNDER TREAS. REG. SEC.  
1.6011-4(B) ARISES FROM YOUR DIRECT OR INDIRECT INTEREST IN ABRAMS  
CAPITAL PARTNERS II, L. P.

CONTINUATION ON EXPECTED TAX BENEFIT EXPLANATION

EXPECTED TAX BENEFITS EXPLANATION

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PASS-THROUGH ENTITIES RECEIVING THIS ACKNOWLEDGEMENT MUST TIMELY  
PROVIDE A COPY OF IT TO TAXPAYERS HOLDING AN INTEREST IN THE  
PASS-THROUGH ENTITY, UNDER NOTICE 2006-16, SECTION 3.02, IN ORDER FOR  
TAXPAYER TO BE RELIEVED OF THE REQUIREMENT TO FILE A DISCLOSURE  
STATEMENT FOR THIS TRANSACTION(S), PROVIDED THEIR ONLY DISCLOSURE  
OBLIGATION WITH RESPECT TO THIS TRANSACTION(S) UNDER TREAS. REG. SEC.  
1.6001-4(B) ARISES FROM THEIR INDIRECT INTEREST IN ABRAMS CAPITAL  
PARTNERS II, LP.

PLEASE CONSULT YOUR TAX ADVISOR WITH REGARD TO THIS ACKNOWLEDGEMENT  
AND NOTICE 2006-16.

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FORM 8886, PAGE 2 DETAIL

LINE 7B - EXPECTED TAX BENEFITS

-----

2006-16, BY TIMELY RECEIPT OF THIS ACKNOWLEDGEMENT, YOU SHOULD NOT BE REQUIRED TO FILE A DISCLOSURE STATEMENT FOR THIS TRANSACTION(S), PROVIDED YOUR ONLY DISCLOSURE OBLIGATION WITH RESPECT TO THIS TRANSACTION(S) UNDER TREAS. REG. SEC. 1.6011-4(B) ARISES FROM YOUR DIRECT OR INDIRECT INTEREST IN CANTILLON WORLD MASTER FUND, LP (EIN: 98-0404162). THE PROTECTIVE FORM 8886 TO BE FILED BY CANTILLON WORLD MASTER FUND, LP IS AVAILABLE UPON REQUEST. IF YOU ARE A PASS-THROUGH

CONTINUATION ON EXPECTEDTAXBENEFITSEXPLANATION

EXPECTED TAX BENEFITS EXPLANATION

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ENTITY, PLEASE FORWARD THIS ACKNOWLEDGEMENT TO YOUR PARTNERS/SHAREHOLDERS SINCE THEY HAVE AN INDIRECT INTEREST IN CANTILLON WORLD MASTER FUND, LP (EIN: 98-0404162) AND WILL NEED TO RECEIVE A COPY OF THIS IN ACCORDANCE WITH NOTICE 2006-16 (SECTION 3.02). PLEASE CONSULT YOUR TAX ADVISOR WITH REGARD TO THIS ACKNOWLEDGEMENT AND NOTICE 2006-16.

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FORM 8886, PAGE 2 DETAIL

LINE 7B - EXPECTED TAX BENEFITS

-----

IN THAT NOTICE. GIVEN THE UNCERTAINTY OF WHEN SUCH REPORTING IS  
REQUIRED, THE UNDERLYING PARTNERSHIP INVESTMENT HAS REPORTED THESE  
TRANSACTIONS ON A PROTECTIVE BASIS USING FORM 8886. THE PARTNERSHIP  
IS ADVISING YOU OF THIS REPORTING PURSUANT TO IRS NOTICE 2006-16,  
SECTION 3.02(2). PLEASE CONSULT YOUR TAX ADVISOR WITH RESPECT TO ANY  
ADDITIONAL REPORTING REQUIREMENTS YOU MAY HAVE.

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FORM 8886, PAGE 2 DETAIL

LINE 7B - EXPECTED TAX BENEFITS

-----

UNCERTAINTY OF WHEN SUCH REPORTING IS REQUIRED, THE UNDERLYING PARTNERSHIP INVESTMENT HAS REPORTED THESE TRANSACTIONS ON A PROTECTIVE BASIS USING FORM 8886. THE PARTNERSHIP IS ADVISING YOU OF THIS REPORTING PURSUANT TO IRS NOTICE 2006-16, SECTION 3.02(2). PLEASE CONSULT YOUR TAX ADVISOR WITH RESPECT TO ANY ADDITIONAL REPORTING REQUIREMENTS YOU MAY HAVE.

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FORM 8886, PAGE 2 DETAIL

LINE 7B - EXPECTED TAX BENEFITS

-----

MULTIPLY THE LOSS BY THE ENDING PROFIT AND LOSS PERCENTAGE ON THE  
SCHEDULE K-1. PLEASE CONSULT YOUR TAX ADVISOR.

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FORM 8886, PAGE 2 DETAIL

LINE 7B - EXPECTED TAX BENEFITS

-----

1. 6011-4(F)(2). IN ACCORDANCE WITH NOTICE 2006-16, BY TIMELY RECEIPT OF THIS ACKNOWLEDGEMENT, YOU SHOULD NOT BE REQUIRED TO FILE A DISCLOSURE STATEMENT FOR THIS TRANSACTION(S), PROVIDED YOUR ONLY DISCLOSURE OBLIGATION WITH RESPECT TO THIS TRANSACTION(S) UNDER TREAS. REG. SEC. 1.6011-4(B) ARISES FROM YOUR DIRECT OR INDIRECT INTEREST IN CANTILLON WORLD MASTER FUND, LP (EIN: 98-0404162). THE PROTECTIVE FORM 8886 TO BE FILED BY CANTILLON WORLD MASTER FUND, LP

CONTINUATION ON EXPECTEDTAXBENEFITSEXPLANATION

EXPECTED TAX BENEFITS EXPLANATION

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IS AVAILABLE UPON REQUEST. IF YOU ARE A PASS-THROUGH ENTITY, PLEASE FORWARD THIS ACKNOWLEDGEMENT TO YOUR PARTNERS/SHAREHOLDERS SINCE THEY HAVE AN INDIRECT INTEREST IN CANTILLON WORLD MASTER FUND, LP (EIN: 98-0404162) AND WILL NEED TO RECEIVE A COPY OF THIS IN ACCORDANCE WITH NOTICE 2006-16 (SECTION 3.02). PLEASE CONSULT YOUR TAX ADVISOR WITH REGARD TO THIS ACKNOWLEDGEMENT AND NOTICE 2006-16.

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FORM 8886, PAGE 2 DETAIL

LINE 7B - EXPECTED TAX BENEFITS

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HAVE RESULTED FROM THE REGULAR ACTIVITIES OF THE FUND. THE ADJUSTED TAX BASIS ON NON-US DOLLAR DENOMINATED CURRENCIES OBTAINED BY THE FUND ARE DETERMINED BY WAY OF CASH PAID AND GAINS AND LOSSES ON SUCH CURRENCY TRANSACTIONS ARE CHARACTERIZED AS ORDINARY UNDER INTERNAL REVENUE CODE SECTION 988. THE FUND IS A PARTNERSHIP WITH LIMITED PARTNERS. THE REGULAR ACTIVITY AND PURPOSE OF THE FUND IS TO GENERATE A PRE-TAX ECONOMIC RATE OF RETURN. THE FUND GENERATES INCOME AND LOSS

CONTINUATION ON EXPECTED TAX BENEFIT EXPLANATION

EXPECTED TAX BENEFITS EXPLANATION

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FROM ITS REGULAR ACTIVITIES AND PROVIDES RELEVANT INFORMATION TO EACH PARTNER FOR PURPOSES OF FILING THEIR RESPECTIVE TAX RETURN. A PARTNER'S SHARE OF ANY LOSS IS INCLUDED IN THEIR SCHEDULE K-1 AND IS AVAILABLE TO BE CLAIMED ON A PARTNER'S TAX RETURN FOR 2009. IT IS NOT ANTICIPATED THAT THESE TRANSACTIONS WILL RESULT IN TAX BENEFITS IN ANY PRIOR OR FUTURE RETURNS. THE DORCHESTER CAPITAL PARTNERS SHARE OF LOSSES IDENTIFIED AS POTENTIALLY BEING REPORTABLE ARE:

GREAT BRITAIN POUND-63,317  
GREAT BRITAIN POUND-44,098  
GREAT BRITAIN POUND-24,962  
SOUTH AFRICAN RAND-32,697

NOTE: TO DETERMINE YOUR SHARE OF THE EACH ITEM LISTED ABOVE MULTIPLY THE AMOUNTS BY THE ENDING PROFIT AND LOSS PERCENTAGE NOTED IN SECTION J OF THE K-1.

PLEASE CONSULT YOUR TAX ADVISER PLEASE CONSULT YOUR TAX ADVISER

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FORM 8886, PAGE 2 DETAIL

LINE 7B - EXPECTED TAX BENEFITS

-----

1. 6011-4(F)(2). IN ACCORDANCE WITH NOTICE 2006-16, SECTION 3.02, BY  
TIMELY RECEIPT OF THIS ACKNOWLEDGEMENT, YOU SHOULD NOT BE REQUIRED TO  
FILE A DISCLOSURE STATEMENT FOR THIS TRANSACTION(S), PROVIDED YOUR  
ONLY DISCLOSURE OBLIGATION WITH RESPECT TO THIS TRANSACTION(S) UNDER  
TREAS. REG. SEC. 1.6011-4(B) ARISES FROM YOUR DIRECT OR  
INDIRECT INTEREST IN COVALENT CAPITAL PARTNERS, LP. COVALENT CAPITAL  
PARTNERS, LP WILL PROVIDE YOU A COPY OF THE FORM 8886, UPON

CONTINUATION ON EXPECTED TAX BENEFIT EXPLANATION

EXPECTED TAX BENEFITS EXPLANATION

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REQUEST. PASS-THROUGH ENTITIES RECEIVING THIS ACKNOWLEDGEMENT MUST  
TIMELY PROVIDE A COPY OF IT TO TAXPAYERS HOLDING AN INTEREST IN THE  
PASS-THROUGH ENTITY, UNDER NOTICE 2006-16, SECTION 3.02, IN ORDER FOR  
SUCH TAXPAYERS TO BE RELIEVED OF THE REQUIREMENT TO FILE A DISCLOSURE  
STATEMENT FOR THIS TRANSACTION(S), PROVIDED THEIR ONLY DISCLOSURE  
OBLIGATION WITH RESPECT TO THIS TRANSACTION(S) UNDER TREAS. REG. SEC.  
1.6011-4(B) ARISES FROM THEIR INDIRECT INTEREST IN COVALENT CAPITAL  
PARTNERS, LP. PLEASE CONSULT YOUR TAX ADVISOR WITH REGARD TO THIS  
ACKNOWLEDGEMENT AND NOTICE 2006-16.

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FORM 8886, PAGE 2 DETAIL

LINE 7B - EXPECTED TAX BENEFITS

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DISCLOSURE STATEMENT) UNDER TREAS. REG. SEC. 1.6011-4(F)(2).

IN ACCORDANCE WITH NOTICE 2006-16, SECTION 3.02, BY TIMELY RECEIPT OF THIS ACKNOWLEDGEMENT, YOU SHOULD NOT BE REQUIRED TO FILE A DISCLOSURE STATEMENT FOR THIS TRANSACTION(S), PROVIDED YOUR ONLY DISCLOSURE OBLIGATION WITH RESPECT TO THIS TRANSACTION(S) UNDER TREAS. REG. SEC. 1.6011-4(B) ARISES FROM YOUR DIRECT OR INDIRECT INTEREST IN ORE HILL CREDIT HUB FUND LTD. & ORE HILL HUB FUND LTD. ORE HILL CREDIT HUB

CONTINUATION ON EXPECTEDTAXBENEFITSEXPLANATION

EXPECTED TAX BENEFITS EXPLANATION

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FUND LTD. & ORE HILL HUB FUND LTD. WILL PROVIDE YOU A COPY OF THE FORM 8886, UPON REQUEST.

PASS-THROUGH ENTITIES RECEIVING THIS ACKNOWLEDGEMENT MUST TIMELY PROVIDE A COPY OF IT TO TAXPAYERS HOLDING AN INTEREST IN THE PASS-THROUGH ENTITY, UNDER NOTICE 2006-16, SECTION 3.02, IN ORDER FOR SUCH TAXPAYERS TO BE RELIEVED OF THE REQUIREMENT TO FILE A DISCLOSURE STATEMENT FOR THIS TRANSACTION(S), PROVIDED THEIR ONLY DISCLOSURE OBLIGATION WITH RESPECT TO THIS TRANSACTION(S) UNDER TREAS. REG. SEC. 1.6011-4(B) ARISES FROM THEIR INDIRECT INTEREST IN ORE HILL CREDIT HUB FUND LTD. & ORE HILL HUB FUND, LTD.

PLEASE CONSULT YOUR TAX ADVISOR WITH REGARD TO THIS ACKNOWLEDGEMENT AND NOTICE 2006-16.

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FORM 8886, PAGE 2 DETAIL

LINE 7B - EXPECTED TAX BENEFITS

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AND/OR DECREASES THROUGHOUT THE YEAR AT FREQUENT INTERVALS. IT IS THEREFORE, IMPRACTICABLE TO MEASURE EACH INCREASE OR DECREASE IN THE FOREIGN CURRENCY ACCOUNT(S). THE ADJUSTED TAX BASIS OF NON-U.S. DOLLAR DONOMINATED BONDS AND CURRENCIES OBTAINED BY THE FUND IS DETERMINED BY WAY OF CASH PAID AND GAINS AND LOSSES ON SUCH CURRENCY TRANSACTIONS ARE CHARACTERIZED AS ORDINARY UNDER INTERNAL REVENUE SERVICE CODE ("IRC") SECTION 988.

THE ADJUSTED TAX BASIS OF NON-U.S. DOLLAR DONOMINATED BONDS AND

CONTINUATION ON EXPECTEDTAXBENEFITSEXPLANATION

EXPECTED TAX BENEFITS EXPLANATION

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CURRENCIES OBTAINED BY THE FUND IS DETERMINED BY WAY OF CASH PAID AND GAINS AND LOSSES ON SUCH CURRENCY TRANSACTIONS ARE CHARACTERIZED AS ORDINARY UNDER INTERNAL REVENUE SERVICE CODE ("IRC") SECTION 988. DUE TO THE NATURE AND VOLUME OF ACTIVITY, IT IS NOT PRACTICAL TO ASCERTAIN WHETHER THE RELEVANT REPORTABLE LOSS THRESHOLDS ARE EXCEEDED FOR A GIVEN TRANSACTION OR DETERMINE WITH CERTAINTY WHETHER A GIVEN TRANSACTION HAS MET ANY OF THE SPECIFIED EXCEPTIONS PROVIDED IN REVENUE PROCEDURE 2004-66, AND AS SUCH FUND IS REPORTING THESE TRANSACTIONS ON A PROTECTIVE BASIS. GAINS AND LOSSES, RECOGNIZED THIS YEAR, MAY BE THE RESULT OF ACQUISITIONS OCCURRING IN THIS OR PRIOR YEAR(S).

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FORM 8886, PAGE 2 DETAIL

LINE 7B - EXPECTED TAX BENEFITS

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THIS YEAR, MAY BE THE RESULT OF ACQUISITIONS IN THIS OR PRIOR YEAR(S).

THE ADJUSTED TAX BASIS OF NON-U. S. DOLLAR DENOMINATED CURRENCIES OBTAINED BY THE FUND IS DETERMINED BY WAY OF CASH PAID AND GAINS AND LOSSES ON SUCH CURRENCY TRANSACTIONS ARE CHARACTERIZED AS ORDINARY UNDER INTERNAL REVENUE CODE ("IRC") §988.

BASED ON THE CURRENT YEAR ACTIVITIES OF THE FUND, THE TAXPAYER IS REPORTING HIS ALLOCABLE SHARE OF SUCH LOSSES IN FOREIGN DEBT IF IT

CONTINUATION ON EXPECTEDTAXBENEFITSEXPLANATION

EXPECTED TAX BENEFITS EXPLANATION

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EXCEEDS THE REPORTABLE THRESHOLD (\$50,000 FOR INDIVIDUALS AND TRUSTS, \$2,000,000 FOR ALL OTHER ENTITY TYPES).

TAX IDENTIFICATION NUMBER, ADDRESS AND COUNTRY OF INCORPORATION OF COUNTERPARTIES ARE UNKNOWN.

TRANSACTION NAME /COST /BOOK LOSS/ TAX LOSS /COUNTERPARTY/AGENT  
GM NOVA 8.375 12/7/2015/-/-/-/MORGAN STANLEY/SEAPORT GROUP/CITIBANK  
GM NOVA 8.375 12/7/2015/-/-/-/MORGAN STANLEY/SEAPORT GROUP/CITIBANK  
GM NOVA 8.375 12/7/2015/-/-/-/MORGAN STANLEY/SEAPORT GROUP/CITIBANK

GM NOVA 8.375 12/7/2015/-/-/-/MORGAN STANLEY/SEAPORT GROUP/CITIBANK

GM NOVA 8.375 12/7/2015/-/-/-/MORGAN STANLEY/SEAPORT GROUP/CITIBANK

FCE BANK PLC/-/-/-/UBS AG STAMFORD BRANCH/JP MORGAN/BARCLAYS

FCE BANK PLC/-/-/-/UBS AG STAMFORD BRANCH/JP MORGAN/BARCLAYS

FCE BANK PLC/-/-/-/UBS AG STAMFORD BRANCH/JP MORGAN/BARCLAYS

NATIONAL AUS BANK REVOLVE/-/-/-/NATIONAL AUSTRALIA BANK

NATIONAL AUS BANK REVOLVE/-/-/-/NATIONAL AUSTRALIA BANK

NEWPORT FINANCE DTL CAD/-/-/-/FORTRESS CREDIT OPPORTUNITIES I, LP

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FORM 8886, PAGE 2 DETAIL

LINE 7B - EXPECTED TAX BENEFITS

-----  
THE PARTNER LEVEL.

PLEASE NOTE - WE HAVE LISTED BELOW ONLY SUCH LOSSES WHERE YOUR ALLOCABLE SHARE EQUALS OR EXCEEDS \$50,000. PLEASE SEE FORM 8886 AND THE FORM INSTRUCTIONS FOR FUTURE DETAILS ON WHEN YOU ARE REQUIRED TO FILE FORM 8886 AND SPECIFIC DETAILS ON HOW TO COMPLETE FORM 8886, IF NECESSARY, AND CONSULT YOUR TAX ADVISOR.

TRANSACTION: FX ON POUND STERLING DENOMINATED BOND  
DATE: 1/23/2009  
YOUR SHARE OF THE \$ 988 LOSS: (98,309)

CONTINUATION ON EXPECTED TAX BENEFIT EXPLANATION

EXPECTED TAX BENEFITS EXPLANATION

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NOTE: TO DETERMINE YOUR SHARE OF THE EACH ITEM LISTED ABOVE MULTIPLY THE AMOUNTS BY THE ENDING PROFIT AND LOSS PERCENTAGE NOTED IN SECTION J OF THE K-1.

PLEASE CONSULT YOUR TAX ADVISER PLEASE CONSULT YOUR TAX ADVISER

THE FUND TRADES VARIOUS STOCK, SECURITIES AND RELATED FINANCIAL INSTRUMENTS FOR ITS OWN ACCOUNT. THE REGULAR ACTIVITY AND PURPOSE OF THE FUND IS TO GENERATE A PRE-TAX ECONOMIC RATE OF RETURN. THE TAX BENEFITS REPORTED HEREIN HAVE OCCURRED THROUGHOUT THE YEAR AS PART OF THIS REGULAR ACTIVITY AND PURSUANT TO THE SAME PURPOSE. FOR FINANCIAL REPORTING PURPOSES, THE TRANSACTION IS BEING ACCOUNTED FOR IN ACCORDANCE WITH US GAAP.

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FORM 8886, PAGE 2 DETAIL

LINE 7B - EXPECTED TAX BENEFITS

-----

REQUIRED, THE PARTNERSHIP HAS REPORTED OR WILL REPORT THESE  
TRANSACTIONS ON A PROTECTIVE BASIS USING IRS FORM 8886. THE  
PARTNERSHIP IS ADVISING YOU OF THIS REPORTING PURSUANT TO IRS NOTICE  
2006-16, SECTION 3.02(2). PLEASE CONSULT YOUR TAX ADVISOR WITH  
RESPECT TO ANY ADDITIONAL  
REPORTING REQUIREMENTS YOU MAY HAVE.

ATTACHMENT 1

FORM 990PF, PART I - OTHER INCOME

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
UNREALIZED G/L ON INVESTMENTS	5,445,035.	
PASS THROUGH FROM P'SHIP- OTHER INC	51,249.	35,108.
GROSS RENTS	20,373.	20,373.
NON-TAXABLE PARTNERSHIP INCOME	2,872,075.	
PASS THROUGH FROM P'SHIP-RENTAL LOSS	-4,557.	-4,557.
PASS THROUGH FROM P'SHIP-ORD INCOME	-34,639.	-49,614.
PASS THROUGH FROM P'SHIP-SEC 988 INC	9,812.	9,812.
RETURN OF CAPITAL	1,543.	1,543.
RETURNED GRANT	4,133.	
	<u>8,365,024.</u>	<u>12,665.</u>
	TOTALS	

ATTACHMENT 2

FORM 990PF, PART I - LEGAL FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>	<u>CHARITABLE PURPOSES</u>
DAVIS WRIGHT TREMAINE	2,632.	132.		2,500.
RIDDELL WILLIAMS, P.S.	174.	9.		165.
GARVEY, SCHUBERT & BARER	463.	23.		440.
TOTALS	<u>3,269.</u>	<u>164.</u>	<u>0.</u>	<u>3,105.</u>

ATTACHMENT 3

FORM 990PF, PART I - ACCOUNTING FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>	<u>CHARITABLE PURPOSES</u>
KING & OLIASON, P.S	7,660.	3,830.		3,830.
SWEENEY CONRAD	17,835.	8,917.		8,918.
ADP FEE	1,474.	74.		1,400.
FIDELITY INVESTMENTS	717.	717.		
WILLIAMS & CALLAN	375.	188.		187.
TOTALS	<u>28,061.</u>	<u>13,726.</u>	<u>0.</u>	<u>14,335.</u>

ATTACHMENT 4

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>CHARITABLE PURPOSES</u>
EVAL & PROGRAM CONSULTANTS	153,881.		153,881.
INVESTMENT MANAGEMENT FEES	128,484.	128,484.	
ADVISORY BOARD STIPEND	12,000.		12,000.
EXTERNAL COMMUNICATIONS	21,687.		21,687.
COMPUTER SUPPORT	12,122.	606.	11,516.
TOTALS	<u>328,174.</u>	<u>129,090.</u>	<u>199,084.</u>

ATTACHMENT 5

FORM 990PF, PART I - INTEREST EXPENSE

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
PASS THROUGH FROM P'SHIP	36,099.	36,099.
TOTALS	<u>36,099.</u>	<u>36,099.</u>

ATTACHMENT 6

FORM 990PF, PART I - TAXES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>CHARITABLE PURPOSES</u>
OTHER MISCELLANEOUS TAXES	628.	31.	597.
FOREIGN TAXES	13,090.	12,429.	
FEDERAL EXCISE TAXES	-5,849.		
<b>TOTALS</b>	<u>7,869.</u>	<u>12,460.</u>	<u>597.</u>

ATTACHMENT 7

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	CHARITABLE PURPOSES
PASS THROUGH FROM P'SHIP - DED RELATED TO PORTFOLIO INCOME	194,337.	194,337.	
OFFICE SUPPLIES	3,891.	195.	3,696.
TELEPHONE	10,657.	533.	10,124.
POSTAGE & DELIVERY	1,517.	76.	1,441.
STAFF DEVELOPMENT	4,517.	226.	4,291.
MISC EXPENSES	4,764.	238.	4,526.
LIABILITY INSURANCE	3,889.	194.	3,695.
REPAIRS & MAINTENANCE	4,105.	205.	3,900.
DUES & SUBSCRIPTIONS	6,523.	326.	6,197.
PASS THROUGH FROM P'SHIP - CHARITABLE CONTRIBUTION	1,017.		1,017.
KITCHEN SUPPLIES	2,788.	140.	2,648.
EXPENSES ALLOCATED TO UBTI		-2,055.	
TOTALS	<u>238,005.</u>	<u>194,415.</u>	<u>41,535.</u>

FORM 990PF, PART II - OTHER INVESTMENTS

ATTACHMENT 8

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
WTC - EMERGING COMPANY CTF	912,426.	912,426.
LEGACY VENTURE II, LLC	755,221.	755,221.
PIMCO COMMODITY REAL RETURN	697,581.	697,581.
METROPOLITAN REAL EST PARTNERS	416,015.	416,015.
WALDEN LARGE CAP CORE	2,594,772.	2,594,772.
LEGACY VENTURE III	806,745.	806,745.
LEGACY VENTURE IV	461,876.	461,876.
MSCI EMERGING MARKET	1,393,008.	1,393,008.
GS CORE	8,800,006.	8,800,006.
GS SOUND SHORE	2,371,545.	2,371,545.
GS REAL ESTATE SECURITIES	1.	1.
GS SNOW CAPITAL	1,037,433.	1,037,433.
GS OECHSLE INT'L	0.	0.
GS GARDNER LEWIS	0.	0.
GS SPRUCEGROVE	1,742,992.	1,742,992.
GS ALETHEIA	1,059,164.	1,059,164.
DORCHESTER HEDGE	3,472,737.	3,472,737.
FORESTER LONG/SHORT	1,640,774.	1,640,774.
GS HIGH YIELD FUND	366,409.	366,409.
GS PICTET	1,778,853.	1,778,853.
TOTALS	<u>30,307,558.</u>	<u>30,307,558.</u>

FORM 990PF, PART II - OTHER ASSETS

ATTACHMENT 9

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
DEPOSITS	5,565.	5,565.
TOTALS	<u>5,565.</u>	<u>5,565.</u>

DESCRIPTION

ENDING  
BOOK VALUE

132 WITHHOLDING	0.
MED 125 WITHHOLDING	0.
MASTERCARD BALANCE	9,163.

TOTALS	<u>9,163.</u>
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FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

ATTACHMENT 11

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION</u>	<u>COMPENSATION</u>	<u>CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS</u>	<u>EXPENSE ACCT AND OTHER ALLOWANCES</u>
PAUL BRAINERD 1601 SECOND AVE, STE 610 SEATTLE, WA 98101	PRES/TREAS 1.00	0.	0.	0.
ANN KRUMBOLTZ 1601 SECOND AVE, STE 610 SEATTLE, WA 98101	VICE PRESIDENT 37.50	146,000.	14,600.	0.
SHERRY E. BRAINERD 1601 SECOND AVE, STE 610 SEATTLE, WA 98101	VP/SECRETARY 5.00	0.	0.	0.
<b>GRAND TOTALS</b>		<b>146,000.</b>	<b>14,600.</b>	<b>0.</b>

990PF, PART VIII- COMPENSATION OF THE FIVE HIGHEST PAID PROFESSIONALSATTACHMENT 12

<u>NAME AND ADDRESS</u>	<u>TYPE OF SERVICE</u>	<u>COMPENSATION</u>
KEIKI KEHOE 6548 27TH AVE NW SEATTLE, WA 98117	OVERSEES GRANT PROG	97,900.
GOLDMAN SACHS & CO 719 SECOND AVE SEATTLE, WA 98104	INVESTMENT MNGMT	102,266.
	TOTAL COMPENSATION	<u>200,166.</u>

FORM 990PF, PART XV - NAME, ADDRESS AND PHONE FOR APPLICATIONS

ANN KRUMBOLTZ, BRAINERD FOUNDATION  
1601 SECOND AVE., SUITE 610  
SEATTLE, WA 98101-1541  
206-448-0676

990PF, PART XV - RESTRICTIONS OR LIMITATIONS ON AWARDS

GEOGRAPHICAL RESTRICTIONS -- LIMITED TO PACIFIC NORTHWEST  
CHARITABLE FIELD RESRICTIONS -- ENVIRONMENTAL

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 15

<u>RECIPIENT NAME AND ADDRESS</u>	<u>RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT</u>	<u>PURPOSE OF GRANT OR CONTRIBUTION</u>	<u>AMOUNT</u>
PROGRAM GRANTS - SEE ATTACHMENT A ADDRESSES ARE AVAILABLE IN THE TAXPAYER'S OFFICE ON REQUEST	N/A PUBLIC CHARITIES	ENVIRONMENTAL PRESERVATION	2,082,000
CATALYST GRANTS - SEE ATTACHMENT A ADDRESSES ARE AVAILABLE IN THE TAXPAYER'S OFFICE ON REQUEST	N/A PUBLIC CHARITIES	ENVIRONMENTAL PRESERVATION	223,000
GRASSROOTS GRANTS - SEE ATTACHMENT A ADDRESSES ARE AVAILABLE IN THE TAXPAYER'S OFFICE ON REQUEST	N/A PUBLIC CHARITIES	ENVIRONMENTAL PRESERVATION	62,000
OPPORTUNITY GRANTS - SEE ATTACHMENT A ADDRESSES ARE AVAILABLE IN THE TAXPAYER'S OFFICE ON REQUEST	N/A PUBLIC CHARITIES	ENVIRONMENTAL PRESERVATION	82,620
EXECUTIVE DIRECTOR GRANTS - SEE ATTACHMENT A ADDRESSES ARE AVAILABLE IN THE TAXPAYER'S OFFICE ON REQUEST	N/A PUBLIC CHARITIES	ENVIRONMENTAL PRESERVATION	49,500
MATCHING GRANTS - SEE ATTACHMENT A ADDRESSES ARE AVAILABLE IN THE TAXPAYER'S OFFICE ON REQUEST	N/A PUBLIC CHARITIES	ENVIRONMENTAL PRESERVATION	2,930

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 15 (CONT'D)

RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR

AND

FOUNDATION STATUS OF RECIPIENT

RECIPIENT NAME AND ADDRESS

PURPOSE OF GRANT OR CONTRIBUTION

AMOUNT

BOD DISCRETIONARY GRANTS - SEE ATTACHMENT A  
ADDRESSES ARE AVAILABLE IN THE TAXPAYER'S OFFICE  
ON REQUEST

N/A

PUBLIC CHARITIES

ENVIRONMENTAL PRESERVATION

5,000

TOTAL CONTRIBUTIONS PAID

2,507,050

FORM 990PE, PART XV - CONTRIBUTIONS APPROVED FOR FUTURE PAYMENT

ATTACHMENT 16

RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR

AND

FOUNDATION STATUS OF RECIPIENT

RECIPIENT NAME AND ADDRESS

PURPOSE OF GRANT OR CONTRIBUTION

AMOUNT

N/A

ENVIRONMENTAL PRESERVATION

213,000

SEE ATTACHMENT B

ADDRESSES ARE AVAILABLE IN THE TAXPAYER'S OFFICE

PUBLIC CHARITIES

ON REQUEST

TOTAL CONTRIBUTIONS APPROVED

213,000

FORM 990-PF, PART XVI-A - ANALYSIS OF OTHER REVENUE

ATTACHMENT 17

<u>DESCRIPTION</u>	<u>BUSINESS CODE</u>	<u>AMOUNT</u>	<u>EXCLUSION CODE</u>	<u>AMOUNT</u>	<u>RELATED OR EXEMPT FUNCTION INCOME</u>
UNREALIZED GAINS					5,445,035.
OTHER INCOME	900003	14,975.	14	8,433.	2,872,075.
NON-TAXABLE INC			16	20,373.	
RENTAL INCOME			16		4,133.
RETURNED GRANT					
TOTALS		<u>14,975.</u>		<u>28,806.</u>	<u>8,321,243.</u>

FEDERAL FOOTNOTES

FORM 5471, INFORMATION RETURN OF U.S. PERSONS WITH RESPECT TO CERTAIN FOREIGN CORPORATIONS, WAS FILED BY THE FOLLOWING ON THE BEHALF OF THE BRAINERD FOUNDATION:

AVENUE LUXEMBOURG, LLC  
399 PARK AVENUE  
NEW YORK, NY 10022  
20-2206019

THE RETURN WAS FILED WITH:  
INTERNAL REVENUE SERVICE CENTER  
OGDEN, UT 84201

**The Brainerd Foundation**  
**Transaction Detail By Account**  
 January through December 2009

1:54 PM  
 10/21/10

<u>Name</u>	<u>Paid Amount</u>
<b>Grantmaking</b>	
<b>Program Grants</b>	
Alaska Center for the Environment	45,000 00
Idaho Smart Growth	30,000 00
Oregon Environmental Council	50,000 00
Washington Environmental Council	75,000 00
Conservation Northwest	20,000 00
Oregon Natural Desert Association Inc	20,000 00
National Wildlife Federation	40,000 00
Sustainable Northwest	18,000 00
The Nature Conservancy	50,000 00
Trout Unlimited	20,000 00
Trust for Public Land	40,000 00
Earthjustice	50,000 00
Ecojustice Canada	15,000 00
League of Conserv Voters Ed Fnd	75,000 00
Western Environmental Law Center	70,000 00
Alaska Conservation Alliance	45,000 00
Climate Solutions	45,000 00
Conservation Voters for ID Ed Fund	30,000 00
Idaho Conservation League	50,000 00
Montana Conservation Voters Ed Fund	45,000 00
OLCV Ed Fund	45,000 00
American Wildlands	30,000 00
LightHawk	20,000 00
Montana Audubon	30,000 00
Salmon Valley Stewardship	35,000.00
The Wilderness Society	85,000 00
Andrus Center for Public Policy	18,000 00
Five Valleys Land Trust	35,000 00
Crag Law Center	15,000 00
LightHawk	5,000 00
Deschutes Land Trust	25,000 00
Montana Environmental Information Center	80,000 00
OLCV Ed Fund	20,000 00
Trustees for Alaska	20,000 00
Campaign for America's Wilderness	50,000 00
Centennial Valley Association	15,000 00
Clark Fork Coalition	40,000 00
Craighead Enviro Research Institute	50,000 00
Headwaters Economics	40,000 00
Montana Wilderness Association	45,000 00
Lemhi Regional Land Trust	30,000 00
Madison Valley Ranchlands Group	30,000 00

**The Brainerd Foundation**  
**Transaction Detail By Account**  
 January through December 2009

1:54 PM  
 10/21/10

<u>Name</u>	<u>Paid Amount</u>
Northwest Connections	25,000 00
The Nature Conservancy	50,000 00
Trust for Public Land	45,000 00
Wildlife Conservation Society	41,000 00
Wildsight	25,000 00
Alaska Center for the Environment	15,000 00
Alaska Conservation Alliance	10,000 00
Forest Ethics	20,000 00
Groundwire	75,000 00
Resource Media	75,000 00
Western Environmental Law Center	20,000 00
Nat'l Caucus of Environmental Legislators	35,000 00
Alaska Conservation Foundation	40,000 00
Crag Law Center	10,000 00
<b>Total Program Grants</b>	<b>2,082,000 00</b>
<b>Catalyst Grants</b>	
OLCV Ed Fund	23,000 00
Washington Environmental Council	100,000 00
Idaho Conservation League	100,000 00
<b>Total Catalyst Grants</b>	<b>223,000 00</b>
<b>Grassroots Grants</b>	
Swan Ecosystem Center	10,000 00
Yellowstone to Yukon	8,000 00
Big Hole Watershed Committee	8,000 00
Friends of the Cedar River Watershed	8,000 00
Yaak Valley Forest Council	10,000 00
Backcountry Hunters & Anglers	8,000.00
Idaho Conservation League	10,000 00
<b>Total Grassroots Grants</b>	<b>62,000 00</b>
<b>Opportunity Grants</b>	
Forest Service Employees for Enviro Ethic	1,120 00
Oregon Natural Desert Association Inc	3,000 00
Copper River Watershed Project	3,000 00
Canadian Parks & Wilderness Soc	3,000 00
Wildlands Center for Preventing Roads	3,000 00
Winter Wildlands Alliance	2,000 00
Northwest Institute for Bioregional Resea	2,500.00
National Parks & Conservation Association	2,500.00
Wildsight	2,500 00
Idaho Smart Growth	2,000 00
National Cter for Conserv Sci & Policy	2,000.00

**The Brainerd Foundation**  
**Transaction Detail By Account**  
 January through December 2009

1:54 PM  
 10/21/10

<u>Name</u>	<u>Paid Amount</u>
Indigenous Environmental Network	3,000 00
Yellowstone Business Partnership	3,000 00
Backbone Campaign	2,000 00
Hood River Valley Residents Committee	2,500.00
Tides Foundation	3,000 00
Preserve Our Islands	3,000 00
State Environmental Leadership Program	3,000 00
Washington Rivers Conservancy	2,000 00
Green Corps West Coast Office	2,000 00
Siskiyou Project	2,000 00
American Wildlands	3,000 00
Rosemere Neighborhood Assn	3,000 00
Land Trust Alliance	3,000 00
Alaska Conservation Alliance	1,500 00
Swan View Coalition	1,000 00
Yukon Conservation Society	3,000 00
Wildlands Network	3,000 00
Oregon Wild	2,500 00
Blackfoot Challenge	2,500 00
KCTS Television	3,000 00
National Wildlife Federation	3,000 00
Sustainable Northwest	2,000 00
<b>Total Opportunity Grants</b>	<b>82,620 00</b>
<b>Executive Director Grants</b>	
One Percent for the Planet	5,000.00
Forest Service Employees for Enviro Ethic	5,000 00
Crag Law Center	2,000 00
Idaho Conservation League	2,000 00
Oregon Natural Desert Association Inc	2,000 00
Idaho Rivers United	2,000 00
Oregon Wild	2,000.00
Soda Mountain Wilderness Council	2,000.00
Elk River Land Trust	2,000.00
Alaska Wilderness League	1,000 00
Tides Foundation	10,000 00
National Wildlife Federation	2,000 00
Driftwood Foundation	5,000 00
Society of Environmental Journalists	5,000 00
Washington Wildlife & Recreation Fdn	2,500 00
<b>Total Executive Director Grants</b>	<b>49,500 00</b>
<b>BOD Discretionary</b>	
Driftwood Foundation	2,500 00

**The Brainerd Foundation**  
**Transaction Detail By Account**  
 January through December 2009

1:54 PM  
 10/21/10

<u>Name</u>	<u>Paid Amount</u>
California Trout	250 00
Oregon Natural Desert Association Inc	250 00
Upper Deschutes Watershed Council	500.00
Deschutes Land Trust	500 00
Trout Unlimited	1,000 00
<b>Total BOD Discretionary</b>	<b>5,000 00</b>
<b>Matching</b>	
Montlake Elementary PTA	70 00
KUOW	100 00
Chinook Middle School	30 00
Idaho Conservation League	100 00
Ploughshares Fund	100 00
People for Puget Sound	70 00
KPLU FM 88 5	90 00
Lance Armstrong Foundation	100 00
Climate Solutions	250 00
ALS Therapy Development Inst	50 00
Whitman College	50 00
Oxfam America	200.00
AMERICAN CANCER SOC -	100 00
Montana Environmental Information Center	240 00
Amnesty International	100 00
National Wildlife Federation	60 00
National MS Society	100 00
Chinook Middle School	50 00
Bellevue High PTSA	50 00
Washington Environmental Council	50.00
Oxfam America	50 00
Global Fund for Women	50 00
Montana Environmental Information Center	50 00
Washington Toxics Coalition	500 00
Westside School	320 00
<b>Total Matching</b>	<b>2,930 00</b>
<b>Total Grantmaking</b>	<b>2,507,050.00</b>
	<b><u>2,507,050.00</u></b>

grant balance more than zero .xlsx

Brainerd Foundation Grants awarded in 2009 with unpaid balances as of 1/1/2010						
<u>Organization</u>	<u>Date</u>	<u>Type</u>	<u>Terms</u>	<u>Paid Amt</u>	<u>Balance Due</u>	<u>Project Description</u>
Earthjustice 426 17th Street, 6th Floor Oakland, CA 94612-2820	Approved 3/6/2009 Start: 3/6/2009 End: 3/6/2011 (ANN)	Program Support	Grant: \$100,000 Paid: \$50,000 Bal.: \$50,000 Term: 24 Months	\$50,000	\$50,000	Using the Power of Law to Protect the Northwest's Natural Heritage  To provide strategic legal services and advice to the Northwest conservation community.
Idaho Smart Growth 910 Main Street, Ste 314 Boise, ID 83702	Approved 3/6/2009 Start: 3/6/2009 End: 3/6/2011 (ANN)	Program Support	Grant: \$60,000 Paid: \$30,000 Bal.: \$30,000 Term: 24 Months	\$30,000	\$30,000	General Support  To support sustainable land use in Idaho.
Sustainable Northwest 813 SW Alder, Suite 500 Portland, OR 97205	Approved 3/6/2009 Start: 3/6/2009 End: 3/6/2011 (JIM)	Program Support	Grant: \$36,000 Paid: \$18,000 Bal.: \$18,000 Term: 24 Months	\$18,000	\$18,000	Collaboration and Conservation in Lemhi County, Idaho: Building Bridges  To work in partnership with Salmon Valley Stewardship and the Lemhi Regional Land Trust on community-based conservation in Idaho.
Tides Foundation The Presidio PO Box 29903 San Francisco, CA 94129- 0903	Approved 12/1/2009 Start: 12/1/2009 End: 12/1/2010 (KEIKI)	Program Support	Grant: \$40,000 Paid \$0 Bal.: \$40,000 Term: 12 Months	\$0	\$40,000	General Support for Organizing for Change  To coordinate and enhance support of conservation priorities in British Columbia.
Washington Environmental Council 1402 3rd Ave, Suite 1400 Seattle, WA 98101	Approved 3/6/2009 Start: 3/6/2009 End: 3/6/2011 (KEIKI)	Program Support	Grant: \$150,000 Paid \$75,000 Bal.: \$75,000 Term: 24 Months	\$75,000	\$75,000	General Support  To protect Washington's land, air and water through outreach and advocacy.
					\$213,000	



Form 990-PF

**Election Under Regulations Section 53.4942(a)-3(d)(2) to Treat  
Excess Qualifying Distributions as Distributions Out of Corpus**

Pursuant to IRC Section 4942(h)(2) and Regulations 53.4942(a)-3(d)(2), The Brainerd Foundation hereby elects to treat current year qualifying distributions in excess of the immediately preceding tax year's undistributed income as being made out of corpus.

Signed: Ann L. Kumboltz

Name and Title: Ann L. Kumboltz, Vice President /  
Executive Director

# Application for Extension of Time To File an Exempt Organization Return

▶ **File a separate application for each return.**

• If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box

• If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form)

**Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868**

## Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns

**Electronic Filing (e-file).** Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T) However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on *e-file for Charities & Nonprofits*

Type or print  File by the due date for filing your return See instructions	Name of Exempt Organization <b>THE BRAINERD FOUNDATION</b>	Employer identification number <b>91-1675591</b>
	Number, street, and room or suite no. If a P O box, see instructions <b>1601 SECOND AVE, SUITE 610</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions <b>SEATTLE, WA 98101-1541</b>	

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

- |   |  |                                    |
|---|--|------------------------------------|
| <input type="checkbox"/> Form 990               | <input type="checkbox"/> Form 990-T (corporation)                | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL            | <input type="checkbox"/> Form 990-T (sec 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ            | <input type="checkbox"/> Form 990-T (trust other than above)     | <input type="checkbox"/> Form 6069 |
| <input checked="" type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A                             | <input type="checkbox"/> Form 8870 |

• The books are in the care of ▶ CRYSTAL ANDERSON

Telephone No ▶ 206 448-0676 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 will cover

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 08/15, 2010, to file the exempt organization return for the organization named above. The extension is for the organization's return for

▶  calendar year 2009 or  
▶  tax year beginning \_\_\_\_\_, \_\_\_\_\_, and ending \_\_\_\_\_, \_\_\_\_\_.

2 If this tax year is for less than 12 months, check reason:  Initial return  Final return  Change in accounting period

<b>3a</b> 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	<b>3a</b>	\$ 11,099.
<b>b</b> If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit	<b>3b</b>	\$ 92,829.
<b>c Balance Due.</b> Subtract line 3b from line 3a. 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.	<b>3c</b>	\$

**Caution.** If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only Part II and check this box  **X**
- 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. Only file the original (no copies needed).**

Type or print File by the extended due date for filing the return See instructions	Name of Exempt Organization THE BRAINERD FOUNDATION	Employer identification number 91-1675591
	Number, street, and room or suite no. If a P O box, see instructions 1601 SECOND AVE, SUITE 610	For IRS use only
	City, town or post office, state, and ZIP code For a foreign address, see instructions. SEATTLE, WA 98101-1541	

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

- |                                      |  |                                      |                                    |
|--------------------------------------|--|--------------------------------------|------------------------------------|
| <input type="checkbox"/> Form 990    | <input checked="" type="checkbox"/> Form 990-PF                  | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec 401(a) or 408(a) trust) | <input type="checkbox"/> Form 4720   | <input type="checkbox"/> Form 8870 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above)     | <input type="checkbox"/> Form 5227   |                                    |

**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  CRYSTAL ANDERSON  
Telephone No  206 448-0676 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

- I request an additional 3-month extension of time until 11/15/2010
- For calendar year 2009, or other tax year beginning \_\_\_\_\_ and ending \_\_\_\_\_
- If this tax year is for less than 12 months, check reason  Initial return  Final return  Change in accounting period
- State in detail why you need the extension ADDITIONAL TIME IS NEEDED TO GATHER INFORMATION NECESSARY TO PREPARE A COMPLETE AND ACCURATE RETURN.  
AN EXTENSION OF TIME IN WHICH TO FILE IS RESPECTFULLY REQUESTED.

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	\$	11,099.
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	\$	92,829.
c	<b>Balance Due.</b> 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	\$	

**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 *M. Oliason* Title CPA Date 8/11/10  
 KING & OLIASON, P.S.  
 514 SECOND AVE. WEST  
 SEATTLE, WA 98119-3928