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Return of Private Foundation

or Section 4947(a)(1) Nonexempt Charitable Trust

Treated as a Private Foundation

2009Department 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 **JUN 1, 2009**, and ending **MAY 31, 2010**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 THE NICHOLSON FAMILY FOUNDATION		A Employer identification number 77-0444787
	Number and street (or P O box number if mail is not delivered to street address) 335 SPRECKELS DR. SUITE G		B Telephone number (831) 662-2550
	City or town, state, and ZIP code APTOS, CA 95003		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 type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input checked="" 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) \$ 4,653,812. (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"/>	
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))		(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	0.			
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	253,563.	253,563.		STATEMENT 1
	4 Dividends and interest from securities	33,963.	33,963.		STATEMENT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	30,876.			
	b Gross sales price for all assets on line 6a	489,487.			
	7 Capital gain net income (from Part IV, line 2)		30,876.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less Cost of goods sold					
c Gross profit or (loss)					
11 Other income					
12 Total. Add lines 1 through 11	318,402.	318,402.	0.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0.	0.	0.	0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees STMT 3	1,800.	900.	0.	0.
	c Other professional fees STMT 4	51,629.	19,229.	0.	22,680.
	17 Interest				
	18 Taxes STMT 5	4,694.	756.	0.	0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications	181.	0.	0.	0.
	23 Other expenses STMT 6	1,145.	0.	0.	0.
	24 Total operating and administrative expenses. Add lines 13 through 23	59,449.	20,885.	0.	22,680.
	25 Contributions, gifts, grants paid	198,750.			198,750.
26 Total expenses and disbursements. Add lines 24 and 25	258,199.	20,885.	0.	221,430.	
27 Subtract line 26 from line 12:	60,203.				
a Excess of revenue over expenses and disbursements					
b Net investment income (if negative, enter -0-)		297,517.			
c Adjusted net income (if negative, enter -0-)			0.		

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Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	13,404.	28,753.	28,753.
	2 Savings and temporary cash investments	50,250.	9,912.	9,912.
	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			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock			
	c Investments - corporate bonds			
11 Investments - land, buildings, and equipment: basis ▶				
Less: accumulated depreciation ▶				
12 Investments - mortgage loans				
13 Investments - other	STMT 7	4,529,009.	4,614,201.	4,615,147.
14 Land, buildings, and equipment: basis ▶				
Less: accumulated depreciation ▶				
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers)		4,592,663.	4,652,866.	4,653,812.
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			
	22 Other liabilities (describe ▶)			
23 Total liabilities (add lines 17 through 22)		0.	0.	
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		4,592,663.	4,652,866.
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 27 through 31.			
	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 Total net assets or fund balances		4,592,663.	4,652,866.	
31 Total liabilities and net assets/fund balances		4,592,663.	4,652,866.	

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	4,592,663.
2 Enter amount from Part I, line 27a	2	60,203.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	4,652,866.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	4,652,866.

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 STATEMENT A-3 LONG TERM CAPITAL LOSS	P	VARIOUS	VARIOUS
b	SEE STATEMENT A-3 SHORT TERM CAPITAL LOSS	P	VARIOUS	VARIOUS
c	CASH IN LIEU	P	VARIOUS	VARIOUS
d	CAPITAL GAINS DIVIDENDS			
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	332,371.		340,647.	-8,276.
b	156,170.		117,964.	38,206.
c	126.			126.
d	820.			820.
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			-8,276.
b			38,206.
c			126.
d			820.
e			

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	30,876.
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). If (loss), enter -0- in Part I, line 8	3	N/A

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 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	254,878.	1,752,147.	.145466
2007	127,100.	2,108,255.	.060287
2006	125,000.	1,735,874.	.072010
2005	124,765.	1,411,791.	.088374
2004	111,500.	1,136,050.	.098147

2	Total of line 1, column (d)	2	.464284
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	.092857
4	Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	4,559,769.
5	Multiply line 4 by line 3	5	423,406.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	2,975.
7	Add lines 5 and 6	7	426,381.
8	Enter qualifying distributions from Part XII, line 4	8	221,430.

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.

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

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	5,950.
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0.
3	Add lines 1 and 2	3	5,950.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0.
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	5,950.
6	Credits/Payments:		
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a	
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	0.
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	95.
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	6,045.
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	
11	Enter the amount of line 10 to be: Credited to 2010 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11	

Part VII-A Statements Regarding Activities

	Yes	No
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?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? 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.		X
1c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. \$ 0. (2) On foundation managers. \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. \$ 0.		
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.	2	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	3	X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a	X
b If "Yes," has it filed a tax return on Form 990-T for this year?	4b	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.	5	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?	6	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.	7	X
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <u>CA</u>		
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	8b	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)? If "Yes," complete Part XIV	9	X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10	X

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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 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	13	X	
14	The books are in care of BRUCE NICHOLSON Telephone no. (831) 662-2550 Located at 335 SPRECKELS DR. SUITE G, APTOS, CA ZIP+4 95003			
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		N/A

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 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?		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? If "Yes," list the years	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
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 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.		
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?		4a
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

Form 990-PF (2009)

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)?

☐ 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 instructions)?

N/A

5b

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 because it maintained expenditure responsibility for the grant?

N/A ☐ 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?

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?

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.

(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
BRUCE NICHOLSON 335 SPRECKELS DR., SUITE G APTOS, CA 95003	PRESIDENT 3.00	0.	0.	0.
MARTHA MCALIISTER 335 SPRECKELS DR., SUITE G APTOS, CA 95003	SECRETARY/VICE PRESIDENT 1.00	0.	0.	0.
KATHLEEN HULL 335 SPRECKELS DR., SUITE G APTOS, CA 95003	DIRECTOR 1.00	0.	0.	0.
JOHN NICHOLSON 335 SPRECKELS DR., SUITE G APTOS, CA 95003	DIRECTOR 1.00	0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). 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

0

Form 990-PF (2009)

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3** Five highest-paid independent contractors for professional services. 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

0

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 GRANT TO PROVIDE OPERATIONAL SUPPORT FOLLOWING THE PEDIATRIC PALLIATIVE CARE MODEL. GEORGE MARK'S CHILDREN'S HOUSE	60,000.
2 GRANT TO SUPPLEMENT SHORTFALL FROM A LARGE GRANT ORIGINATED BY THE IRVINE FOUNDATION TO FULLY IMPLEMENT A CAPACITY BUILDING PROGRAM. CABRILLO FESTIVAL OF CONTEMPORARY MUSIC	15,000.
3 GRANT TOWARDS UPGRADING 72 YEAR OLD CAMP IN SANTA CRUZ MOUNTAINS. THE CAMP RUNS SEVERAL YOUTH AND FAMILY PROGRAMS. YMCA OF SILICON VALLEY	10,000.
4 GRANT FOR THREE YEAR COMMITMENT GRANT TALLING \$25,000 TO THE RUTH AND BILL NICHOLSON FAMILY FINANCIAL AID ENDOWMENT FUND. BELLARMINE COLLEGE PREPARATORY	10,000.

Part IX-B Summary of Program-Related Investments

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

	Amount
1 N/A	0.
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	0.

Form 990-PF (2009)

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see 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	2,024,532.
b	Average of monthly cash balances	1b	69,675.
c	Fair market value of all other assets	1c	2,535,000.
d	Total (add lines 1a, b, and c)	1d	4,629,207.
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	4,629,207.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	69,438.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	4,559,769.
6	Minimum investment return. Enter 5% of line 5	6	227,988.

Part XI Distributable Amount (see 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	227,988.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	5,950.
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	5,950.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	222,038.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	222,038.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	222,038.

Part XII Qualifying Distributions (see 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	221,430.
b	Program-related investments - total from Part IX-B	1b	0.
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:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	221,430.
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	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	221,430.

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.

Form 990-PF (2009)

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				222,038.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2009:				
a From 2004	55,552.			
b From 2005	55,625.			
c From 2006	39,877.			
d From 2007	27,839.			
e From 2008	174,875.			
f Total of lines 3a through e	353,768.			
4 Qualifying distributions for 2009 from Part XII, line 4: ▶ \$	221,430.			
a Applied to 2008, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2009 distributable amount				221,430.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a).)	608.			608.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	353,160.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
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		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount - see instr...			0.	
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)	0.			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7	54,944.			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	298,216.			
10 Analysis of line 9:				
a Excess from 2005	55,625.			
b Excess from 2006	39,877.			
c Excess from 2007	27,839.			
d Excess from 2008	174,875.			
e Excess from 2009				

N/A

☐ 4942(j)(3) or ☐ 4942(j)(5)

(4) Gross investment income

[illegible]

N/A

Part XVII

Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

- | | | Yes | No |
|----------|--|-------|----|
| 1 | Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations? | | |
| a | Transfers from the reporting foundation to a noncharitable exempt organization of: | | |
| | (1) Cash | 1a(1) | X |
| | (2) Other assets | 1a(2) | X |
| b | Other transactions: | | |
| | (1) Sales of assets to a noncharitable exempt organization | 1b(1) | X |
| | (2) Purchases of assets from a noncharitable exempt organization | 1b(2) | X |
| | (3) Rental of facilities, equipment, or other assets | 1b(3) | X |
| | (4) Reimbursement arrangements | 1b(4) | X |
| | (5) Loans or loan guarantees | 1b(5) | X |
| | (6) Performance of services or membership or fundraising solicitations | 1b(6) | X |
| c | Sharing of facilities, equipment, mailing lists, other assets, or paid employees | 1c | X |
| d | If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received. | | |

[illegible]

- 2a** Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No
- b** If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer or trustee

Date:

→ Title

Preparer's
signature

**Firm's name (or yours
if self-employed),
address, and ZIP code**

ISABEL CHIU & CO., LLP
838 N. HILLVIEW DRIVE
MILPITAS, CA 95035

Da

Check if self-employed	
------------------------	--

Preparer's identifying number

EIN ▶

Phone no. **408-942-9689**

Form **990-PF** (2009)

THE NICHOLSON FAMILY FOUNDATION
FY 2009/2010 SECURITIES SOLD

PAGE 1
PRINTED: 08/07/10

STOCKS/FUNDS	DATE BOUGHT	NUMBER SHARES	DIV REIN SHARES	UNIT PRICE	CURR YR FEES	TOTAL	DATE SOLD	NUMBER SHARES	UNIT PRICE	FEES	TOTAL	GAIN / (LOSS)
BURKE PORTFOLIO:												
LONG TERM												
LONG TERM SUBTOTAL						0.00	0.00 0.00					
BURKE PORTFOLIO:												
SHORT TERM												
DIREXION EMERG MKT BULL	08/08/09	48.000		85.87	18.99	3,987.01	07/30/09	46.00	108.38	17.25	4,868.33	1,001.32
DIREXION EMERG MKT BULL	08/10/09	44.000		90.70	18.99	4,007.79	07/30/09	44.00	108.38	0.00	4,768.81	761.02
DIREXION SMALL CAP BULL	06/08/09	132.000		30.27	16.99	4,012.43	07/30/09	132.00	36.81	17.25	4,841.69	829.26
DIREXION SMALL CAP BULL	08/10/09	134.000		30.01	16.99	4,038.13	07/30/09	134.00	36.81	0.00	4,932.55	894.42
DIREXION LARGE CAP BULL	06/08/09	120.000		35.51	16.99	4,278.07	07/30/09	120.00	42.43	17.25	5,074.47	788.40
DIREXION LARGE CAP BULL	08/10/09	111.000		35.89	18.99	4,000.87	07/30/09	111.00	42.43	0.00	4,709.84	709.17
PROSHARES ULTRA QQQ	01/30/09	378.000		26.14	8.49	9,837.13	08/07/09	378.000	45.65	17.55	17,147.80	7,310.67
PROSHARES ULTRA QQQ	08/08/09	101.000		38.08	12.00	3,858.07	08/07/09	101.000	45.65	0.00	4,610.81	752.84
SHORT TERM SUBTOTAL						37,999.30	51,054.40 13,055.10					
BURKE PORTFOLIO TOTAL						37,999.30	51,054.40 13,055.10					
REED CONNER PORTFOLIO:												
LONG TERM												
A E S CORP	02/27/04	108.000		9.10	0.00	982.80	08/20/09	108.000	13.83	0.08	1,493.43	510.63
A E S CORP	05/20/04	109.000		8.02	0.00	874.08	08/20/09	109.000	13.83	0.00	1,507.34	633.28
AMERICAN EXPRESS	09/17/01	40.000		29.20	0.00	1,167.80	08/11/09	40.000	25.60	0.04	1,024.03	(143.77)
AMERICAN EXPRESS	08/04/03	20.000		43.16	0.00	863.20	06/11/09	20.000	25.60	0.00	512.04	(351.16)
BERKSHIRE HATHAWAY	03/21/05	12.000		58.48	0.00	701.74	02/01/10	12.000	75.88	0.02	910.58	208.82
BERKSHIRE HATHAWAY	03/21/05	38.000		58.48	0.00	2,222.18	04/20/10	38.000	79.87	0.06	3,034.83	812.65
CENTRAL GARDEN & PET	02/09/07	187.000		13.04	0.00	2,437.87	08/20/09	187.000	11.99	0.08	2,241.47	(196.50)
CENTRAL GARDEN & PET	10/12/07	57.000		9.13	0.00	520.36	08/20/09	57.000	11.99	0.00	683.25	162.89
COMCAST CORP (SPINOFF)	11/18/02	20.000		0.00	0.00	0.00	11/16/09	20.000	15.75	0.18	314.85	314.85
COMCAST CORP	01/31/03	24.000		17.68	0.00	424.32	11/16/09	24.000	15.75	0.00	378.01	(46.31)
COMCAST CORP	08/04/03	75.000		18.97	0.00	1,497.75	11/16/09	75.000	15.75	0.00	1,181.30	(318.45)
COMCAST CORP	07/13/04	60.000		18.50	0.00	1,110.00	11/16/09	60.000	15.75	0.00	945.04	(164.96)
COMCAST CORP (SPLIT)	02/21/07	117.000		12.98	0.00	1,518.57	11/16/09	117.000	15.75	0.00	1,842.82	328.25
GENERAL ELECTRIC	03/07/07	187.000		34.57	0.00	6,483.84	04/20/10	187.000	19.06	0.07	3,564.19	(2,899.65)
HALLIBURTON CO	05/01/07	35.000		31.41	0.00	1,099.28	10/29/09	35.000	29.78	0.03	1,042.30	(56.98)
LIBERTY MEDIA HLDG	05/23/08	91.000		18.03	0.00	1,640.80	03/09/10	91.000	13.22	0.02	1,203.07	(437.73)
SYMANTIC	01/20/06	74.000		18.97	0.00	1,403.60	10/29/09	74.000	17.37	0.04	1,285.67	(117.93)
SYMANTIC	01/20/06	120.000		18.97	0.00	2,276.10	03/18/10	120.000	17.35	0.04	2,081.68	(194.44)
SYMANTIC	03/08/06	39.000		15.89	0.00	619.71	03/18/10	39.000	17.35	0.00	676.55	56.84
WAL-MART STORES	03/13/06	82.000		45.31	0.00	3,715.63	08/13/09	82.000	51.34	0.11	4,210.08	494.45
ANNALY CAPITAL MGT REIT	04/08/06	5.000		11.88	0.00	59.38	11/04/09	5.000	17.12	0.14	85.47	26.09
ANNALY CAPITAL MGT REIT	08/26/06	123.000		13.00	0.00	1,588.68	11/04/09	123.000	17.12	0.00	2,106.04	507.36
ANNALY CAPITAL MGT REIT	08/27/07	172.000		14.57	0.00	2,508.40	11/04/09	172.000	17.12	0.00	2,945.04	438.64
LONG TERM SUBTOTAL						35,702.17	35,269.04 (433.13)					

EIN: 77-0444787

THE NICHOLSON FAMILY FOUNDATION
FY 2009/2010 SECURITIES SOLD

PAGE 2
PRINTED: 06/07/10

STOCKS/FUNDS	DATE BOUGHT	NUMBER SHARES	DIV REIN SHARES	UNIT PRICE	CURR YR FEES	TOTAL	DATE SOLD	NUMBER SHARES	UNIT PRICE	FEES	TOTAL	GAIN / (LOSS)	
<u>REED, CONNER PORTFOLIO.</u>													
<u>SHORT TERM</u>													
CISCO SYSTEMS INC	03/06/09	128 000		14.24	0 00	1,823 17	08/28/09	128 000	22.17	0 08	2,837.85	1,014 68	
COMCAST CORP	06/12/09	54,000		14 16	0 00	764 82	11/16/09	54 000	15 75	0.00	850 53	85 71	
COMCAST CORP	08/20/09	32,000		14 52	0 00	464 84	11/18/09	32,000	15 75	0 00	504 02	39 38	
LIBERTY GLOBAL INC	11/19/09	149,000		20.92	0 00	3,117 69	01/28/10	149 000	25 62	0.05	3,816.59	698 90	
LIBERTY GLOBAL INC	11/19/09	116 000		20 92	0 00	2,427 20	02/24/10	116 000	26 32	0 04	3,053 01	625.81	
PERKINELMER INC	12/24/08	171 000		13 38	0 00	2,288 17	10/14/09	171 000	20.11	0.09	3,439 15	1,150 98	
TCF FINANCIAL CORP	11/04/09	235 000		11 58	0 00	2,721 18	04/23/10	235 000	18.85	0 06	4,430 61	1,709 43	
TECHNITROL INC	11/03/09	333 000		6 51	0 00	2,167 40	12/22/09	333 000	4 27	0 04	1,423 20	(744.20)	
<u>SHORT TERM SUBTOTAL.</u>						<u>15,774 27</u>						<u>20,354 96</u>	<u>4,580 69</u>
<u>REED, CONNER PORTFOLIO TOTAL.</u>						<u>51,476 44</u>						<u>55,824 00</u>	<u>4,147 56</u>
<u>SCHARF PORTFOLIO.</u>													
<u>LONG TERM.</u>													
AT&T INC NEW	07/21/08	570 000		32 07	8 95	18,290 50	08/08/09	570 000	25 48	18 32	14,507 28	(3,783.22)	
AT&T INC NEW	07/24/08	600 000		32.18	8 95	19,317.61	08/08/09	600 000	25 48	0 00	15,290 10	(4,027 51)	
ALCON INC	01/12/09	65 000		89 06	5 00	5,793 91	01/12/10	65 000	154 25	15 13	10,010 98	4,217 05	
AUTO DATA PROCESSING	09/13/07	305 000		44 68	4 00	13,630 97	11/24/09	305 000	43 96	15 35	13,392 02	(238 95)	
AUTO DATA PROCESSING	09/13/07	420 000		44 68	5 95	18,770.96	04/20/10	420 000	44 97	15 32	18,873.97	103 01	
BERKSHIRE HATHAWAY CL B	06/06/07	145 000		72 30	3 00	10,486 21	03/08/10	145 000	83 01	15 16	12,021 07	1,534 86	
BERKSHIRE HATHAWAY CL B	06/06/07	455 000		72.30	6 95	32,902 54	05/20/10	455 000	73 02	15 57	33,208 35	305 81	
CANADIAN NATL RAILWAY	11/19/07	195 000		47 64	0 00	9,289 10	08/08/09	195 000	49 83	15 25	9,700 86	411 76	
D S T SYSTEMS	02/19/09	350 000		31 29	12 00	10,962 52	03/15/10	350 000	40 71	15 19	14,235 03	3,272 51	
D S T SYSTEMS	02/19/09	55,000		31 29	3 00	1,723 80	04/15/10	55 000	42 48	15 34	2,321 28	597 48	
D S T SYSTEMS	02/27/09	410 000		29 69	15 00	12,188 19	04/15/10	410 000	42 48	0 00	17,418 44	5,230 25	
DISNEY WALT CO	11/18/07	180 000		32 10	1 00	5,779 76	03/28/10	180 000	35 33	15 09	6,343 57	563 81	
DISNEY WALT CO	11/18/07	555 000		32 10	8 95	17,826 77	05/05/10	555 000	38 05	15 34	19,990 47	2,163 70	
DISNEY WALT CO	11/16/07	530 000		32 10	0 00	17,015 23	05/07/10	530 000	33 27	15 30	17,618 33	603 10	
FISERV INC	01/25/08	190 000		50 73	5 00	9,643 24	05/06/10	190 000	53 82	15 18	10,210 43	567 19	
JOHNSON & JOHNSON	06/08/07	85 000		62 75	0 00	5,333 81	04/28/10	85 000	64 61	15 10	5,476 73	142 92	
MCKESSON CORP	11/11/08	250 000		36 14	5 00	9,040 40	11/12/09	250 000	63 92	15 42	15,963 66	6,923 26	
SAP AKTIENGESSELL	11/27/07	85 000		50 70	0 00	4,309 34	07/23/09	85 000	45 17	15 10	3,824 72	(484 62)	
SUNCOR ENERGY INC	09/09/08	280 000		43.22	5 00	12,105 42	03/22/10	280 000	30 70	15 11	8,581 73	(3,523.69)	
SUNCOR ENERGY INC	09/09/08	155 000		43 22	3 95	6,702 40	05/24/10	155 000	29 04	15 31	4,486 50	(2,215 90)	
SUNCOR ENERGY INC	09/29/08	470 000		41 35	8 95	19,442.65	05/24/10	470 000	29 04	0 00	13,650 63	(5,792 02)	
SYSCO CORP	06/06/07	650 000		32 75	0 00	21,286 85	08/10/09	650 000	24 96	15 42	16,208 00	(5,078 85)	
SYSCO CORP	06/06/07	445 000		32 75	9 95	14,583 26	08/12/09	445 000	24 99	15 43	11,105 30	(3,477 96)	
<u>LONG TERM SUBTOTAL.</u>						<u>296,425 44</u>						<u>294,439 43</u>	<u>(1,986 01)</u>

EIN: 77-0444787

THE NICHOLSON FAMILY FOUNDATION
FY 2009/2010 SECURITIES SOLD

PAGE 3
PRINTED 06/07/10

STOCKS/FUNDS	DATE BOUGHT	NUMBER SHARES	DIV REIN SHARES	UNIT PRICE	CURR YR FEES	TOTAL	DATE SOLD	NUMBER SHARES	UNIT PRICE	FEES	TOTAL	GAIN / (LOSS)
<u>SCHARF PORTFOLIO.</u>												
<u>SHORT TERM:</u>												
CADBURY PLC ORD	04/14/09	710 000		7 65	20 00	5,454 40	10/14/09	710 000	12.60	17.80	8,830 09	3,475 69
CADBURY PLC ORD	04/14/09	1,055 000		7 65	21.94	8,097 02	11/09/09	1,055 000	12.74	35 50	13,403.09	5,306 07
CADBURY PLC ORD	04/16/09	340 000		7 74	10.00	2,640 74	11/09/09	340 000	12 74	0 00	4,330 92	1,690 18
CADBURY PLC ORD	04/16/09	1,385 000		7 74	31 54	10,747 98	02/09/10	1,385 000	13 13	36.36	18,152.43	7,404 45
INFOSYS TECH SPON ADR	02/11/09	490 000		27 06	15 00	13,276 02	06/01/09	490 000	35 91	15 46	17,578 24	4,302 22
ROCKWELL COLLINS INC	09/15/08	365 000		52.20	8.95	19,060 89	06/08/09	365 000	48 60	15 44	16,892 54	(2,068 35)
SYSCO CORP	06/16/09	215 000		22.78	15 00	4,913 56	08/12/09	215 000	24 99	0 00	5,372.83	459 37
<u>SHORT TERM SUBTOTAL</u>						64,190 81						
<u>SCHARF PORTFOLIO TOTAL</u>						360,616 05	84,760 24 20,569 63 379,199 67 18,583 62					
<u>DOOLITTLE PORTFOLIO.</u>												
<u>LONG TERM.</u>												
CAPITAL SOURCE INC	11/27/07	250 000		14 27	0 00	3,587 50	04/07/10	250 000	5 88	19 99	1,450 68	(2,116 82)
CAPITAL SOURCE INC	03/24/08	125 000		11 30	19 95	1,432 20	04/07/10	125 000	5 88	0 00	735 34	(696 86)
WILLIAMS COAL SEAM GAS	11/27/07	400 000		8 80	0 00	3,520 00	02/10/10	400 000	1 24	19 96	476.18	(3,043 84)
<u>LONG TERM SUBTOTAL</u>						8,519 70	2,662.18 (5,857 52)					
<u>DOOLITTLE PORTFOLIO.</u>												
<u>SHORT TERM.</u>												
<u>SHORT TERM SUBTOTAL</u>						0 00	0 00 0 00					
<u>DOOLITTLE PORTFOLIO TOTAL</u>						8,519.70	2,662.18 (5,857 52)					
<u>THE NICHOLSON FAMILY FOUNDATION.</u>												
<u>LONG TERM TOTAL</u>						340,647 31	332,370 65 (8,276 66)					
<u>SHORT TERM TOTAL</u>						117,964 18	156,169 60 38,205 42					
<u>GRAND TOTAL</u>						458,611.49	488,540 25 29,928 76					

**THE NICHOLSON FAMILY FOUNDATION
GRANTS AND CONTRIBUTIONS
PAID DURING THE YEAR 2009/2010**

<u>RECIPIENT NAME AND ADDRESS</u>	<u>RECIPIENT STATUS</u>	<u>PURPOSE OF GRANT</u>	<u>RECIPIENT RELATIONSHIP</u>	<u>AMOUNT</u>
PLANNED PARENTHOOD MAR MONTE 1119 PACIFIC AVE, STE 200 SANTA CRUZ, CA 95060	PUBLIC EXEMPT ORG	TEEN TALK PROGRAM	N/A	5,000.
JACOB'S HEART 2007 FREEDOM BLVD. FREEDOM, CA 95109	PUBLIC EXEMPT ORG	RESOURCES FOR FAMILIES DEALING WITH CANCER	N/A	7,500.
O'NEILL SEA ODYSSEY 2222 EAST CLIFF DR. #222 SANTA CRUZ, CA 95060	PUBLIC EXEMPT ORG	SUPPORT AID FOR YOUTH IN COASTAL SCIENCE PROGRAM	N/A	5,000
YMCA OF SILICON VALLEY 1922 THE ALAMEDA, 3 RD FL SAN JOSE, CA 95126	PUBLIC EXEMPT ORG	CAPITAL CAMPAIGN FOR CAMP CAMPBELL	N/A	10,000.
BELLARMINE COLLEGE PREPARATORY 960 W. HEDDING STREET SAN JOSE, CA 95126	PUBLIC EXEMPT ORG	TUITION SCHOLARSHIP	N/A	10,000.
ANN MARTIN CENTER 1250 GRAND AVENUE PIEDMONT, CA 94610	PUBLIC EXEMPT ORG	MINDS AND HEARTS PROJECT EMOTIONAL DEVELOPMENT	N/A	10,000.
SENIOR COUNCIL 234 SANTA CRUZ AVE APTOS, CA 95003	PUBLIC EXEMPT ORG	SENIOR TUTORING AND MENTORING FOR YOUTH	N/A	5,000.
THE INNOCENT JUSTICE FOUNDATION 132 N. EL CAMINO REAL #483 ENCINITAS, CA 92024	PUBLIC EXEMPT ORG	SOFTWARE TO AID SANTA CRUZ POLICE DEPT. IN CHILD ABUSE CASES	N/A	1,000.
SOUTHERN EXPOSURE 3030 - 20 TH STREET SAN FRANCISCO, CA 94110	PUBLIC EXEMPT ORG	FUNDS FOR THE FUTURE CAMPAIGN	N/A	5,000.
GEORGE MARK CHILDRENS HOUSE 2121 GEORGE MARK LANE SAN LEANDRO, CA 94578	PUBLIC EXEMPT ORG	SUPPORT PEDIATRIC RESIDENTIAL HOSPICE FACILITY	N/A	60,000.

EIN: 77-0444787

THE NICHOLSON FAMILY FOUNDATION
GRANTS AND CONTRIBUTIONS
PAGE 2

<u>RECIPIENT NAME AND ADDRESS</u>	<u>RECIPIENT STATUS</u>	<u>PURPOSE OF GRANT</u>	<u>RECIPIENT RELATIONSHIP</u>	<u>AMOUNT</u>
CABRILLO FESTIVAL OF CONTEMPORARY MUSIC 147 S. RIVER STREET, STE 232	PUBLIC EXEMPT ORG	CAPACITY MATCHING GRANT	N/A	15,000.
ALL SAINTS SCHOOL 8060 CARMEL VALLEY ROAD CARMEL, CA 93923	PUBLIC EXEMPT ORG	TUITION SCHOLARSHIP	N/A	10,000.
CONFLICT RESOLUTION CENTER OF SANTA CRUZ COUNTY PO BOX 187 SOQUEL, CA 95073	PUBLIC EXEMPT ORG	SUPPORT TRAINING FOR MEDIATION	N/A	2,000.
TANNERY ARTS CENTER 337 LOCUST STREET SANTA CRUZ, CA 95060	PUBLIC EXEMPT ORG	CAPITAL CAMPAIGN FOR PERFORMING ARTS CENTER	N/A	10,000.
TIDES CENTER PO BOX 29907 SAN FRANCISCO, CA 94129	PUBLIC EXEMPT ORG	OASIS FOR GIRLS ARTS PROGRAM CLUSTER	N/A	10,000.
MOSAIC PROJECT 580 GRAND AVE, STE 303 OAKLAND, CA 94610	PUBLIC EXEMPT ORG	TUITION ASSISTANCE FOR CAMP PROGRAMS	N/A	10,000.
CHARTWELL SCHOOL 2511 NUMA WATSON ROAD SEASIDE, CA 93955	PUBLIC EXEMPT ORG	TUITION ASSISTANCE	N/A	7,500.
PAJARO VALLEY SHELTER SERVICES 115 BRENNAN STREET WATSONVILLE, CA 95076	PUBLIC EXEMPT ORG	SHELTER UPGRADES	N/A	8,750.
PAJARO VALLEY UNIFIED SCHOOL DISTRICT 294 GREEN VALLEY ROAD WATSONVILLE, CA 95076	PUBLIC EXEMPT ORG	SCIENCE FAIR COORDINATOR	N/A	2,000.
VALLEY CHURCHES UNITED P.O. BOX 367 BEN LOMAND, CA 95005	PUBLIC EXEMPT ORG	TO ASSIST FOOD & GIFT HOLIDAY PROGRAMS	N/A	1,000.
LOAVES AND FISHES 721 MAIN STREET WATSONVILLE, CA 95076	PUBLIC EXEMPT ORG	TO ASSIST FOOD & GIFT HOLIDAY PROGRAMS	N/A	1,000.

THE NICHOLSON FAMILY FOUNDATION
GRANTS AND CONTRIBUTIONS
PAGE 3

<u>RECIPIENT NAME AND ADDRESS</u>	<u>RECIPIENT STATUS</u>	<u>PURPOSE OF GRANT</u>	<u>RECIPIENT RELATIONSHIP</u>	<u>AMOUNT</u>
SECOND HARVEST FOOD BANK P.O. BOX 990 WATSONVILLE, CA 95077	PUBLIC EXEMPT ORG	TO ASSIST FOOD & GIFT HOLIDAY PROGRAMS	N/A	1,000.
PIEDMONT COMMUNITY CHURCH 400 HIGHLAND AVENUE PIEDMONT, CA 94611	PUBLIC EXEMPT ORG	TO ASSIST FOOD & GIFT HOLIDAY PROGRAMS	N/A	1,000.
VOLUNTEER CENTER OF SANTA CRUZ COUNTY 1010 EMILINE AVENUE SANTA CRUZ, CA 95060	PUBLIC EXEMPT ORG	TO ASSIST FOOD & GIFT HOLIDAY PROGRAMS	N/A	500.
SAINT JOSEPH SCHOOL 150 VALPARAISO AVENUE ATHERTON, CA 94027	PUBLIC EXEMPT ORG	TO ASSIST FOOD & GIFT HOLIDAY PROGRAMS	N/A	500.

EIN: 77-0444787

THE NICHOLSON FAMILY FOUNDATION

Fiscal Year Ending May 31, 2010

GRANTS MADE

1. **Planned Parenthood Mar Monte** **\$5,000.00**
1119 Pacific Avenue, Ste. 200
Santa Cruz, CA 95060

This is a grant to help with an outreach program Teen Talk that mentors middle school aged girls in Watsonville with decision-making skills centering on personal health.

2. **Jacob's Heart** **\$7,500.00**
2007 Freedom Blvd.
Freedom, CA 95109

Jacob's Heart aids families in various ways such as support groups, financial assistance and resource guidance as they cope with treatment regimes for children with cancer. This was a general operational grant.

3. **O'Neill Sea Odyssey** **\$5,000.00**
2222 East Cliff Drive #222
Santa Cruz, CA 95062

This grant went to help run their coastal science learning adventures for youth and specifically supported low-income students participation in Santa Cruz County

4. **YMCA of Silicon Valley** **\$10,000.00**
1922 The Alameda, 3rd Floor
San Jose, CA 95126

This is a grant towards their capital campaign for Camp Campbell and upgrades to the 72 year old camp in the Santa Cruz Mountains. The camp runs several youth and family programs including a fifth grade outdoor science education program.

5. **Bellarmino College Preparatory** **\$10,000.00**
960 W. Hedding Street
San Jose, CA 95126

This is the beginning of a three-year commitment grant totaling \$25,000 to the Ruth and Bill Nicholson Family Financial Aid Endowment Fund.

EIN: 77-0444787

The Nicholson Family Foundation
Grants Made
Page 2

6. Ann Martin Center \$10,000.00
1250 Grand Avenue
Piedmont, CA 94610

This grant is for their psychological and education therapy programs, specifically the *Minds and Hearts Project*, to promote healthy emotional development and school success for youth regardless of the ability to pay.

7. Senior Council \$5,000.00
234 Santa Cruz Avenue
Aptos, CA 95003

The Foster Grandparent / Senior Companion Program supports tutoring and mentoring for low-income youth in Santa Cruz County. This grant went to aid in the costs of the program.

8. The Innocent Justice Foundation \$1,000.00
132 N. El Camino Real #483
Encinitas, CA 92024

The Innocent Justice Foundation helps police organizations find funding to further their efforts in stopping child sexual abuse cases. This grant, given through our discretionary fund, went directly to purchase a forensic software program for the Santa Cruz Police Department.

9. Southern Exposure \$5,000.00
3030 – 20th Street
San Francisco, CA 94110

Southern Exposure's unique programs nurture a broad range of innovative, risk-taking contemporary art in an accessible environment. As an artist-run organization, Southern Exposure reaches out to diverse audiences, and serves as a forum and resource center providing extraordinary support to the Bay Area's arts and educational communities. This grant goes towards operating expenses within their *Funds For The Future Campaign*.

EIN: 77-0444787

The Nicholson Family Foundation
Grants Made
Page 3

10. George Mark Children's House \$60,000.00
2121 George Mark Lane
San Leandro, CA 94578

Providing operational support to the George Mark Children's House (GMCH). GMCH, following the pediatric palliative care model, offers respite, transitional, and end of life services for children with lifespan limiting illnesses, and support for their families.

11. Cabrillo Festival of Contemporary Music \$15,000.00
147 S. River Street, Ste. 232
Santa Cruz, CA 95060

The Cabrillo Festival will use these grant funds to supplement the shortfall from a large grant originated by the Irvine Foundation to fully implement a capacity building program. Additional capacity will expand their youth programs.

12. All Saints School \$10,000.00
8060 Carmel Valley Road
Carmel, CA 93923

This grant will aid their scholarship program in the name of Ruth and Bill Nicholson to assist low-income families with tuition.

13. Conflict Resolution Center of Santa Cruz County \$2,000.00
PO Box 187
Soquel, CA 95073

This grant went to Santa Cruz Divorce Mediation through the Conflict Resolution Center to help train mediators in a new program for Santa Cruz county that would offer sliding scale mediation for custody agreements in the divorce process. This was paid from the discretionary fund.

14. Tannery Arts Center \$10,000.00
337 Locust Street
Santa Cruz, CA 95060

The grant went towards the Performing Arts Center within the Tannery Arts Center complex. This is Phase III of the project. By funding this grant we were awarded the naming opportunity of the Children's Playground that is already in existence within the housing complex.

The Nicholson Family Foundation
Grants Made
Page 4

15. Tides Center \$10,000.00
PO Box 29907
San Francisco, CA 94129

This grant was made through the Tides Center to support Oasis for Girls, a multi disciplinary youth development program in San Francisco where girls and young women are inspired and empowered to become strong and creative leaders. This grant went towards their "Arts Program Cluster" that offers middle school and high school aged girls leadership skills while simultaneously expressing themselves through visual and performance art.

16. Mosaic Project \$10,000.00
580 Grand Ave, Ste. 303
Oakland, CA 94610

This grant was for low income students to receive scholarship support to participate in their 4th and 5th grade 5 day camp that brings together students from diverse racial, cultural and socioeconomic backgrounds for an outdoor camp experience that focuses on learned experience around diversity, teamwork, communication and respect.

17. Chartwell School \$7,500.00
2511 Numa Watson Road
Seaside, CA 93955

The Chartwell School is a private school that offers small classes for specialized speech, hearing, occupational therapy and counseling with in an environment of hands on learning. This grant went towards their tuition assistance.

18. Pajaro Valley Shelter Services \$8,750.00
115 Brennan Street
Watsonville, CA 95076

This grant went to help roof replacement on two of the shelter homes that aid homeless woman and their children during times of transition in Santa Cruz County.

EIN: 77-0444787

The Nicholson Family Foundation
Grants Made
Page 5

19. Pajaro Valley Unified School District \$2,000.00
294 Green Valley Road
Watsonville, CA 95076

This grant will continue to help support the Science Fair Coordinators within the Pajaro Valley Unified School District in conjunction with MAIA (Migration and Adaptation in the Americas.)

20. A series of small grants were made to organizations in November and December to assist with food and gift programs for the needy during the holiday season. This has become an annual policy. The grants were made to:

- A. Valley Churches United \$1,000.00
P.O. Box 367
Ben Lomond, CA 95005
- B. Loaves & Fishes \$1,000.00
721 Main Street
Watsonville, CA 95076
- C. Second Harvest Food Bank \$1,000.00
P.O. Box 990
Watsonville, CA 95077
- D. Piedmont Community Church \$1,000.00
400 Highland Avenue
Piedmont, CA 94611
- E. Volunteer Center of Santa Cruz County \$500.00
Watsonville Volunteer Center
1010 Emeline Avenue, Building C
Santa Cruz, CA 95060
- F. Saint Joseph's School \$500.00
150 Valparaiso Avenue
Atherton, CA 94027

EIN: 77-0444787

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
THE NICHOLSON FAMILY PARTNERSHIP	253,563.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	253,563.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
BURKE INVESTMENT	4,870.	820.	4,050.
DOOLITTLE & GANOS	9,939.	0.	9,939.
REED CONNER BIRDWELL	2,507.	0.	2,507.
SCHARF INVESTMENT	13,826.	0.	13,826.
SCHWAB INVESTMENT	3,641.	0.	3,641.
TOTAL TO FM 990-PF, PART I, LN 4	34,783.	820.	33,963.

FORM 990-PF ACCOUNTING FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEE	1,800.	900.	0.	0.
TO FORM 990-PF, PG 1, LN 16B	1,800.	900.	0.	0.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT ADVISOR FEES	19,229.	19,229.	0.	0.
OTHER PROFESSIONAL EXPENSES	32,400.	0.	0.	22,680.
TO FORM 990-PF, PG 1, LN 16C	51,629.	19,229.	0.	22,680.

FORM 990-PF	TAXES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
STATE INCOME TAXES	10.	0.	0.	0.	
FEDERAL EXCISE TAXES	3,928.	0.	0.	0.	
FOREIGN TAX PAID	756.	756.	0.	0.	
TO FORM 990-PF, PG 1, LN 18	4,694.	756.	0.	0.	

FORM 990-PF	OTHER EXPENSES			STATEMENT	6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
FILING FEES AND LICENSES	150.	0.	0.	0.	
DUES	995.	0.	0.	0.	
TO FORM 990-PF, PG 1, LN 23	1,145.	0.	0.	0.	

FORM 990-PF	OTHER INVESTMENTS		STATEMENT	7
DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE	
BURKE INVESTMENT	FMV	374,068.	370,122.	
REED INVESTMENT	FMV	153,437.	150,103.	
CHARLES SCHWAB PORTFOLIO	FMV	334,392.	311,548.	
SCHARF INVESTMENT	FMV	850,431.	908,631.	
DOOLITTLE INVESTMENT	FMV	366,873.	339,743.	
NOTES RECEIVABLE	COST	2,535,000.	2,535,000.	
TOTAL TO FORM 990-PF, PART II, LINE 13		4,614,201.	4,615,147.	

FORM 990-PF

LIST OF SUBSTANTIAL CONTRIBUTORS
PART VII-A, LINE 10

STATEMENT 8

NAME OF CONTRIBUTOR	ADDRESS
KATHLEEN HULL	335 SPRECKELS DR., SUITE G, APTOS, CA 95003
BRUCE NICHOLSON	335 SPRECKELS DR., SUITE G, APTOS, CA 95003
JOHN NICHOLSON	335 SPRECKELS DR., SUITE G, APTOS, CA 95003
MARTHA MCALLISTER	335 SPRECKELS DR., SUITE G, APTOS, CA 95003
W.J.NICHOLSON ADMINISTRATION TRUST	335 SPRECKELS DR., SUITE G, APTOS, CA 95003