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**Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation****2010**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 2010, or tax year beginning , 2010, and ending

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

THE HUDSON FOUNDATION
PO BOX 402
PORTLAND, ME 04112

A Employer identification number

01-0482817

B Telephone number (see the instructions)**C** If exemption application is pending, check here ☐**D 1** Foreign organizations, check here ☐**2** Foreign organizations meeting the 85% test, check here and attach computation ☐**E** If private foundation status was terminated under section 507(b)(1)(A), check here ☐**F** If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

H Check type of organization ☒ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, column (c), line 16) **J** Accounting method ☒ Cash ☐ Accrual
☐ Other (specify) _____

► \$ 3,501,794.

(Part I, column (d) must be on cash basis)

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 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 (att sch)				
	2	Cl ► <input checked="" type="checkbox"/> if the foundn is not req to att Sch B				
	3	Interest on savings and temporary cash investments				
	4	Dividends and interest from securities	77,990.	77,990.	77,990.	
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain/(loss) from sale of assets not on line 10	53,558.			
	b	Gross sales price for all assets on line 6a 327,890.				
	7	Capital gain net income (from Part IV, line 2)		53,558.		
	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/(loss) (att sch)					
11	Other income (attach schedule) SEE STATEMENT 1	523.				
12	Total. Add lines 1 through 11	132,071.	131,548.	77,990.		
ADMINISTRATIVE EXPENSES	13	Compensation of officers, directors, trustees etc	0.			
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule) SEE ST 2	50.	45.		5.
	b	Accounting fees (attach sch) SEE ST 3	900.	810.		90.
	c	Other prof fees (attach sch) SEE ST 4	17,824.	17,824.		
	17	Interest				
	18	Taxes (attach schedule) (see instr) SEE STM 5	8,370.	8,370.		
	19	Depreciation (attach sch) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
23	Other expenses (attach schedule) SEE STATEMENT 6	11,993.	11,657.		336.	
24	Total operating and administrative expenses. Add lines 13 through 23	39,137.	38,706.		431.	
25	Contributions, gifts, grants paid PART XV	69,500.			64,500.	
26	Total expenses and disbursements. Add lines 24 and 25	108,637.	38,706.	0.	64,931.	
27	Subtract line 26 from line 12:					
a	Excess of revenue over expenses and disbursements	23,434.				
b	Net investment income (if negative, enter -0-)		92,842.			
c	Adjusted net income (if negative, enter 0)			77,990.		

Part II Balance Sheets		Beginning of year (a) Book Value	End of year	
			(b) Book Value	(c) Fair Market Value
ASSETS	1 Cash — non-interest-bearing			
	2 Savings and temporary cash investments	280,238.	374,423.	374,423.
	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 the instructions)			
	7 Other notes and loans receivable (attach sch)			
	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 (attach schedule)			
	b Investments — corporate stock (attach schedule)	2,362,838.	2,297,087.	3,127,371.
	c Investments — corporate bonds (attach schedule)			
	11 Investments — land, buildings, and equipment basis			
LIABILITIES	Less: accumulated depreciation (attach schedule)			
	12 Investments — mortgage loans			
	13 Investments — other (attach schedule)			
	14 Land, buildings, and equipment basis			
	Less accumulated depreciation (attach schedule)			
	15 Other assets (describe)			
	16 Total assets (to be completed by all filers — see instructions. Also, see page 1, item I.)	2,643,076.	2,671,510.	3,501,794.
	17 Accounts payable and accrued expenses			
	18 Grants payable		5,000.	
	19 Deferred revenue			
FUND ASSETS OR	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe)			
	23 Total liabilities (add lines 17 through 22)	0.	5,000.	
FUND ASSETS OR	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	2,643,076.	2,666,510.	
BALANCES	30 Total net assets or fund balances (see the instructions)	2,643,076.	2,666,510.	
	31 Total liabilities and net assets/fund balances (see the instructions)	2,643,076.	2,671,510.	

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	2,643,076.
2	Enter amount from Part I, line 27a	2	23,434.
3	Other increases not included in line 2 (itemize)	3	
4	Add lines 1, 2, and 3	4	2,666,510.
5	Decreases not included in line 2 (itemize)	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	2,666,510.

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 shares MLC Company)		(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1 a SEE ATTACHED SCHEDULE		P	VARIOUS	VARIOUS
b CAPITAL GAIN DISTRIBUTIONS		P	VARIOUS	VARIOUS
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 323,879.		274,332.	49,547.
b 4,011.			4,011.
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(j) Fair Market Value as of 12/31/69	(k) Adjusted basis as of 12/31/69	(l) Excess of column (i) over column (j), if any	
a			49,547.
b			4,011.
c			
d			
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	53,558.
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 the instructions) If (loss), enter -0- in Part I, line 8 		3	0.

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 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 (column (b) divided by column (c))
2009	81,141.	2,570,295.	0.031569
2008	224,312.	3,290,931.	0.068161
2007	187,493.	3,709,820.	0.050540
2006	150,671.	4,336,102.	0.034748
2005	187,422.	2,939,920.	0.063751

2 Total of line 1, column (d)	2	0.248769
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	0.049754
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	3,227,898.
5 Multiply line 4 by line 3	5	160,601.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	928.
7 Add lines 5 and 6	7	161,529.
8 Enter qualifying distributions from Part XII, line 4	8	64,931.

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.

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

1 a 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 instr.)			
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	1,857.
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (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	1,857.
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	1,857.
6 Credits/Payments			
a 2010 estimated tax pmts and 2009 overpayment credited to 2010	6a	1,640.	
b Exempt foreign organizations — tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c	860.	
d Backup withholding erroneously withheld	6d		
7 Total credits and payments Add lines 6a through 6d	7	2,500.	
8 Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	0.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	643.	
11 Enter the amount of line 10 to be Credited to 2011 estimated tax	11	0.	
			643. Refunded

Part VII-A Statements Regarding Activities

	Yes	No
1 a 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
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?		X
If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		
c 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		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		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If 'Yes,' attach the statement required by General Instruction T		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?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If 'Yes,' complete Part II, column (c), and Part XV	X	
8 a Enter the states to which the foundation reports or with which it is registered (see the instructions) ME		
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	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 2010 or the taxable year beginning in 2010 (see instructions for Part XIV)? If 'Yes,' complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If 'Yes,' attach a schedule listing their names and addresses		X

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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 <u>N/A</u>	13	X	
14	The books are in care of <u>GILLIAN SCHAIR</u> Telephone no <u>(207) 781-7706</u> Located at <u>PO BOX 402 PORTLAND ME</u> ZIP + 4 <u>04112</u>			
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	N/A	<input type="checkbox"/>	N/A
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If 'Yes,' enter the name of the foreign country <u></u>	16	Yes	No X

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 the instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1b	N/A
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 2010?	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 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? If 'Yes,' list the years <u>20__ , 20__ , 20__ , 20__</u>	<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 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 <u>20__ , 20__ , 20__ , 20__</u>		
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 2010 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 2010.)	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 2010?	4b	X

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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 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 instructions)?

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 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?

7b

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

1 List all officers, directors, trustees, foundation managers and their compensation (see 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
SEE STATEMENT 7		0.	0.	0.

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

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

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

0

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Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter 'NONE.'

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

Total number of others receiving over \$50,000 for professional services 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 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments See instructions	
3	
Total. Add lines 1 through 3	0.

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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	2,958,244.
b Average of monthly cash balances	1b	318,810.
c Fair market value of all other assets (see instructions)	1c	
d Total (add lines 1a, b, and c)	1d	3,277,054.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2 Acquisition indebtedness applicable to line 1 assets	2	0.
3 Subtract line 2 from line 1d	3	3,277,054.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	49,156.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	3,227,898.
6 Minimum investment return. Enter 5% of line 5	6	161,395.

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	161,395.
2a Tax on investment income for 2010 from Part VI, line 5	2a	1,857.	
b Income tax for 2010 (This does not include the tax from Part VI.)	2b		
c Add lines 2a and 2b		2c	1,857.
3 Distributable amount before adjustments. Subtract line 2c from line 1		3	159,538.
4 Recoveries of amounts treated as qualifying distributions		4	
5 Add lines 3 and 4		5	159,538.
6 Deduction from distributable amount (see instructions)		6	
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1		7	159,538.

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	64,931.
b Program-related investments — total from Part IX-B	1b	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the		
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	64,931.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	64,931.

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.

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				159,538.
2 Undistributed income, if any, as of the end of 2010.				
a Enter amount for 2009 only			0.	
b Total for prior years: 20____, 20____, 20____		0.		
3 Excess distributions carryover, if any, to 2010				
a From 2005				
b From 2006				
c From 2007				
d From 2008	1,189.			
e From 2009				
f Total of lines 3a through e	1,189.			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ 64,931.				
a Applied to 2009, 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 2010 distributable amount				64,931.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a))	1,189.			1,189.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	0.			
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 2009. Subtract line 4a from line 2a. Taxable amount — see instructions			0.	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				93,418.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009				
e Excess from 2010				

BAA

Form 990-PF (2010)

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9)

N/A

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 2010, enter the date of the ruling					
b Check box to indicate whether the foundation is a private operating foundation described in section <input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)					
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	Tax year	Prior 3 years			(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a 'Assets' alternative test — enter					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b 'Endowment' alternative test — enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c 'Support' alternative test — enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year — see 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))
NONE

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. If the foundation makes gifts, grants, etc, (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

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

SEE STATEMENT 8

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

SEE STATEMENT FOR LINE 2A

c Any submission deadlines

SEE STATEMENT FOR LINE 2A

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

SEE STATEMENT FOR LINE 2A

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 Paid during the year SEE ATTACHED LIST ,	NONE	PUBLIC	SEE ATTACHED	64,500.
APPROVED FOR FUTURE PAYMENT ,	NONE	PUBLIC		5,000.
Total			3a	69,500.
b Approved for future payment				
Total			3b	

			The Hudson Foundation			
			2010 Grant Summary			
Grant Date	Name	Address	Grant Purpose	Check #	Grant Amount	
3/8/2010	The Cedars	630 Ocean Avenue Portland, ME 04103	Provide funding for Campaign for Assisted Living Residence Endowment and Renovation and expansion of The Rehabilitation Projects	472	15000	
3/8/2010	Tree of Life Foundation	PO Box 204 Portland, ME 04112	Help restore a monument of Jewish life and transform it into the Maine Museum of Jewish Art & History	473	10000	
3/18/2010	Schair Lecture HGH	6 Deepwood Drive Portland, ME 04103	Contribute to the cost of guest speakers at USM Lecture Series regarding Post-Holocaust Studies	475	7000	
6/3/2010	Jewish Community Alliance	57 Ashmont Street Portland, ME 04103	Funding Maine's only Kosher Meals on Wheels Program	480	10000	
6/23/2010	Maine Humanities Council	674 Brighton Avenue Portland, ME 04102-1012	Funding for New Books, New Readers Program to improve literacy skills	486	10000	
6/23/2010	Skowhegan Teen Pregnancy Prevention Program	PO Box 954 Skowhegan, ME 04976	Funding to reduce teen pregnancy by increasing support to the communities, parents & teens	487	5000	
6/23/2010	Woodfords Family Services	PO Box 1768 Portland, ME 04104-1768	Support the Sib-Shop Program which helps siblings of children with special needs to better cope	488	7500	

Tweedy, Browne Company LLC
REALIZED GAINS AND LOSSES
Hudson Foundation
865-24362
From 01-01-10 Through 12-31-10

Reporting Currency: US Dollar

Open Date	Close Date	Quantity	Security	Cost Basis	Proceeds	Capital Gain Or Loss		Other Gain/Loss
						Short Term	Long Term	
11-24-08	01-13-10	405 00	UNION PACIFIC	19,424.66	27,302.99		7,878.33	
12-12-08	02-16-10	0 65	BERKSHIRE HATHAWAY INC-DEL-B	36.63	49.05		12.42	
12-12-08	02-16-10	350 00	BURLINGTON NORTHERN SANTA FE CORP	0.00	2,700.00		2,700.00	
04-29-08	02-22-10	755 00	WELLPOINT	37,685.81	44,785.23		7,099.42	
09-17-08	04-07-10	380 00	AMERICAN NATIONAL INSURANCE CO	32,495.33	42,966.71		10,471.38	
03-30-09	04-07-10	265 00	AMERICAN NATIONAL INSURANCE CO	13,261.92	29,963.63		16,701.71	
01-28-02	06-01-10	435 00	COMCAST CORP SPECIAL CLASS A	10,446.00	7,572.69		-2,873.31	
06-14-02	06-01-10	172 50	COMCAST CORP SPECIAL CLASS A	2,901.95	3,002.96		101.01	
07-23-02	06-01-10	120 00	COMCAST CORP SPECIAL CLASS A	1,537.46	2,089.02		551.56	
05-12-04	06-01-10	1,024.50	COMCAST CORP SPECIAL CLASS A	18,566.26	17,835.00		-731.26	
07-21-99	07-09-10	1,142 00	FEDERATED INVESTORS INC (PA)	13,768.92	24,193.89		10,424.97	
07-22-99	07-09-10	250 00	FEDERATED INVESTORS INC (PA)	2,959.04	5,296.39		2,337.35	
05-19-03	07-09-10	165 00	FEDERATED INVESTORS INC (PA)	4,484.77	3,495.61		-989.16	
11-01-06	09-23-10	245 00	HOME DEPOT INC	9,163.82	7,555.78		-1,608.04	
11-10-06	09-23-10	830 00	HOME DEPOT INC	30,416.26	25,597.13		-4,819.13	
10-17-07	09-23-10	445 00	HOME DEPOT INC	14,249.19	13,723.77		-525.42	
05-12-04	10-19-10	765 00	COMCAST CORP SPECIAL CLASS A	13,863.53	13,755.02		-108.51	
10-17-07	12-02-10	1,160 00	HOME DEPOT INC	37,143.97	38,172.58		1,028.61	
11-09-07	12-02-10	420 00	HOME DEPOT INC	11,926.03	13,821.11		1,895.08	
SECURITIES TOTAL GAINS						0.00	61,201.84	0.00
SECURITIES TOTAL LOSSES						0.00	-11,654.84	0.00
SECURITIES TOTAL REALIZED GAIN/LOSS -49,547.00				274,331.56	323,878.56	0.00	49,547.00	
GRAND TOTAL GAINS						0.00	61,201.84	0.00
GRAND TOTAL LOSSES						0.00	-11,654.84	0.00
GRAND TOTAL REALIZED GAIN/LOSS -49,547.00						0.00	49,547.00	0.00
CAPITAL GAIN DISTRIBUTIONS								
	12-31-10		TWEEDY BROWNE GLOBAL VALUE FUND				4,010.70	
TOTAL DISTRIBUTIONS				4,010.70		0.00	4,010.70	
GRAND TOTAL GAIN/LOSS				53,557.70		0.00	53,557.70	0.00

An '@' denotes a currency transaction, however, for hedged accounts, the above schedule includes gains and losses from forward currency contracts. Please consult your custodian for further details on forward currency contract positions. The above schedule is furnished as a convenience to our clients, and is

THE HUDSON FOUNDATION

01-0482817

STATEMENT 1
FORM 990-PF, PART I, LINE 11
OTHER INCOME

	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
	\$ 523.		
TOTAL	\$ 523.	\$ 0.	\$ 0.

STATEMENT 2
FORM 990-PF, PART I, LINE 16A
LEGAL FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL	\$ 50.	\$ 45.		\$ 5.
TOTAL	\$ 50.	\$ 45.	\$ 0.	\$ 5.

STATEMENT 3
FORM 990-PF, PART I, LINE 16B
ACCOUNTING FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING	\$ 900.	\$ 810.		\$ 90.
TOTAL	\$ 900.	\$ 810.	\$ 0.	\$ 90.

STATEMENT 4
FORM 990-PF, PART I, LINE 16C
OTHER PROFESSIONAL FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ADVISORY FEES	\$ 17,824.	\$ 17,824.		
TOTAL	\$ 17,824.	\$ 17,824.	\$ 0.	\$ 0.

THE HUDSON FOUNDATION

01-0482817

STATEMENT 5
FORM 990-PF, PART I, LINE 18
TAXES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ESTIMATES PAID 2010	\$ 1,640.	\$ 1,640.		
FOREIGN TAX	6,616.	6,616.		
TAX DUE 2009	114.	114.		
TOTAL	\$ 8,370.	\$ 8,370.	\$ 0.	\$ 0.

STATEMENT 6
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ADR FEES	\$ -704.	\$ -704.		
BANK CHARGES	130.	117.		\$ 13.
INSURANCE	1,744.	1,570.		174.
POSTAGE	354.	319.		35.
PROFESSIONAL FEES	10,372.	10,268.		104.
TELEPHONE	97.	87.		10.
TOTAL	\$ 11,993.	\$ 11,657.	\$ 0.	\$ 336.

STATEMENT 7
FORM 990-PF, PART VIII, LINE 1
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
JUSTIN H. SCHAIR P.O. BOX 402 PORTLAND, ME 04112	DIRECTOR 5.00	\$ 0.	\$ 0.	\$ 0.
LESLIE COHEN PO BOX 402 PORTLAND, ME 04112	TREASURER 1.00		0.	0.
GILLIAN B. SCHAIR PO BOX 402 PORTLAND, ME 04112	PRESIDENT 5.00		0.	0.
ERICA M. SCHAIR PO BOX 402 PORTLAND, ME 04112	SECRETARY 1.00		0.	0.

THE HUDSON FOUNDATION

01-0482817

STATEMENT 7 (CONTINUED)
FORM 990-PF, PART VIII, LINE 1
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
ANNEMIEKE L. SCHAIR P.O. BOX 402 PORTLAND, ME 04112	DIRECTOR 1.00	\$ 0.	\$ 0.	\$ 0.
CINDY FERNANDEZ P.O. BOX 402 PORTLAND, ME 04112	DIRECTOR 1.00	0.	0.	0.
TOTAL		\$ 0.	\$ 0.	\$ 0.

STATEMENT 8
FORM 990-PF, PART XV, LINE 2A-D
APPLICATION SUBMISSION INFORMATION

NAME OF GRANT PROGRAM:	HUDSON FOUNDATION
NAME:	GILLIAN SCHAIR
CARE OF:	
STREET ADDRESS:	PO BOX 402
CITY, STATE, ZIP CODE:	PORTLAND, ME 04112
TELEPHONE:	207-781-7706
FORM AND CONTENT:	LETTER REQUEST
SUBMISSION DEADLINES:	ONGOING
RESTRICTIONS ON AWARDS:	NONE