



See a Social Security Number? Say Something!  
Report Privacy Problems to <https://public.resource.org/privacy>  
Or call the IRS Identity Theft Hotline at 1-800-908-4490



**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

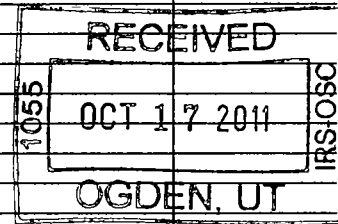
**Note.** The foundation may be able to use a copy of this return to satisfy state reporting requirements

For calendar year **2010**, or tax year beginning , **2010**, and ending , **20**

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

Name of foundation <b>Dharma Cloud Charitable Foundation Trust</b>		<b>A</b> Employer identification number <b>03 - 0348679</b>
Number and street (or P.O. box number if mail is not delivered to street address) <b>43151 Little Lake Road</b>	Room/suite	<b>B</b> Telephone number (see page 10 of the instructions) <b>707 - 937-3001</b>
City or town, state, and ZIP code <b>Mendocino, CA 95460</b>		<b>C</b> If exemption application is pending, check here <input type="checkbox"/>
<b>H</b> Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		<b>D</b> 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
<b>I</b> Fair market value of all assets at end of year (from Part II, col. (c), line 16) <b>\$ 80,550</b>	<b>J</b> Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ <i>(Part I, column (d) must be on cash basis.)</i>	<b>E</b> If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> <b>F</b> If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

<b>Part I Analysis of Revenue and Expenses</b> <i>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions).)</i>		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
<b>Revenue</b>	<b>1</b> Contributions, gifts, grants, etc., received (attach schedule) <b>Schedule 1</b>	<b>1,558</b>			
	<b>2</b> Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B				
	<b>3</b> Interest on savings and temporary cash investments	<b>944</b>			
	<b>4</b> Dividends and interest from securities		<b>944</b>	<b>944</b>	
	<b>5a</b> Gross rents				
	<b>b</b> Net rental income or (loss)				
	<b>6a</b> Net gain or (loss) from sale of assets not on line 10	<b>17,014</b>			
	<b>b</b> Gross sales price for all assets on line 6a <b>152,209</b>				
	<b>7</b> Capital gain net income (from Part IV, line 2)		<b>17,014</b>		
	<b>8</b> Net short-term capital gain			<b>17,014</b>	
	<b>9</b> Income modifications				
	<b>10a</b> Gross sales less returns and allowances				
<b>b</b> Less: Cost of goods sold					
<b>c</b> Gross profit or (loss) (attach schedule)					
<b>11</b> Other income (attach schedule)					
<b>12 Total.</b> Add lines 1 through 11		<b>19,516</b>			
<b>Operating and Administrative Expenses</b>	<b>13</b> Compensation of officers, directors, trustees, etc.				
	<b>14</b> Other employee salaries and wages				
	<b>15</b> Pension plans, employee benefits				
	<b>16a</b> Legal fees (attach schedule) <b>Schedule 5</b>				
	<b>b</b> Accounting fees (attach schedule) <b>Schedule 5</b>	<b>400</b>			
	<b>c</b> Other professional fees (attach schedule) <b>Schedule 5</b>				
	<b>17</b> Interest <b>Schedule 6</b>				
	<b>18</b> Taxes (attach schedule) (see page 14 of the instructions) <b>Schedule 6</b>	<b>206</b>			
	<b>19</b> Depreciation (attach schedule) and depletion <b>Schedule 7</b>				
	<b>20</b> Occupancy				
<b>21</b> Travel, conferences, and meetings					
<b>22</b> Printing and publications					
<b>23</b> Other expenses (attach schedule) <b>Schedule 8</b>	<b>1,693</b>				
<b>24 Total operating and administrative expenses.</b> Add lines 13 through 23		<b>2,299</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>25</b> Contributions, gifts, grants paid <b>Schedule 9</b>	<b>7,241</b>				<b>7,241</b>
<b>26 Total expenses and disbursements.</b> Add lines 24 and 25		<b>9,540</b>	<b>0</b>	<b>0</b>	<b>7,241</b>
<b>27 Subtract line 26 from line 12:</b>					
<b>a Excess of revenue over expenses and disbursements</b>		<b>9,976</b>			
<b>b Net investment income</b> (if negative, enter -0-)			<b>17,958</b>		
<b>c Adjusted net income</b> (if negative, enter -0-)				<b>17,958</b>	



SCANNED OCT 28 2011

M/GH

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)			
		Beginning of year (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 . . . . .	4,942	39,842	39,842
	3	Accounts receivable ▶ Less: allowance for doubtful accounts ▶			
	4	Pledges receivable ▶ Less: allowance for doubtful accounts ▶			
	5	Grants receivable . . . . .			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions) . Schedule			
	7	Other notes and loans receivable (attach schedule) ▶ Less: allowance for doubtful accounts ▶			
	8	Inventories for sale or use . . . . .			
	9	Prepaid expenses and deferred charges . . . . .			
	10a	Investments—U.S. and state government obligations (attach schedule) . Schedule			
	b	Investments—corporate stock (attach schedule) . Schedule	61,253	36,330	40,708
	c	Investments—corporate bonds (attach schedule) . Schedule			
	11	Investments—land, buildings, and equipment, basis ▶ Less: accumulated depreciation (attach schedule) ▶			
	12	Investments—mortgage loans . . . . .			
	13	Investments—other (attach schedule) . . . . . Schedule			
	14	Land, buildings, and equipment: basis ▶ Less: accumulated depreciation (attach schedule) ▶			
15	Other assets (describe ▶ . . . . . Schedule Rounding)				
16	<b>Total assets</b> (to be completed by all filers—see the instructions. Also, see page 1, item I) . . . . .	66,195	76,172	80,550	
Liabilities	17	Accounts payable and accrued expenses . . . . .			
	18	Grants payable . . . . .			
	19	Deferred revenue . . . . .			
	20	Loans from officers, directors, trustees, and other disqualified persons . Schedule			
	21	Mortgages and other notes payable (attach schedule) . Schedule			
	22	Other liabilities (describe ▶ . . . . . Rounding)			
23	<b>Total liabilities</b> (add lines 17 through 22) . . . . .	0	0		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted . . . . .	66,195	76,172	
	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	<b>Total net assets or fund balances</b> (see page 17 of the instructions) . . . . .	66,195	76,172		
31	<b>Total liabilities and net assets/fund balances</b> (see page 17 of the instructions) . . . . .	66,195	76,172		

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 66,195
2	Enter amount from Part I, line 27a . . . . .	2 9,976
3	Other increases not included in line 2 (itemize) ▶ Schedule	3
4	Add lines 1, 2, and 3 . . . . .	4 76,172
5	Decreases not included in line 2 (itemize) ▶ Schedule	5
6	<b>Total net assets or fund balances at end of year</b> (line 4 minus line 5)—Part II, column (b), line 30 . . . . .	6 76,172

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

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
<b>1a See Attachment</b>				
<b>b</b>				
<b>c</b>				
<b>d</b>				
<b>e</b>				
(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)	
<b>a</b>				
<b>b</b>				
<b>c</b>				
<b>d</b>				
<b>e</b>				
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))
(f) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any		
<b>a</b>				
<b>b</b>				
<b>c</b>				
<b>d</b>				
<b>e</b>				
<b>2 Capital gain net income or (net capital loss)</b> { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		<b>2</b>	<b>17,014</b>	
<b>3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):</b> If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8		<b>3</b>	<b>17,014</b>	

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?  Yes  No  
If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2009	5,619	66,424	8.46%
2008	16,656	106,836	15.59%
2007	7,843	105,579	7.43%
2006	21,918	94,907	23.09%
2005	11,558	101,425	11.40%
<b>2 Total of line 1, column (d)</b>			<b>65.97%</b>
<b>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</b>			<b>13.19%</b>
<b>4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5</b>			<b>79,840</b>
<b>5 Multiply line 4 by line 3</b>			<b>10,534</b>
<b>6 Enter 1% of net investment income (1% of Part I, line 27b)</b>			<b>180</b>
<b>7 Add lines 5 and 6</b>			<b>10,714</b>
<b>8 Enter qualifying distributions from Part XII, line 4</b> If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18.			<b>7,241</b>

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

<b>1a</b> 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>b</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 . . . . .	<b>1</b>	359
<b>c</b> All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		
<b>2</b> Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	<b>2</b>	0
<b>3</b> Add lines 1 and 2 . . . . .	<b>3</b>	359
<b>4</b> Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	<b>4</b>	0
<b>5</b> Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0- . . . . .	<b>5</b>	359
<b>6</b> Credits/Payments:		
<b>a</b> 2010 estimated tax payments and 2009 overpayment credited to 2010	<b>6a</b>	
<b>b</b> Exempt foreign organizations—tax withheld at source . . . . .	<b>6b</b>	
<b>c</b> Tax paid with application for extension of time to file (Form 8868) . . . . .	<b>6c</b>	
<b>d</b> Backup withholding erroneously withheld . . . . .	<b>6d</b>	
<b>7</b> Total credits and payments. Add lines 6a through 6d . . . . .	<b>7</b>	0
<b>8</b> Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	<b>8</b>	
<b>9</b> Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed . . . . .	<b>9</b>	359
<b>10</b> Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid . . . . .	<b>10</b>	0
<b>11</b> Enter the amount of line 10 to be: Credited to 2011 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	<b>11</b>	

**Part VII-A Statements Regarding Activities**

	Yes	No
<b>1a</b> 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? . . . . .		✓
<b>b</b> Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? . . . . . <i>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.</i>		✓
<b>c</b> Did the foundation file Form 1120-POL for this year? . . . . .		✓
<b>d</b> Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ \$ _____ (2) On foundation managers. ▶ \$ _____		
<b>e</b> Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ \$ _____		
<b>2</b> Has the foundation engaged in any activities that have not previously been reported to the IRS? . . . . . <i>If "Yes," attach a detailed description of the activities.</i>	<b>2</b>	✓
<b>3</b> 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? <i>If "Yes," attach a conformed copy of the changes . . . . .</i>	<b>3</b>	✓
<b>4a</b> Did the foundation have unrelated business gross income of \$1,000 or more during the year? . . . . .	<b>4a</b>	✓
<b>b</b> If "Yes," has it filed a tax return on Form 990-T for this year? . . . . .	<b>4b</b>	N/A
<b>5</b> Was there a liquidation, termination, dissolution, or substantial contraction during the year? . . . . . <i>If "Yes," attach the statement required by General Instruction T.</i>	<b>5</b>	✓
<b>6</b> 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? . . . . .	<b>6</b>	✓
<b>7</b> Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV</i>	<b>7</b>	✓
<b>8a</b> Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ California, Vermont		
<b>b</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? <i>If "No," attach explanation . . . . .</i>	<b>8b</b>	✓
<b>9</b> 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 on page 27)? <i>If "Yes," complete Part XIV . . . . .</i>	<b>9</b>	✓
<b>10</b> Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses . . . . .</i>	<b>10</b>	✓

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

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions) . . . . .	Schedule	11		✓
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008? . . . . .		12	N/A	
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ <u>www.dharmacloud.com</u>		13	✓	
14	The books are in care of ▶ <u>Vincent Taylor</u> Telephone no. ▶ <u>707 937-3001</u> Located at ▶ <u>43151 Little Lake Road, Mendocino, CA</u> ZIP+4 ▶ <u>95,460</u>				
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here. . . . . ▶ <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year . . . . . ▶ <u>15</u>				
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 page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶		16	Yes	No
				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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(6) Agree to pay money or property to a government official? ( <b>Exception.</b> 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 22 of the instructions)? . . . . . Organizations relying on a current notice regarding disaster assistance check here . . . . . ▶ <input type="checkbox"/>	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 2010? . . . . .	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 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? . . . . . <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," list the years ▶ 20____, 20____, 20____, 20____ N/A		
b	Are there any years listed in 2a for which the foundation is <b>not</b> applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 22 of the instructions.) . . . . .	2b	N/A
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ 20____, 20____, 20____, 20____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 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? ( <i>Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010.</i> ) . . . . .	3b	N/A
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 2010?	4b	✓

**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 propoganda, or otherwise attempt to influence legislation (section 4945(e))?  Yes  No

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

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

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

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

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

*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 **6b** ✓

**b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** ✓

*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 **7b** N/A

**b** If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? **7b** N/A

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Vincent D. Taylor 43151 Little Lake Road, Mendocino, CA	Trustee, 1hr/wk	0	0	0

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

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
None		0	0	0

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

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

**3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."**

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
None		0
.....		
.....		
.....		
.....		
.....		
Total number of others receiving over \$50,000 for professional services		▶

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

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

Expenses

1	See Attached: "Notes, Explanations, and Schedules"	0
2	.....	
3	.....	
4	.....	

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

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

Amount

1	None	0
2	.....	
All other program-related investments. See page 24 of the instructions.		
3	None	0
Total. Add lines 1 through 3		▶

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

<b>1</b>	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
<b>a</b>	Average monthly fair market value of securities . . . . .	<b>1a</b>	<b>80,222</b>
<b>b</b>	Average of monthly cash balances . . . . .	<b>1b</b>	<b>834</b>
<b>c</b>	Fair market value of all other assets (see page 25 of the instructions) . . . . .	<b>1c</b>	
<b>d</b>	<b>Total</b> (add lines 1a, b, and c) . . . . .	<b>1d</b>	<b>81,056</b>
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) . . . . .	<b>1e</b>	
<b>2</b>	Acquisition indebtedness applicable to line 1 assets . . . . .	<b>2</b>	
<b>3</b>	Subtract line 2 from line 1d . . . . .	<b>3</b>	<b>81,056</b>
<b>4</b>	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions) . . . . .	<b>4</b>	<b>1,216</b>
<b>5</b>	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4 . . . . .	<b>5</b>	<b>79,840</b>
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5 . . . . .	<b>6</b>	<b>3,992</b>

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

<b>1</b>	Minimum investment return from Part X, line 6 . . . . .	<b>1</b>	<b>N/A</b>
<b>2a</b>	Tax on investment income for 2010 from Part VI, line 5 . . . . .	<b>2a</b>	<b>N/A</b>
<b>b</b>	Income tax for 2010. (This does not include the tax from Part VI.) . . . . .	<b>2b</b>	
<b>c</b>	Add lines 2a and 2b . . . . .	<b>2c</b>	<b>N/A</b>
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1 . . . . .	<b>3</b>	<b>N/A</b>
<b>4</b>	Recoveries of amounts treated as qualifying distributions . . . . .	<b>4</b>	
<b>5</b>	Add lines 3 and 4 . . . . .	<b>5</b>	<b>N/A</b>
<b>6</b>	Deduction from distributable amount (see page 25 of the instructions) . . . . .	<b>6</b>	
<b>7</b>	<b>Distributable amount</b> as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1 . . . . .	<b>7</b>	<b>N/A</b>

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

<b>1</b>	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
<b>a</b>	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26 . . . . .	<b>1a</b>	<b>7,241</b>
<b>b</b>	Program-related investments—total from Part IX-B . . . . .	<b>1b</b>	
<b>2</b>	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes . . . . .	<b>2</b>	
<b>3</b>	Amounts set aside for specific charitable projects that satisfy the:		
<b>a</b>	Suitability test (prior IRS approval required) . . . . .	<b>3a</b>	
<b>b</b>	Cash distribution test (attach the required schedule) . . . . .	<b>3b</b>	
<b>4</b>	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4 . . . . .	<b>4</b>	<b>7,241</b>
<b>5</b>	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions) . . . . .	<b>5</b>	
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4 . . . . .	<b>6</b>	<b>7,241</b>

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

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

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
<b>1</b> Distributable amount for 2010 from Part XI, line 7 . . . . .				<b>NA</b>
<b>2</b> Undistributed income, if any, as of the end of 2010:				
<b>a</b> Enter amount for 2009 only . . . . .				
<b>b</b> Total for prior years: 20 <u>20</u> ,20 <u>20</u> ,20 <u>20</u> . . . . .				
<b>3</b> Excess distributions carryover, if any, to 2010:				
<b>a</b> From 2005 . . . . .				
<b>b</b> From 2006 . . . . .				
<b>c</b> From 2007 . . . . .				
<b>d</b> From 2008 . . . . .				
<b>e</b> From 2009 . . . . .				
<b>f</b> Total of lines 3a through e . . . . .				
<b>4</b> Qualifying distributions for 2010 from Part XII, line 4: ► \$ <u>                    </u>				
<b>a</b> Applied to 2009, but not more than line 2a . . . . .				
<b>b</b> Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
<b>c</b> Treated as distributions out of corpus (Election required—see page 26 of the instructions) . . . . .				
<b>d</b> Applied to 2010 distributable amount . . . . .				
<b>e</b> Remaining amount distributed out of corpus . . . . .				
<b>5</b> Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a).)				
<b>6</b> Enter the net total of each column as indicated below:				
<b>a</b> Corpus. Add lines 3f, 4c, and 4e. Subtract line 5 . . . . .				
<b>b</b> Prior years' undistributed income. Subtract line 4b from line 2b . . . . .				
<b>c</b> 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 . . . . .				
<b>d</b> Subtract line 6c from line 6b. Taxable amount—see page 27 of the instructions . . . . .				
<b>e</b> Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions . . . . .				
<b>f</b> Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011 . . . . .				
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions) . . . . .				
<b>8</b> Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions) . . . . .				
<b>9</b> Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a . . . . .				
<b>10</b> Analysis of line 9:				
<b>a</b> Excess from 2006 . . . . .				
<b>b</b> Excess from 2007 . . . . .				
<b>c</b> Excess from 2008 . . . . .				
<b>d</b> Excess from 2009 . . . . .				
<b>e</b> Excess from 2010 . . . . .				

**Part XIV Private Operating Foundations** (see page 27 of the instructions and Part VII-A, question 9)

- 1a** 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 . . . . . **March 18, 1997**
- b** Check box to indicate whether the foundation is a private operating foundation described in section  4942(j)(3) or  4942(j)(5)

	Tax year				(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
<b>2a</b> Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed . . . . .	<b>3,992</b>	<b>3,321</b>	<b>4,347</b>	<b>5,279</b>	<b>16,939</b>
<b>b</b> 85% of line 2a . . . . .	<b>3,393</b>	<b>2,823</b>	<b>3,695</b>	<b>4,487</b>	<b>14,398</b>
<b>c</b> Qualifying distributions from Part XII, line 4 for each year listed . . . . .	<b>7,241</b>	<b>5,619</b>	<b>16,656</b>	<b>7,843</b>	<b>37,358</b>
<b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities . . . . .					
<b>e</b> Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c . . . . .	<b>7,241</b>	<b>5,619</b>	<b>16,656</b>	<b>7,843</b>	<b>37,358</b>
<b>3</b> Complete 3a, b, or c for the alternative test relied upon:					
<b>a</b> "Assets" alternative test—enter:					
<b>(1)</b> Value of all assets . . . . .					
<b>(2)</b> Value of assets qualifying under section 4942(j)(3)(B)(i) . . . . .					
<b>b</b> "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed . . . . .	<b>2,661</b>	<b>2,214</b>	<b>3,562</b>	<b>3,520</b>	<b>11,957</b>
<b>c</b> "Support" alternative test—enter:					
<b>(1)</b> Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties) . . . . .					
<b>(2)</b> Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii) . . . . .					
<b>(3)</b> Largest amount of support from an exempt organization . . . . .					
<b>(4)</b> Gross investment income . . . . .					

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

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

Vincent D. Taylor, Trustee

- 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.

- 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 page 28 of the 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:

NA - See Attached "Notes"N

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

- c** Any submission deadlines:

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

**Part XV** Supplementary Information (continued)

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<p><b>a</b> <i>Paid during the year</i></p> <p>NA - See Attached "Notes"</p>				0
<b>Total</b> . . . . . ▶				<b>3a</b>
<p><b>b</b> <i>Approved for future payment</i></p> <p>NA</p>				0
<b>Total</b> . . . . . ▶				<b>3b</b>





**Dharma Cloud Charitable Foundation Trust  
Notes, Explanations, and Schedules for 990-PF: for 2010**

**Part I**

**Line 1**

Donations: \$1558

**Line 6**

See attached schedule: Dharma Cloud Capital Gains

**Line 16**

See Schedule 5

**Line 18**

See Schedule 7

**Line 23**

See Schedule 8

**Line 25**

All distributions of Dharma Cloud Foundation were "qualifying distributions made directly for active conduct of exempt activities for which the foundation is organized and operated."

**Part II**

**Line 10b**

See the attached listing of securities: "Dharma Portfolio Report"

**Part III**

**Part 4 – Capital Gains and Losses**

See Attachment: "Dharma Capital Gains Report"

**VII-B**

**1a(4):** Reimbursed Vincent Taylor for travel and phone expenses incurred in carrying out the direct activities of the foundation and for purchases from personal funds of supplies and services for the foundation.

Vincent Taylor was paid \$400 in 2009 for keeping the books and preparing Foundation Tax returns for 2008. This is less than would be paid for similar services from a tax accountant.

## Part IX-A

Dharma Cloud carried on the following charitable program in 2007

Description	Expense
<p>1. Jackson State Forest Project: Continuation of a project on Jackson State Demonstration Forest, a California State Forest located in Mendocino County. A part of the project was education of the general public, state officials, and state legislators on the potential benefits of restoring this public forest to old growth for recreation, habitat, education and research</p> <p>Primary activities and expenses were associated with membership of Vince Taylor, Trustee and Program Director, on the Jackson Advisory Group (JAG). The JAG was appointed to make recommendations for a long-term management plan for Jackson State Forest.</p> <p>This project supports the purpose of assisting in protecting natural environments and facilitating public access to nature. The studies potentially benefit the population of California and all others who might make use of Jackson Forest in the future.</p>	\$ 2,942
<p>2. Badminton Club – Support the community badminton club through soliciting donations from players and paying facility rents badminton supplies</p> <p>This project supports the purpose of assisting improving the quality of life on the Mendocino Coast. Fifty regular and potential badminton players are benefitted..</p>	\$ 786
<p>Total Program Expenditures (total may not equal sum of parts because of rounding)</p>	<b>\$3728</b>

## Part XV

## Line 2 – Supplementary information

The Foundation does not make charitable contributions to pre-selected organizations or solicit or accept applications for funds. All distributions of the foundation in 2003 were "qualifying distributions made directly for active conduct of exempt activities for which the organization is organized and operated."

**Line 3 – Grants and Contributions**

All expenditures of the Foundation were made directly for active conduct of exempt activities. No grants to individuals or other organizations were made. See Part IX-A above for details of program expenditures.

## Dharma Portfolio Value Report 2010 EIN 03-0348679 - As of 12/31/2010

As of 12/31/2010

10/11/2011

Page 1

Security	Shares	Quote/Price	est	Cost Basis	Gain/Loss	Balance
BGC PARTNERS INC CL A	1,000 000	8 310		6,799.99	1,510 01	8,310 00
KINDRED HEALTHCARE INC...	600 000	18.370		10,095 99	926 01	11,022 00
MICROCHIP TECHNOLOGY I .	391.000	34.210		13,336 62	39 49	13,376 11
NAM TAI ELECTRS INC COM. .	1,250 000	6 400		6,097 49	1,902 51	8,000 00
-Cash-				38,226 09	0.00	38,226.09
<b>TOTAL Investments</b>				<b>74,556.18</b>	<b>4,378.02</b>	<b>78,934.20</b>

Dharma Capital Gains Report 2010 - EIN 03-0348679 - Last year  
1/1/2010 through 12/31/2010

10/11/2011

Page 1

Account	Security	Shares	Bought	Sold	Gross Proceeds	Cost Basis	Realized Gain/L.
<b>SHORT TERM</b>							
Dharma .	Vanguard GNMA Fund Invest .	1,382.488	11/18/2009	1/5/2010	14,759.01	15,019.99	-260.98
Dharma .	Vanguard GNMA Fund Invest .	1.343	12/1/2009	1/5/2010	14.34	14.64	-0.30
Dharma ..	Vanguard GNMA Fund Invest. .	6.750	12/31/2009	1/5/2010	72.06	71.96	0.10
Dharma ..	Vanguard GNMA Fund Invest...	2.597	12/31/2009	1/5/2010	27.72	27.68	0.04
Dharma ..	Vanguard GNMA Fund Invest. .	3.341	12/31/2009	1/5/2010	35.67	35.55	0.12
Dharma .	CURRENCYSHARES AUST..	170.000	11/18/2009	1/25/2010	15,408.90	15,814.89	-405.99
Dharma ...	SPDR GOLD TRUST GOLD ..	100.000	11/12/2009	1/25/2010	10,718.87	10,920.99	-202.12
Dharma .	CANADIAN SOLAR INC COM	340.000	11/23/2009	1/25/2010	7,660.31	7,466.19	194.12
Dharma ..	Mattson Technology	1,700.000	7/2/2009	1/25/2010	5,599.93	1,992.40	3,607.53
Dharma ...	Mattson Technology	750.000	7/2/2009	1/27/2010	2,577.47	879.00	1,698.47
Dharma .	AMTECH SYS INC COM PA. .	300.000	8/5/2009	1/28/2010	3,334.96	1,694.14	1,640.82
Dharma ...	Mattson Technology	900.000	7/2/2009	5/10/2010	3,779.94	1,054.80	2,725.14
Dharma ..	Mattson Technology	100.000	11/11/2009	5/10/2010	419.99	221.98	198.01
Dharma .	AMTECH SYS INC COM PA ..	400.000	8/5/2009	5/11/2010	3,681.94	2,258.85	1,423.09
Dharma .	INTEST CORP COM	200.000	12/3/2009	5/25/2010	725.99	189.00	536.99
Dharma ...	INTEST CORP COM	1,000.000	12/3/2009	5/26/2010	3,619.94	944.99	2,674.95
Dharma ...	INTEST CORP COM	100.000	12/3/2009	5/26/2010	369.44	94.50	274.94
Dharma .	INTEST CORP COM	1,700.000	12/7/2009	5/26/2010	6,280.45	1,606.49	4,673.96
Dharma .	INTEST CORP COM	1,000.000	12/7/2009	8/10/2010	3,150.35	945.00	2,205.35
Dharma .	EXCEL MARITIME CARRIE ..	1,200.000	8/6/2010	8/11/2010	6,498.01	7,113.51	-615.50
Dharma .	EXCEL MARITIME CARRIE ..	800.000	8/6/2010	8/11/2010	4,332.01	4,739.92	-407.91
Dharma .	JA SOLAR HOLDINGS CO L...	1,000.000	8/10/2010	8/13/2010	5,740.01	6,009.99	-269.98
Dharma ..	JA SOLAR HOLDINGS CO L	1,000.000	8/11/2010	8/25/2010	5,580.31	5,519.99	60.32
Dharma .	EXCEL MARITIME CARRIE .	1,200.000	8/6/2010	8/26/2010	6,133.90	7,109.87	-975.97
Dharma .	COMFORT SYS USA INC C ..	500.000	7/28/2010	8/27/2010	5,349.91	5,764.99	-415.08
Dharma .	DESWELL INDS INC COM	457.000	7/28/2010	10/26/2010	1,452.38	1,674.90	-222.52
Dharma ..	DESWELL INDS INC COM	1,543.000	7/28/2010	10/27/2010	4,927.52	5,655.09	-727.57
Dharma ...	Vanguard GNMA Fund Invest.	2,707.581	8/5/2010	12/8/2010	29,628.24	30,019.99	-391.75
Dharma ...	Vanguard GNMA Fund Invest.	6.874	9/1/2010	12/8/2010	75.22	76.23	-1.01
Dharma .	Vanguard GNMA Fund Invest	8.120	10/1/2010	12/8/2010	88.85	89.48	-0.63
Dharma .	Vanguard GNMA Fund Invest ..	7.844	11/1/2010	12/8/2010	85.83	87.15	-1.32
Dharma ...	Vanguard GNMA Fund Invest...	7.238	12/1/2010	12/8/2010	79.20	80.12	-0.92
<b>TOTAL SHORT TERM</b>					<b>152,208.67</b>	<b>135,194.27</b>	<b>17,014.40</b>
<b>OVERALL TOTAL</b>					<b>152,208.67</b>	<b>135,194.27</b>	<b>17,014.40</b>

**Attachments to IRS Form 990-PF**  
**Dharma Cloud Charitable Foundation Trust**  
**03-0348679**  
**Tax Year 2010**

**Schedule 1: Part I, Line 1 - Contributions, Gifts, Grants, etc. Received**

Description	Amount
1 Donations	1,558
<b>Total</b>	<b>1,558</b>

**Schedule 5: Part I, Line 16a - Legal Fees**

Type of service	Amount
<b>Total</b>	<b>0</b>

**Schedule 5: Part I, Line 16b - Accounting Fees**

Type of service	Amount
1 Tax Accounting - Vincent Taylor	400
<b>Total</b>	<b>400</b>

**Schedule 5: Part I, Line 16c - Other Professional Fees**

Type of service	Amount
<b>Total</b>	<b>0</b>

**Schedule 6: Part I, Line 18 - Taxes**

Type of tax	Amount
1 State Tax & Registration Fee	60
2 Federal Tax	146
<b>Total</b>	<b>206</b>

**Schedule 7: Part I, Line 19 - Depreciation and Depletion**

Description	Date Acquired	Cost or Other Basis	Depreciation Allowable in Prior Years	Depreciation Method	Rate (%)	Depreciation This Year
Total		0	0			0
Less Depreciation included in cost of goods sold and not on line 19						0
<b>Total</b>						<b>0</b>

Attachments to IRS Form 990-PF  
Dharma Cloud Charitable Foundation Trust  
03-0348679  
Tax Year 2010

---

**Schedule 8: Part I, Line 23 - Other Expenses**

Description	Amount
1 Communication Expenses (phone, internet, etc)	1,347
2 Internet Domains	109
3 Postage	84
4 Publications	51
5	8
6 Bank Charge	94
8 Rent	
9 Travel	
10 Amortization from schedule below	

---