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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

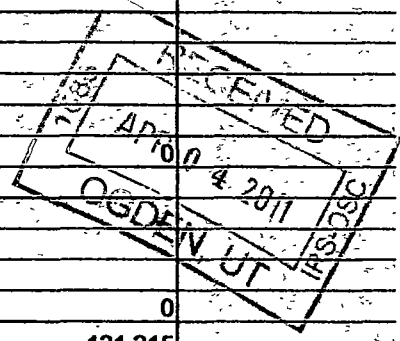
Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements.

For calendar year 2010, or tax year beginning _____, and ending _____

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 FARALLON FOUNDATION		A Employer identification number 23-7216373
Number and street (or P.O. box number if mail is not delivered to street address) 6114 LASALLE AVENUE	Room/suite 443	B Telephone number (see page 10 of the instructions) (510) 847-6476
City or town, state, and ZIP code OAKLAND, CA 94611-2802		C If exemption application is pending, check here <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		D 1. Foreign organizations, check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ \$ 6,206,234	J 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>	2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses <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)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)	517,269			
	2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	0	0		
	4 Dividends and interest from securities	121,215	121,215	121,215	
	5 a Gross rents		0		
	b Net rental income or (loss)	0			
	6 a Net gain or (loss) from sale of assets not on line 10				
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)		330,890		
	8 Net short-term capital gain				
	9 Income modifications				
	10 a Gross sales less returns and allowances	0			
b Less: Cost of goods sold	0				
c Gross profit or (loss) (attach schedule)	0				
11 Other income (attach schedule)	0	0	0		
12 Total. Add lines 1 through 11	638,484	452,105	121,215		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	0			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16 a Legal fees (attach schedule)	0	0	0	0
	b Accounting fees (attach schedule)	16,800	3,600	0	13,200
	c Other professional fees (attach schedule)	47,305	47,305	0	0
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions)	1,766	0	0	0
	19 Depreciation (attach schedule) and depletion	0	0	0	
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	212	0	0	0
	24 Total operating and administrative expenses. Add lines 13 through 23	66,083	50,905	0	13,200
	25 Contributions, gifts, grants paid	677,124			677,124
26 Total expenses and disbursements. Add lines 24 and 25	743,207	50,905	0	690,324	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	-104,723				
b Net investment income (if negative, enter -0-)		401,200			
c Adjusted net income (if negative, enter -0-)			121,215		



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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing			
	2 Savings and temporary cash investments	3,378,025	3,510,779	3,510,779
	3 Accounts receivable	0		
	Less: allowance for doubtful accounts	0	0	0
	4 Pledges receivable	0		
	Less: allowance for doubtful accounts	0	0	0
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)	0	0	0
	7 Other notes and loans receivable (attach schedule)	0		
	Less: allowance for doubtful accounts	0	0	0
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10 a Investments—U.S. and state government obligations (attach schedule)	1,176,000	1,073,000	1,073,000
	b Investments—corporate stock (attach schedule)	1,143,809	1,176,838	1,176,838
	c Investments—corporate bonds (attach schedule)	445,617	445,617	445,617
	11 Investments—land, buildings, and equipment: basis	0		
Less: accumulated depreciation (attach schedule)	0	0	0	
12 Investments—mortgage loans				
13 Investments—other (attach schedule)	0	0	0	
14 Land, buildings, and equipment: basis	0			
Less: accumulated depreciation (attach schedule)	0	0	0	
15 Other assets (describe)	0	0	0	
16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	6,143,451	6,206,234	6,206,234	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons	0	0	
	21 Mortgages and other notes payable (attach schedule)	0	0	
	22 Other liabilities (describe)	0	0	
	23 Total liabilities (add lines 17 through 22)	0	0	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input type="checkbox"/>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input type="checkbox"/>			
	27 Capital stock, trust principal, or current funds	6,143,451	6,206,234	
	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 (see page 17 of the instructions)	6,143,451	6,206,234		
31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	6,143,451	6,206,234		

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	6,143,451
2 Enter amount from Part I, line 27a	2	-104,723
3 Other increases not included in line 2 (itemize)	3	0
4 Add lines 1, 2, and 3	4	6,038,728
5 Decreases not included in line 2 (itemize) correct previous year's book value	5	-167,506
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	6,206,234

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				
b (see attached schedule: 2010 Securities Sales)				
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 0	0	0	0	
b 0	0	0	0	
c 0	0	0	0	
d 0	0	0	0	
e 0	0	0	0	
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))	
(j) F.M.V. as of 12/31/69	(l) Adjusted basis as of 12/31/69	(k) Excess of col. (j) over col. (l), if any		
a 0	0	0	0	
b 0	0	0	0	
c 0	0	0	0	
d 0	0	0	0	
e 0	0	0	0	
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	0
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8			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 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	479,431	6,102,839	0.078559
2008	415,791	6,294,019	0.066061
2007	412,376	6,186,084	0.066662
2006	407,464	5,559,089	0.073297
2005	405,516	5,546,706	0.073109
2 Total of line 1, column (d)			2 0.357688
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 0.071538
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5			4 6,107,991
5 Multiply line 4 by line 3			5 436,953
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 1,212
7 Add lines 5 and 6			7 438,165
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18.			8 690,324

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of 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 instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	4,012
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	4,012
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	4,012
6 Credits/Payments:			
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a	10,000	
b Exempt foreign organizations—tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c	0	
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	10,000	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	0	
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	5,988	
11 Enter the amount of line 10 to be: Credited to 2011 estimated tax <input type="checkbox"/> 0 Refunded <input type="checkbox"/> 11	11	5,988	

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 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>		X
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. <input type="checkbox"/> \$ _____ (2) On foundation managers. <input type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input type="checkbox"/> \$ _____		
2 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>		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? <i>If "Yes," attach a conformed copy of the changes</i>		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?		X
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>		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? <i>If "Yes," complete Part II, col. (c), and Part XV.</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) <input type="checkbox"/>		
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>		
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 on page 27)? <i>If "Yes," complete Part XIV</i>		
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		

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).
12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application?
Website address www.guidestar.org
14 The books are in care of Hugh W. Ditzler Jr. Telephone no. 510 847-6476
Located at 6114 LaSalle Avenue, Suite 443, Oakland, CA ZIP+4 94611-2802
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
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

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.
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?
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?
(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)?
(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.)
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
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?
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
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 22 of the instructions.)
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?
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.)
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?

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

5a During the year did the foundation pay or incur any amount to:

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

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

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

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

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

b If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Yes No
 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
 If "Yes," attach the statement required by Regulations section 53.4945–5(d).

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No
 If "Yes" to 6b, file Form 8870.

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

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? Yes No

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
See Attached Statement		.00	0	0
		.00	0	0
		.00	0	0
		.00	0	0

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

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

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

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
		0
		0
		0
		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 no direct charitable activities or programs	
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 no program related investments or disbursements	
2	
All other program-related investments. See page 24 of the instructions.	
3	0
Total. Add lines 1 through 3 ▶	0

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	2,658,887
b	Average of monthly cash balances	1b	3,542,119
c	Fair market value of all other assets (see page 25 of the instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	6,201,006
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	6,201,006
4	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	93,015
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	6,107,991
6	Minimum investment return. Enter 5% of line 5	6	305,400

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

1	Minimum investment return from Part X, line 6	1	305,400
2a	Tax on investment income for 2010 from Part VI, line 5	2a	4,012
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	0
c	Add lines 2a and 2b	2c	4,012
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	301,388
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	301,388
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	301,388

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

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1a	690,324
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	0
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	690,324
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	4,012
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	686,312

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
1 Distributable amount for 2010 from Part XI, line 7				301,388
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	52,281			
b From 2006	133,393			
c From 2007	119,708			
d From 2008	107,919			
e From 2009	177,611			
f Total of lines 3a through e	590,912			
4 Qualifying distributions for 2010 from Part XII, line 4: ► \$ 690,324				
a Applied to 2009, but not more than line 2a			0	
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)		0		
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)	0			
d Applied to 2010 distributable amount				301,388
e Remaining amount distributed out of corpus	388,936			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a).)	0			0
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	979,848			
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				
d Subtract line 6c from line 6b. Taxable amount—see page 27 of the instructions		0		
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions			0	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)	52,281			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	927,567			
10 Analysis of line 9:				
a Excess from 2006	133,393			
b Excess from 2007	119,708			
c Excess from 2008	107,919			
d Excess from 2009	177,611			
e Excess from 2010	388,936			

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

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 4942(j)(3) or 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	
0				0

b 85% of line 2a

0	0	0	0	0
---	---	---	---	---

c Qualifying distributions from Part XII, line 4 for each year listed

0				0
---	--	--	--	---

d Amounts included in line 2c not used directly for active conduct of exempt activities

				0
--	--	--	--	---

e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c

0	0	0	0	0
---	---	---	---	---

3 Complete 3a, b, or c for the alternative test relied upon:

a "Assets" alternative test—enter:

(1) Value of all assets

				0
--	--	--	--	---

(2) Value of assets qualifying under section 4942(j)(3)(B)(i)

				0
--	--	--	--	---

b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed

0				0
---	--	--	--	---

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)

				0
--	--	--	--	---

(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)

				0
--	--	--	--	---

(3) Largest amount of support from an exempt organization

				0
--	--	--	--	---

(4) Gross investment income

				0
--	--	--	--	---

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).)

Hugh W. Ditzler Jr.

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 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:

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)				
a <i>Paid during the year</i>				
Total			▶ 3a	0
b <i>Approved for future payment</i>				
Total			▶ 3b	0

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Table with 5 main columns: (a) Business code, (b) Amount, (c) Exclusion code, (d) Amount, (e) Related or exempt function income. Rows include Program service revenue (a-f), Fees and contracts from government agencies, Membership dues and assessments, Interest on savings and temporary cash investments, Dividends and interest from securities (121,215), Net rental income or (loss) from real estate (a-b), Net rental income or (loss) from personal property, Other investment income, Gain or (loss) from sales of assets other than inventory, Net income or (loss) from special events, Gross profit or (loss) from sales of inventory, Other revenue (a-e), Subtotal (121,215), and Total (121,215).

(See worksheet in line 13 instructions on page 29 to verify calculations.)

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

Table with 2 columns: Line No. and Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes). (See page 29 of the instructions.)

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

- 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... a Transfers from the reporting foundation to a noncharitable exempt organization of: (1) Cash, (2) Other assets... b Other transactions: (1) Sales of assets to a noncharitable exempt organization, (2) Purchases of assets from a noncharitable exempt organization, (3) Rental of facilities, equipment, or other assets, (4) Reimbursement arrangements, (5) Loans or loan guarantees, (6) Performance of services or membership or fundraising solicitations... c Sharing of facilities, equipment, mailing lists, other assets, or paid employees... d If the answer to any of the above is "Yes," complete the following schedule.

Table with 4 columns: (a) Line no., (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. All (b) values are 0.

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

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship.

Sign Here 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. Signature: [Handwritten Signature], Date: 4/1/2011, Title: President / Manager, Phone: 510-247-6476

Paid Preparer Use Only section containing fields for Firm's name, Firm's address, Firm's EIN, and Phone no.

Name of organization

FARALLON FOUNDATION

Employer identification number

23:7216373

Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
13	Josephine Shuman 444 Mountain Avenue Piedmont CA 94611	\$ 100,000. ✓	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
14	Marian + Hans Baldauf 1165 Edgewood Avenue San Francisco CA 94117	\$ 15,000. ✓	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
---	---	\$ ---	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
---	---	\$ ---	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
---	---	\$ ---	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
---	---	\$ ---	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization

FARALLON FOUNDATION

Employer identification number

23-7216373

Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	James R Osborn 2 Kendall Court Sausalito CA 94965	\$ 27,731	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	Gerald C Down 578 Cresta Vista Lane Portola Valley CA 94028	\$ 54,725	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	Marian + Hans Baldant 165 Edgewood Ave San Francisco CA 94117	\$ 4,300	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	Pamela + W James Lloyd 30 Beverly Terrace Mill Valley CA 94941	\$ 20,559	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5	Gerald C Down 578 Cresta Vista Lane Portola Valley, CA 94028	\$ 29,985.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
6	Gerald C Down 578 Cresta Vista Lane Portola Valley CA 94028	\$ 35,350.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization **FARALLON FOUNDATION** Employer identification number **2317216373**

Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7	Stephen K Jones 657 Adobe Drive Danville CA 94526	\$ 19,222.✓	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
8	Peter C Dolliver 471 La Mesa Drive Portola Valley CA 94028	\$ 1,378.✓	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
9	Gerald C Down 578 Cresta Vista Lane Portola Valley CA 94028	\$ 102,013	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
10	Gerald C Down 578 Cresta Vista Lane Portola Valley, CA 94028	\$ 37,024	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
11	Kate D. Lant + Stuart Casner 225 Rivoli Street San Francisco CA 94117	\$ 20,000.✓	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
12	Debra + Mark Perry 14004 217th Place NE Woodinville WA 98077	\$ 48,582	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization

FARALLON FOUNDATION

Employer identification number

23:7216378**Part II** Noncash Property (See Specific Instructions.)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
<u>1</u>	150 Freight McMoran 30 Rio Tinto 250 Vale	12,840.75 7,112.55 \$ 7,777.59 27,730.89	01.14.2010
<u>2</u>	2000 Informativa	\$ 54,725.00	03.24.2010
<u>4</u>	325 Proctor + Gamble	\$ 20,559	04.20.2010
<u>5</u>	1000 Informativa	\$ 29,985	07.28.2010
<u>6</u>	1000 Informativa	\$ 35,350	9.13.2010
<u>7</u>	750 SYNAPTICS INC	\$ 19,222.00	10.19.2010

Name of organization **FARALLON FOUNDATION** Employer identification number **2317216373**

Part II Noncash Property (See Specific Instructions.)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
<u>8</u>	<u>25 Starwood Hotels</u>	\$ <u>1,378.</u>	<u>11.16.2010</u>
<u>9</u>	<u>2500 Informatica</u>	\$ <u>102,013</u>	<u>11.23.2010</u>
<u>10</u>	<u>1800 ORACLE</u>	\$ <u>37,024</u>	<u>12.3.2010</u>
<u>12</u>	<u>1800 Microsoft</u>	\$ <u>48,582</u>	<u>12.07.2010</u>
		\$ _____	____/____/____
		\$ _____	____/____/____

Part VIII, Line 1 (990-PF) - Compensation of Officers, Directors, Trustees and Foundation Managers

	Name	Check "X" if Business	Street	City	State	Zip Code	Foreign Country	Title	Average Hours
1	Hugh W. Ditzler Jr.		6114 Lesalle Avenue, Suite 443	Oakland	CA	94611-2802		President	6
2	Nancy M. Ditzler		same as above	above		above		Director	0
3	Debra D. Perry		same as above	above		above		Director	0
4	Kate Ditzler		same as above	above		above		Director	0
5	Karen D. Nager		same as above	above		above		Director	0
6	Hugh W. Ditzler III		same as above	above		above		Director	2
7									
8									
9									
10									

Part

	Compensation	Benefits	Expense Account	Explanation
1	0	0	0	
2	0	0	0	
3	0	0	0	
4	0	0	0	
5	0	0	0	
6	0	0	0	
7				
8				
9				
10				

Charitable Distributions - Farallon Foundation - 2010

ALL SAINTS EPISC CHU	900	CHALLENGED ATHLETES	200	GEORGE WRIGHT SOC.	20,000
ALTA BATES SUMMIT FN	2,200	CHILDRENS COUNTRY HM	250	GIRL SCOUTS AMERICA	2,150
ALZHEIMERS ASSOC RES	500	CHILDREN'S HEALTH CN	5,000	GOLDEN GATE NAT PARK	1,125
AMER CANCER SOCIETY	200	CHILDREN'S HOSPITAL	2,700	GRAND CANYON ASSOC	500
AMER CONS THEATR	5,450	CHILDREN'S SAKE (FOR	2,000	GRAND TETON NAT PARK	500
AMER UROGYN SOC FDN	1,000	COMM PRESB CH DANVIL	2,000	GREAT LIBRARIES WRLD	1,000
AMERICAN LIVER FDN	500	COMMONWEALTH CLUB CA	1,000	GREEN MTN METHOD CHU	500
ANNIE WRIGHT SCHOOL	500	CONCORDIA UNI IRVINE	5,000	GREENBELT ALLIANCE	500
ARBORETUM FOUNDATION	250	CONSVTN CORPS NO BAY	1,000	GREENPEACE	5,000
ARCHDIOCESE SEATTLE	250	CURIKKI	500	HABITAT FOR HUMANITY	700
ARTHRITIS FDN	325	CYSTIC FIBROSIS FDN	100	HARVARD COLLEGE	2,000
AUDUBON SOC/CANYON R	150	DARTMOUTH COLLEGE	14,500	HARVARD LAMPOON	1,000
B AREA WOM & CHILDR	50	DAWN REDWOOD FUND	500	HASTINGS COLL OF LAW	1,000
BAY AR OUTREACH/REC	100	DIRECT RELIEF INT'L	250	HEAD ROYCE SCHOOL	1,350
BAY AREA COMMUN SVCS	250	DISAB AM VETS CH SVC	100	HISTORIC COLUMBUS FN	125
BAY AREA SPORTS HALL	800	DOCTORS W/O BORDERS	1,650	HOOVER INSTITUTION	5,250
BAY AREA TUMOR INST	1,100	E BAY AGENCY CHILDRN	200	HOSPICE CARING	5,700
BERKELEY ATHLETIC FD	100	E PALO ALTO TENNIS	10,600	HUMANE SOCIETY	150
BERKELEY REPERTRY TH	150	EASTER SEAL SOCIETY	100	HUTCHINSON CANCER	1,000
BLESSING CHILDR INTL	100	EASTSIDE ASSISTANCE	250	IDAHO CONSERVTN LEAG	30
BOY SCOUTS AM	1,450	EASTSIDE CATH HI SCH	5,180	INTERNATIONAL HOUSE	20
BOYS/GIRLS CLUBS	25,850	ELLA BAKER CENTER	50	INTERNATL MUSM WOMEN	50
BREAD & ROSES AGENCY	50	ENVIRON RESOURCE CTR	50	JEFFERS TOR HOUSE	1,000
CAL STATE PARKS FDN	125	ENVIRONMENTAL DEFENS	5,000	JONSSON CANCER CENTR	100
CALIF ACAD SCIENCE	549	FACE AIDS	250	JR CNTR ART/SCIENCE	1,370
CALIF HIST SOC	60	FAMILY SERV SN MATEO	1,000	JR LEAGUE E BA OR SF	175
CALIF PACIF MED CNTR	2,350	FESTIVAL OPERA ASSOC	100	JUDSON COLLEGE	500
CAMPUS CRUSADE CHRST	1,000	FILOLI CTR FRIENDS OF	675	JULIA MORGN CTR ARTS	220
CANARY FUND	1,000	FIRST CONGREGAT CHUR	300	KAPPA ALPHA EDUC FDN	1,000
CANCER LEAGUE INC	1,000	FIRST PRESB HOLLYWD	50	KAZU PUBLIC RADIO	100
CANTER OF OHIO	100	FIRST PRESB SAUSALIT	5,650	KCSM PUBLIC TV	150
CAPITAL PUBLIC RADIO	500	FOOD BANK MARIN COMM	75	KICKSTART INTERNATNL	2,500
CARMEL PUBLIC LIBRARY	200	FOOD BK ALAMEDA CNTY	300	KIPP BRIDGE CHRTR SC	15,000
CASTILLEJA SCHOOL	5,000	GAMBLE GARDEN CENTER	200	KPBS PUBL TV	100
CATO INSTITUTE	250	GARDEN CLUB AMERICA	100	KQED PUBL TV/RADIO	2,304
CENTRAL ASIA INSTIT	100	GATEWAY HIGH SCHOOL	200	KTEH PUBL TV	250

KVIE PUBLIC TELEVIS	500	ORINDA EDUC FDN	600	SANTA CLARA UNIV	300
LAKE FOREST ACAD.	1,500	OSTEOPO RES/EDUC FDN	500	SAUSALITO (CITY OF)	50
LEUKEMIA/LYMPHOM SOC	100	PACIFIC FOREST TRUST	1500	SAUSALITO HIST SOC	95
LIBERTY EDUC MINISTR	200	PACIFIC LEGAL FDN	500	SAUSALITO LIBRARY	50
LICK WILMERDING SCHL	1,500	PACKARD LUCILLE FDN	10000	SAUSALITO WOMANS CLB	740
LITTLE BIT THERAPEUT	500	PALO ALTO MEDIC FDN	25000	SAVE LAKE TAHOE LEAG	200
LUCAS R M CANCER FDN	10,000	PAN MASSACH CHALLENG	100	SAVE S.F. BAY ASSN	50
MAGIC THEATRE INC SF	1,000	PANGAEA GIVING	2750	SAVE THE CHILDREN	950
MARIN ADV FOR CHILDR	150	PARTNERS IN HEALTH	1000	SEA UNION GOSPEL MIS	250
MARIN AGRIC LAND TR	175	PHILHARMONIA BAROQUE	500	SEASON OF SHARING FD	2200
MARIN CONSERV LEAGUE	50	PIEDM COMMUN CHURCH	3100	SEATT BEAR CR SCHOOL	5100
MARINE MAMMAL CENTER	80	PIEDMONT BEAUTIF FDN	1500	SEATTL CHILDR THEATR	300
MARINE TOYS FOR TOTS	50	PIEDMONT EDUC FDN	1000	SEATTL CHILDRENS HOSP	1125
MECHANICS' INSTITUTE	2,500	PLANNED PARENTHD	2400	SEATTL PACIF SCI CTR	100
MEDICAL TEAMS WRLDWD	2,460	POPULATION ACT'N INT	3000	SEATTLE PACIFIC UNIV	500
MERCY HIGH SCHOOL	1,000	PRESB CHU BIG WD IDA	25	SERVE OUR DOGS AREAS	200
MICHAEL J FOX FOUNDN	100	PROTESTANT EPISC CHU	100	SHAKESPEAR FSTVL CAL	6100
MICHIGAN STATE UNIV	3,500	RED CROSS	1200	SHAKESPEAR FSTVL ORE	7100
MOCKINGBIRD SOCIETY	250	REDMOND HIGH SCHOOL	110	SHRINERS HOSPITAL	100
MONTCLAIR SCH	25	REDWOOD DAY SCHOOL	330	SIERRA CLUB FDN	2000
MONTEREY BAY AQUAR	1,000	RONALD MCDONALD HOUS	2000	SMUIN BALLET	100
MT HOLYOKE COLL.	2,000	ROTAPLAST INTERNATNL	100	SOC PREV CRUELTY AN	150
MUIR (JOHN) HOSP FDN	3,000	ROTARY CLUB FOUNDATN	400	SOLA INC	250
MULTIPLE SCLEROSIS	350	S F AIDS FOUNDATION	65	SOUTHERN MARIN CERT	50
NAT RES DEF COUNCIL	800	S F ASIAN ART MUSEUM	265	SPARK (RESONATE)	500
NATL PARKS/CONSV SOC	1,100	S F BOTANICAL GARDEN	250	SPAULDING WOODEN BTS	50
NATURE CONSERVANCY	800	S F BOYS CHORUS	500	SPECIAL OLYMPICS	350
NO OAKL LITTLE LEAG	200	S F CLASSICAL VOICE	150	SPONDYLITIS ASSOC AM	250
NORTHRN LIGHT SCHOOL	500	S F FINE ARTS MUSEUM	1095	ST ANTHONY DNG RM	75
NOTRE DAME PREP SCHL	100	S F GIRLS CHORUS	250	ST FRANCIS HIGH SCH	2000
OAK TREE (CCC) FDN	100	S F MUS'IM MODERN ART	210	ST JUDE'S CATHOL CHU	6000
OAKL MUSEUM	1,250	S F OPERA	100	ST MARK'S CH	4060
OAKLAND PARKS/RECREA	100	S F SCHOOL	126941	ST VINC DE PAUL SOC	250
OAKLAND POTLUCK	100	S F SYMPHONY	225	STANFORD UNIV	6000
OAKLAND PUB LIBR FDN	100	S F VILLAGE (AGING)	100	TEACH FOR AMERICA	5000
OAKLAND ZOO	190	SACR LOAVES & FISHES	1000	TEMPLE EMANU EL	2000
OLDFIELDS SCHOOL	200	SALVATION ARMY	4325	TEXTILE MUSEUM	1000
OPPORTUNITIES IND CN	2,000	SAN DIEGO FOUNDATION	500	TRUST FR PUBLIC LAND	500

UC DAVIS	1000	UN AFR AM MIN ACTION	500	
UC DAVIS FOUNDATION	5000	UNICEF	50	
UC ALUM ASSOCIATION	1000	UNITED WAY	1750	
UC ATHLETICS/BACKERS	20900	UNIV WASHINGTON FDN	500	
UC BANCROFT LIBRARY	7500	URBAN SCHOOL S F	10000	Total 2010 Distributions:
UC BAND	1100	USO	1250	
UC BOTANICAL GARDEN	100	VASSAR COLLEGE	10000	to 264 IRS Qualified Charities
UC CLASS CAMPAIGN	5000	VIA FOUNDATION	250	
UC FRIENDS CAL CREW	100	VILLAGE WELL	350	<u>\$677,124</u>
UC GOLF	5350	VISIONS OF SAN FRAN	5000	
UC INCENTIVE AWARDS	200	WEAVE WOM ESCAP VIOL	700	
UC LAWRENCE HALL	5000	WILD CARE INC	130	
UC REGENTS/BERK FDN	100450	WILDERNESS SOCIETY	35	
UC SANTA CRUZ FDN	100	WOOD RIVER LAND TRST	75	
UC TEAM CAL TENNIS	2200	WOODLAND PARK ZOO	1000	
UC YOUNG MUSICIANS	100	YOSEMITE CONSERVANCY	1000	
UC/BIG C DUES/SPORTS	700	YOSEMITE FUND FDN	2000	
UC/PRYTANEAN	160	YOUNG LIFE	1100	
UCLA	100	YOUTH TENNIS ADVANTG	100	

2010 Period Expenses

	Tot Exp	Inv Inc	Net Inc	Char Purp
Investment Advisory & Administration	47,305.00	47,305		
Acctg/Bookkeeping/EDP Svcs (1)	16,800.00	3,600		13,200
Communications - Phone - Mail	0.00	-		-
Bank & Professional Services	0.00	-		-
Supply & Services	211.55			
IRS, CA Tax & Registration	1,766.00			
Total Expenses	66,083	50,905		13,200

(1) Includes IRS & CA Reporting, all Char Disbursements, Asset Control, Bookkeeping, Separate Fund Accounting, Expense Recording & Payments, Donations Receipts, Acknowledgements & Recording

Farallon Foundation Assets - Dec 31, 2011

<u>Security</u>	<u>Shares</u>	<u>Price</u>	<u>Cost Basis</u>	<u>Gain/Loss</u>	<u>Curr Value</u>
Money Market Fund	3,510,779.00	1	3,510,779	0	3,510,779
U S Treas 4.0 11/15/12	100,000.00	1.06	98,004	7,996	106,000
U S Treas 4.25 11/15/13	100,000.00	1.08	98,943	9,057	108,000
U S Treas 4.25 11/15/14	100,000.00	1.07	98,584	8,416	107,000
U S Treas 5.0 8/15/11	100,000.00	1.06	105,386	614	106,000
U S Treas 6.87 2025	200,000.00	1.24	201,092	46,908	248,000
U S Treas 7.50 11/15/16	100,000.00	1.25	120,367	4,633	125,000
U S Treas 9.125 05/15/18	100,000.00	1.38	142,774	-4,774	138,000
U S Treas 9.875 11/15/15	100,000.00	1.35	144,405	-9,405	135,000
Caterpillar Finl 6.125% 2/17/14	100,000.00	1.04	104,124	0	104,124
Gen Elec Cap 5.9% 5/13/14	100,000.00	1.07	102,780	4,220	107,000
Mo Pac 5 2045	200,000.00	0.67	95,141	38,859	134,000
Wachovia Corp 5.5% 5/1/13	100,000.00	1	100,493	0	100,493
Total Cash & Fixed Income			4,922,872	106,524	5,029,396
AES-C	800	49	23,320	15,880	39,200
Bayer AG ADR	250	73.36	4,031	14,309	18,340
Block H & R	10,000.00	11.91	75,376	43,724	119,100
CenturyLink Inc	548	46.17	3,510	21,791	25,301
Chevron Corp	1,000.00	91.25	8,118	83,132	91,250
City National Corp	2,113.00	61.36	77,000	52,654	129,654
Dodge & Cox Bal Fd	968.49	70.22	63,815	4,192	68,007
Dodge & Cox International	1,096.34	35.71	35,307	3,843	39,150
Dodge & Cox Stock Fd	806.86	107.76	87,084	-137	86,947
DTE Energy	300	45.32	7,170	6,426	13,596
El Paso Energy	128	13.76	2,607	-846	1,761
Fairpoint Communications	5	0.02	0	0	0
Frontier Communications	73	9.73	0	710	710
General Electric	3,400.00	18.29	27,998	34,188	62,186
KoninklijkePhilips Electronics ADR	2,774.00	30.7	11,732	73,430	85,162
Lending Club	5,000.00	8	50,000	-10,000	40,000
Level 3 Communic	1,340.00	0.98	41,567	-40,254	1,313
Merck & Co	922	36.04	5,243	27,986	33,229
Norfolk Southern Corp	600	62.82	4,690	33,002	37,692
Proctor & Gamble	400	64.33	6,226	19,506	25,732
Reynolds R J Tobacco	4,000.00	32.62	27,553	102,927	130,480
Sprint Nextel Corp	8,000.00	4.23	34,482	-642	33,840
Stanley Black & Decker	600	66.87	9,360	30,762	40,122
Tenneco Automotive	140	41.16	1,583	4,179	5,762
Union Pacific Corp	150	92.66	3,790	10,109	13,899
Verizon Communic	306	35.78	7,476	3,473	10,949
Williams Companies	350	24.72	10,671	-2,019	8,652
Windstream	1,062.00	13.94	2,131	12,673	14,804
Total Equities			631,840	544,998	1,176,838
Total Assets			5,554,712	1,196,520	6,206,234

Farallon Foundation 2010 Asset Sales

Security	Shares	Bought	Sold	Proceeds	Cost Basis	Gain/Loss
Freeport McMoran Cop & Gold	150	01/01/09	01/14/10	12,560.83	4,335.00	8,225.83
Rio Tinto PLC	30	01/01/09	01/14/10	6,967.07	5,013.50	1,953.57
Vale SA	250	01/01/09	01/14/10	7,530.59	3,282.50	4,248.09
Informatica	1,000.00	07/15/96	03/24/10	27,235.96	630	26,605.96
Informatica	1,000.00	07/25/96	03/24/10	27,235.96	620	26,615.96
Stanley Black & Decker	675	06/07/93	03/25/10	39,496.23	10,529.90	28,966.33
Emerson Electric	200	11/20/08	03/29/10	9,768.39	8,633.93	1,134.46
Proctor & Gamble	325	04/05/66	04/21/10	20,295.50	166.13	20,129.37
Informatica	1,000.00	07/25/96	07/23/10	29,500.89	625	28,875.89
U S Treas 5.75 8/15/10	100,000.00	02/22/05	08/12/10	100,000.00	108,888.56	-8,888.56
Informatica	1,000.00	07/25/96	09/10/10	34,520.74	620	33,900.74
Union Pacific Corp	50	03/04/98	09/20/10	3,879.52	1,263.29	2,616.23
Koninklijke Philips Electr ADR	0	03/15/89	10/05/10	0.00	0	0
Idearc inc	15	07/13/90	10/18/10	293.02	293.02	0
Synaptics	750	05/09/03	10/19/10	19,034.40	4,872.00	14,162.40
Starwood Hotels	25	11/18/91	11/16/10	1,266.35	464.01	802.34
Pactiv Corp	200	03/12/93	11/17/10	6,650.00	7,640.00	-990
Pactiv Corp	500	04/21/93	11/17/10	16,625.00	18,446.09	-1,821.09
Informatica	2,500.00	07/25/96	11/23/10	101,120.40	1,562.50	99,557.90
Oracle Corporation	1,300.00	11/07/80	12/03/10	35,940.00	13	35,927.00
Microsoft	1,800.00	12/31/06	12/08/10	48,359.25	39,492.00	8,867.25

2010 Totals >

548,280.10 217,390.43

Realized Long Term Capital Gain

330,889.67

2010 Donations to Farallon Foundation

Baldauf Marian & Hans	20,700
Ditzler Kate	10,000
Dolliver Barbara & Peter	1,378
Down Anne & Gerald	259,097
Gasner Stuart	10,000
Jones Lowrey & Stephen	19,222
Lloyd Pamela & W James	20,559
Perry Debra & Mark	48,582
Osborn Nancy & James	27,731
Shuman Josephine	100,000

990PF Total 2010 Contribs 517,269

Above Mailing Addresses:

**6114 Lasalle Ave #443
Oakland CA 94611-2802**

Substantial Contributors

Chamberlain Karin & David	6114 LaSalle Ave Ste 443 Oakland CA 94611-2802
Dingwell Park T	6114 LaSalle Ave Ste 443 Oakland CA 94611-2802
Ditzler Nancy & Hugh Jr	6114 LaSalle Ave Ste 443 Oakland CA 94611-2802
Down Gerald C	6114 LaSalle Ave Ste 443 Oakland CA 94611-2802
Eldridge Joseph	6114 LaSalle Ave Ste 443 Oakland CA 94611-2802
Lloyd Pamela & James	6114 LaSalle Ave Ste 443 Oakland CA 94611-2802
Sackett Paul	6114 LaSalle Ave Ste 443 Oakland CA 94611-2802
Shuman Josephine & John	6114 LaSalle Ave Ste 443 Oakland CA 94611-2802
Siler James G	6114 LaSalle Ave Ste 443 Oakland CA 94611-2802
Steiner William K	6114 LaSalle Ave Ste 443 Oakland CA 94611-2802
Tasker Ann & Herbert	6114 LaSalle Ave Ste 443 Oakland CA 94611-2802
Waste Laura & William	6114 LaSalle Ave Ste 443 Oakland CA 94611-2802
Zischke Marian & Peter	6114 LaSalle Ave Ste 443 Oakland CA 94611-2802

New Substantial Contributor(s) in Reporting Year 2011

NONE

Directors

Nancy Ditzler, Hugh W Ditzler, Jr, Hugh W Ditzler III, Debra Perry, Kate Ditzler, Karen Nager

Manager

Hugh W Ditzler, Jr

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