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Return of Private Foundation

OMB No 1545-0052

2010

Department of the Treasury
Internal Revenue Serviceor Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation

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 THE COTTONWOOD FOUNDATION		A Employer identification number 36-4156747
Number and street (or P.O. box number if mail is not delivered to street address) C/O BBH TR CO NA, 140 BROADWAY	Room/suite	B Telephone number 212-493-8000
City or town, state, and ZIP code NEW YORK, NY 10005		C If exemption application is pending, check here ☐
H Check type of organization ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		D 1 Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ☐
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 932,917.	J Accounting method ☒ Cash ☐ Accrual ☐ Other (specify) _____	E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
(Part I, column (d) must be on cash basis.)		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received		4,603.		N/A	
2 Check ☒ if the foundation is not required to attach Sch. B					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities		18,314.	18,314.		STATEMENT 1
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		9,267.			
b Gross sales price for all assets on line 6a	177,733.				
7 Capital gain net income (from Part IV, line 2)			9,267.		
8 Net short-term capital gain					
9 Income modifications					
10a Gross sales less returns and allowances					
b Less Cost of goods sold					
c Gross profit or (loss)					
11 Other income		459.	0.		STATEMENT 2
12 Total. Add lines 1 through 11		32,643.	27,581.		
13 Compensation of officers, directors, trustees, etc.		0.	0.		0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees	STMT 3	3,000.	0.		3,000.
c Other professional fees	STMT 4	3,225.	3,225.		0.
17 Interest					
18 Taxes	STMT 5	657.	198.		459.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses	STMT 6	28.	3.		25.
24 Total operating and administrative expenses. Add lines 13 through 23		6,910.	3,426.		3,484.
25 Contributions, gifts, grants paid		35,000.			35,000.
26 Total expenses and disbursements. Add lines 24 and 25		41,910.	3,426.		38,484.
27 Subtract line 26 from line 12		-9,267.			
a Excess of revenue over expenses and disbursements			24,155.		
b Net investment income (if negative, enter -0-)					
c Adjusted net income (if negative, enter -0-)				N/A	

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Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	54,882.	2,364.	2,364.
	2 Savings and temporary cash investments			
	3 Accounts receivable ☐ Less allowance for doubtful accounts ☐			
	4 Pledges receivable ☐ Less allowance for doubtful accounts ☐			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ☐ Less allowance for doubtful accounts ☐			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U S and state government obligations			
	b Investments - corporate stock STMT 7	781,541.	824,792.	930,553.
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis ☐ Less accumulated depreciation ☐			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment basis ☐ Less accumulated depreciation ☐			
	15 Other assets (describe ☐)			
	16 Total assets (to be completed by all filers)	836,423.	827,156.	932,917.
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ☐)			
	23 Total liabilities (add lines 17 through 22)	0.	0.	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ☐ and complete lines 24 through 26 and lines 30 and 31			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ☒ and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	0.	0.	
	28 Paid-in or capital surplus, or land, bldg, and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	836,423.	827,156.	
	30 Total net assets or fund balances	836,423.	827,156.	
	31 Total liabilities and net assets/fund balances	836,423.	827,156.	

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	836,423.
2	Enter amount from Part I, line 27a	2	-9,267.
3	Other increases not included in line 2 (itemize) ☐	3	0.
4	Add lines 1, 2, and 3	4	827,156.
5	Decreases not included in line 2 (itemize) ☐	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	827,156.

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 BBH - SEE ATTACHED STATEMENT	P	VARIOUS	VARIOUS
b BBH - SEE ATTACHED STATEMENT	P	VARIOUS	VARIOUS
c AOL 2ND DISTRIBUTION	P	VARIOUS	01/21/10
d ST PAUL TRAVELLERS II	P	VARIOUS	02/04/10
e CAPITAL GAINS DIVIDENDS			

(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 5,605.		4,982.	623.
b 170,921.		163,484.	7,437.
c 29.			29.
d 12.			12.
e 1,166.			1,166.

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a			623.
b			7,437.
c			29.
d			12.
e			1,166.

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	9,267.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)	If gain, also enter in Part I, line 8, column (c) If (loss), enter -0- in Part I, line 8	3	N/A

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part

1 Enter the appropriate amount in each column for each year, see instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2009	33,389.	780,059.	.042803
2008	52,456.	863,986.	.060714
2007	36,980.	881,555.	.041949
2006	34,765.	784,712.	.044303
2005	32,025.	712,227.	.044965

2 Total of line 1, column (d)	2	.234734
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	.046947
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	865,590.
5 Multiply line 4 by line 3	5	40,637.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	242.
7 Add lines 5 and 6	7	40,879.
8 Enter qualifying distributions from Part XII, line 4	8	38,484.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate
See the Part VI instructions

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

1a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary-see instructions)		1	483.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b			
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	483.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	483.
6 Credits/Payments			
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a	459.	
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c	400.	
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	859.	
8 Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	376.	
11 Enter the amount of line 10 to be Credited to 2011 estimated tax ☐ 376. Refunded ☐	11	0.	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation ☐ \$ 0. (2) On foundation managers ☐ \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ☐ \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a 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?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ☐ MN		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	X	
14	The books are in care of ► BROWN BROTHERS HARRIMAN TR CO NA Telephone no ► 212-493-8000 Located at ► 140 BROADWAY, NEW YORK, NY ZIP+4 ► 10005			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year	15	N/A	
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
				X

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ 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)? ☐ Yes ☒ No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) ☐ Yes ☒ 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 N/A ☐	1b	
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?	1c	X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a	At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? ☐ Yes ☒ No 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 instructions) N/A	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ►		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No		
b	If "Yes," did it have excess business holdings in 2010 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010.) N/A	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?	4b	X

Form 990-PF (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)?

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

N/A

5b

Organizations relying on a current notice regarding disaster assistance check here

☒

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A

☐ Yes ☐ No

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

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

☐ Yes ☒ No

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

6b

X

If "Yes" to 6b, file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

☐ Yes ☒ No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

7b

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

1 List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
CAROL HOFFMANN	TRUSTEE			
4914 BEACON HILL ROAD				
MINNETONKA, MN 55345	1.00	0.	0.	0.
WILLIAM HOFFMANN	TRUSTEE			
4914 BEACON HILL ROAD				
MINNETONKA, MN 55345	1.00	0.	0.	0.

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

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

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

0

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	819,190.
b	Average of monthly cash balances	1b	59,582.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	878,772.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	878,772.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	13,182.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	865,590.
6	Minimum investment return. Enter 5% of line 5	6	43,280.

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

1	Minimum investment return from Part X, line 6	1	43,280.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	483.
b	Income tax for 2010 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	483.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	42,797.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	42,797.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	42,797.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	38,484.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	38,484.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	38,484.

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 instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				42,797.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			34,084.	
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2010				
a From 2005				
b From 2006				
c From 2007				
d From 2008				
e From 2009				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ 38,484.				
a Applied to 2009, but not more than line 2a			34,084.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2010 distributable amount				4,400.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below	0.			
a Corpus Add lines 3f, 4c, and 4e. Subtract line 5	0.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b Taxable amount - see instructions		0.		
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount - see instr			0.	
f Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				38,397.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2011 Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009				
e Excess from 2010				

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

N/A

- 1 a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, enter the date of the ruling

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

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 (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting foundation to a noncharitable exempt organization of

(1) Cash

(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. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

	Yes	No
1a(1)		X
1a(2)		X
1b(1)		X
1b(2)		X
1b(3)		X
1b(4)		X
1b(5)		X
1b(6)		X
1c		X

[illegible]

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

☐ Yes ☒ No

b If "Yes," complete the following schedule

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

**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 of officer or trustee

Date _____

Title

Print/Type preparer's name _____

Preparer's signature

Date

Check ☐ if
self-employed

PTIN

Anna Korniczke

Anna

5/20/11

PO1443510

Firm's name ► BROWN BROTHERS HARRIMAN TRUST CO., N.A.

Firm's EIN ▶

20-4592596

Firm's address ► 140 BROADWAY - 5TH FL
NEW YORK, NY 10005

Phone no

Form 990-PF (2010)

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES	STATEMENT	1
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SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
BBH	19,480.	1,166.	18,314.
TOTAL TO FM 990-PF, PART I, LN 4	19,480.	1,166.	18,314.

FORM 990-PF	OTHER INCOME	STATEMENT	2
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DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
2009 OVERPAYMENT APPLIED TO 2010	459.	0.	
TOTAL TO FORM 990-PF, PART I, LINE 11	459.	0.	

FORM 990-PF	ACCOUNTING FEES	STATEMENT	3
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TAX PREPARATION FEE	3,000.	0.		3,000.
TO FORM 990-PF, PG 1, LN 16B	3,000.	0.		3,000.

FORM 990-PF	OTHER PROFESSIONAL FEES	STATEMENT	4
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT ADVISORY FEES	3,225.	3,225.		0.
TO FORM 990-PF, PG 1, LN 16C	3,225.	3,225.		0.

FORM 990-PF	TAXES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
FOREIGN TAXES	198.	198.		0.	
2009 OVERPAYMENT APPLIED TO 2010	459.	0.		459.	
TO FORM 990-PF, PG 1, LN 18	657.	198.		459.	

FORM 990-PF	OTHER EXPENSES			STATEMENT	6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
MINNESOTA FILING FEE	25.	0.		25.	
ADR FEES	3.	3.		0.	
TO FORM 990-PF, PG 1, LN 23	28.	3.		25.	

FORM 990-PF	CORPORATE STOCK		STATEMENT	7
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE		
AUTOMATIC DATA PROCESSING INC	8,990.	10,413.		
BBH BROAD MARKET FIXED INCOME FD	183,291.	188,058.		
BBH INT'L EQUITY FUND	77,217.	77,730.		
BED BATH & BEYOND INC	0.	0.		
BERKSHIRE HATHAWAY INC DEL CL B	23,240.	32,044.		
CADBURY SCHWEPPE'S PLC	0.	0.		
CHUBB CORP	16,435.	19,383.		
COCA COLA CO	11,169.	14,798.		
COMCAST CORP CL A	25,097.	21,421.		
COSTCO WHOLESALE CORP	10,381.	19,858.		
DELL COMPUTER CORP	19,666.	10,840.		
DENTSPLY INTL INC	11,127.	13,668.		
DIAGEO PLC - SPONSORED ADR	17,930.	22,299.		
EBAY INC	4,471.	10,436.		
ECOLAB INC	7,989.	10,084.		
EOG RESOURCES INC	16,396.	15,997.		
GRAINGER, W W INC	7,462.	13,811.		
INTUIT INC	0.	0.		

THE COTTONWOOD FOUNDATION

36-4156747

JOHNSON & JOHNSON	14,033.	13,916.
LIBERTY GLOBAL INC COM SER A	8,476.	14,152.
LIBERTY MEDIA HLDG CORP	16,125.	13,799.
LONGLEAF PARTNERS SMALL CAP FD	40,000.	50,681.
MICROSOFT	6,594.	7,954.
NESTLE SA	17,474.	38,233.
NOVARTIS AG - ADR	17,112.	19,159.
OCCIDENTAL PETROLEUM	5,555.	19,620.
PEPSICO INC	8,747.	9,800.
PROGRESSIVE CORP OHIO	16,333.	19,373.
U S BANCORP	20,128.	23,599.
USAA MUT FUND INC AGGRESIVE GRO	0.	0.
VULCAN MATERIALS CO	0.	0.
WAL-MART STORES INC	21,394.	22,920.
WALGREEN CO	17,672.	22,402.
WASTE MANAGEMENT INC	23,985.	28,574.
XTO ENERGY INC	0.	0.
BAXTER INTL INC	18,937.	20,248.
SOUTHWESTERN ENERGY CO	12,822.	13,101.
T ROWE PRICE NEW ASIA FD	20,000.	19,824.
PIMCO TOTAL RETURN FD	80,000.	74,763.
VISA INC-CL A	18,544.	17,595.
TOTAL TO FORM 990-PF, PART II, LINE 10B	824,792.	930,553.

Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

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

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ► ☒ **X**
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

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

Electronic filing (e-file). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*

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

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

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

Type or print File by the due date for filing your return. See instructions.	Name of exempt organization THE COTTONWOOD FOUNDATION	Employer identification number 36-4156747
	Number, street, and room or suite no. If a P.O. box, see instructions. C/O BBH TR CO NA, 140 BROADWAY	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. NEW YORK, NY 10005	

Enter the Return code for the return that this application is for (file a separate application for each return)

0 4

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

BROWN BROTHERS HARRIMAN TR CO NA

- The books are in the care of ► **140 BROADWAY, NEW YORK, NY - 10005**

Telephone No. ► **212-493-8000**

FAX No. ► **212-493-8003**

- If the organization does not have an office or place of business in the United States, check this box ► ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box ► ☐. If it is for part of the group, check this box ► ☐ and attach a list with the names and EINs of all members the extension is for

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **AUGUST 15, 2011**, to file the exempt organization return for the organization named above. The extension is for the organization's return for
► ☒ calendar year **2010** or
► ☐ tax year beginning _____, and ending _____

2 If the tax year entered in line 1 is for less than 12 months, check reason. ☐ Initial return ☐ Final return
☐ Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$ 859.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$ 459.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$ 400.

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

LHA **For Paperwork Reduction Act Notice, see Instructions.**

Form **8868** (Rev. 1-2011)

2010 Tax Information Statement

Page 2 of 2

Account Number 1035000700
 Recipient's Tax ID Number 36-4156747
 Recipient's Name and Address:
 THE COTTONWOOD FOUNDATION
 4914 BEACON HILL RD
 MINNETONKA, MN 55345

Corrected 2nd TIN notice

BROWN BROTHERS HARRIMAN
 140 BROADWAY
 NEW YORK, NY 10005

Number of shares	CUSIP	Description	Date Acquired	Date of Sale	Stocks Bonds, etc	Cost or other Basis	Net Gain or Loss	Federal Income Tax Withheld
150 0000	929160109	VULCAN MATERIALS COMPANY	VARIOUS	08/17/2010	5,793 06	7,213 14	-1,420 08	0.00
100 0000	461202103	INTUIT INC	10/02/2007	08/20/2010	4,299.71	3,100 26	1,199 45	0.00
100 0000	461202103	INTUIT INC	VARIOUS	09/08/2010	4,463 29	3,029 39	1,433 90	0.00
150 0000	461202103	INTUIT INC	VARIOUS	09/20/2010	6,825 50	4,150 32	2,675 18	0.00
1700 3750	903288405	USAA MUT FUND INC AGGRESSIVE GROWTH FUND	VARIOUS	09/30/2010	49,837 99	56,220 02	-6,382 03	0.00
2868 0690	05528X802	BBH BROAD MARKET FIXED INCOME	VARIOUS	10/14/2010	30,000 00	29,930 52	69 48	0.00
150 0000	278642103	EBAY INC	VARIOUS	12/13/2010	4,567 81	2,170 33	2,397 48	0.00
25 0000	641069406	NESTLE S A SPONSORED ADR	04/07/2006	12/27/2010	1,466 72	729.50	737 22	0.00
Total Long Term 15% Sales						163,484 39	7,436.21	0.00

This is important tax information and is being furnished to you

2010 Tax Information Statement

Page 1 of 2

Account Number 1035000700
 Recipient's Tax ID Number 36-4156747
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BROWN BROTHERS HARRIMAN
 140 BROADWAY
 NEW YORK, NY 10005

2010 Proceeds from Broker and Barter Exchange Transactions

Sales are listed at Gross Proceeds less commissions and option premiums

Number of shares	CUSIP	Description	Date Acquired	Date of Sale	Stocks Bonds, etc	Cost or other Basis	Net Gain or Loss	Federal Income Tax Withheld
Short Term Sales								
50 0000	929160109	VULCAN MATERIALS COMPANY	VARIOUS	08/17/2010	1,931 02	2,495 85	-564 83	0.00
125 0000	278642103	EBAY INC	06/30/2010	11/01/2010	3,673 89	2,485 88	1,188 01	0.00
Total Short Term Sales						4,981 73	623 18	0.00
Long Term 15% Sales								
250 0000	594918104	MICROSOFT CORP COM	VARIOUS	01/15/2010	7,738 95	5,794 72	1,944 23	0.00
145 0000	12721E102	CADBURY PLC SPONS ADR	VARIOUS	01/25/2010	7,730 17	6,362 78	1,367 39	0.00
250 0000	075896100	BED BATH & BEYOND INC	VARIOUS	03/08/2010	10,429 91	9,217 41	1,212.50	0.00
125 0000	278642103	EBAY INC	10/23/2008	03/26/2010	3,437 75	1,872 28	1,565 47	0.00
297 0000	93385X106	XTO ENERGY INC	VARIOUS	04/06/2010	14 179 65	10,189 86	3,989 79	0.00
75 0000	191216100	COCA COLA CO COM	09/15/2008	07/22/2010	4,067 51	4,145 35	77 84	0.00
125 0000	461202103	INTUIT INC	VARIOUS	07/22/2010	4,752 76	3,919 70	833 06	0.00
50 0000	713448108	PEPSICO INC	05/18/2006	07/22/2010	3,210 58	2,968 57	242 01	0.00
75 0000	461202103	INTUIT INC	10/01/2007	08/02/2010	3,003 27	2,333 56	669 71	0.00
76 0000	929160109	VULCAN MATERIALS COMPANY	05/20/2008	08/05/2010	3,250 49	6,332 64	-3,082 15	0.00
16 0000	929160109	VULCAN MATERIALS COMPANY	VARIOUS	08/09/2010	664 95	1,295 34	-630 39	0.00
31 0000	929160109	VULCAN MATERIALS COMPANY	05/19/2008	08/12/2010	1,200 53	2,508 70	-1,308 17	0.00

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Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

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

Part I only

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Type or print	Name of exempt organization THE COTTONWOOD FOUNDATION	Employer identification number 36-4156747
File by the due date for filing your return. See instructions	Number, street, and room or suite no. If a P.O. box, see instructions. C/O BROWN BROTHERS HARRIMAN TR CO NA	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions 140 BROADWAY, NEW YORK, NY 10005	

Enter the Return code for the return that this application is for (file a separate application for each return)

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Telephone No ► **212-493-8000** FAX No. ► **212-493-8003**

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☐ Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	3a	\$	859.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit	3b	\$	459.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions	3c	\$	400.

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