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Return of Private Foundation  
or 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

2010

For calendar year 2010, or tax year beginning

, 2010, and ending

, 20

G Check all that apply

 Initial return Initial return of a former public charity Final return Amended return Address change Name change

Name of foundation

A Employer identification number

OTTER ISLAND FOUNDATION

76-0421104

Number and street (or P O box number if mail is not delivered to street address)

Room/suite

1405 NORTH BOULEVARD

(713) 622-0016

City or town, state, and ZIP code

HOUSTON, TX 77006

H Check type of organization  Section 501(c)(3) exempt private foundation Section 4947(a)(1) nonexempt charitable trust  Other taxable private foundationI Fair market value of all assets at end of year (from Part II, col. (c), line 16) ► \$ 2,212,563. J Accounting method  Cash  Accrual  
 Other (specify) (Part I, column (d) must be on cash basis)

C If exemption application is pending, check here . . . . . ►

D 1 Foreign organizations, check here . . . . . ►

2 Foreign organizations meeting the 85% test, check here and attach computation . . . . . ►

E If private foundation status was terminated under section 507(b)(1)(A), check here . . . . . ►

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here . . . . . ►

## Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))

	(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 (attach schedule)	0			
2 Check ► <input type="checkbox"/> if the foundation is not required to attach Sch. B . . . . .				
3 Interest on savings and temporary cash investments	58	58		
4 Dividends and interest from securities . . . . .	9,903	9,903		
5a Gross rents . . . . .				
b Net rental income or (loss) . . . . .				
6a Net gain or (loss) from sale of assets not on line 10	121,958			
b Gross sales price for all assets on line 6a . . . . .	121,958			
7 Capital gain net income (from Part IV, line 2) . . . . .		121,958		
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) (attach schedule) . . . . .				
11 Other income (attach schedule) . . . . .				
12 Total. Add lines 1 through 11 . . . . .	131,919	131,919		
13 Compensation of officers, directors, trustees, etc . . . . .	32,500	32,500		
14 Other employee salaries and wages . . . . .				
15 Pension plans, employee benefits . . . . .				
16a Legal fees (attach schedule) . . . . .				
b Accounting fees (attach schedule) . . . . .				
c Other professional fees (attach schedule) . . . . .				
17 Interest . . . . . JUN 28 2011 . . . . .				
18 Taxes (attach schedule) (see page 14 of the instructions)				
19 Depreciation (attach schedule) and depletion . . . . .				
20 Occupancy . . . . .				
21 Travel, conferences, and meetings . . . . .				
22 Printing and publications . . . . .				
23 Other expenses (attach schedule) ATCH 1 . . . . .	10,852	10,852		
24 Total operating and administrative expenses . . . . .	43,352	43,352		
Add lines 13 through 23 . . . . .				
25 Contributions, gifts, grants paid . . . . .	344,591			344,591
26 Total expenses and disbursements Add lines 24 and 25 . . . . .	387,943	43,352		344,591
27 Subtract line 26 from line 12	-256,024			
a Excess of revenue over expenses and disbursements . . . . .				
b Net investment income (if negative, enter -0-) . . . . .		88,567		
c Adjusted net income (if negative, enter -0-) . . . . .				

Revenue

Operating and Administrative Expenses

SCANNED JUN 3 2011

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
	1 Cash - non-interest-bearing				
	2 Savings and temporary cash investments		25,539.	97,698.	97,698.
	3 Accounts receivable ►				
	Less allowance for doubtful accounts ►				
	4 Pledges receivable ►				
	Less allowance for doubtful accounts ►				
	5 Grants receivable				
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)				
	7 Other notes and loans receivable (attach schedule) ►				
	Less allowance for doubtful accounts ►				
	8 Inventories for sale or use				
	9 Prepaid expenses and deferred charges				
Assets	10 a Investments - U S and state government obligations (attach schedule)				
	b Investments - corporate stock (attach schedule) <b>ATTCH 2</b>		1,339,782.	1,011,599.	2,114,865.
	c Investments - corporate bonds (attach schedule)				
	11 Investments - land, buildings, and equipment basis ►				
	Less accumulated depreciation ► (attach schedule)				
	12 Investments - mortgage loans				
	13 Investments - other (attach schedule)				
	14 Land, buildings, and equipment basis ►				
	Less accumulated depreciation ► (attach schedule)				
	15 Other assets (describe ►)				
	16 Total assets (to be completed by all filers - see the instructions Also, see page 1, item I) . . . . .		1,365,321.	1,109,297.	2,212,563.
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 (attach schedule)				
	22 Other liabilities (describe ►)				
	23 Total liabilities (add lines 17 through 22) . . . . .			0.	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.				
	24 Unrestricted				
	25 Temporarily restricted				
	26 Permanently restricted				
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ► <input checked="" type="checkbox"/>				
	27 Capital stock, trust principal, or current funds				
	28 Paid-in or capital surplus, or land, bldg , and equipment fund				
	29 Retained earnings, accumulated income, endowment, or other funds		1,365,321.	1,109,297.	
	30 Total net assets or fund balances (see page 17 of the instructions) . . . . .		1,365,321.	1,109,297.	
	31 Total liabilities and net assets/fund balances (see page 17 of the instructions) . . . . .		1,365,321.	1,109,297.	

**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	1,365,321.
2 Enter amount from Part I, line 27a . . . . .	2	-256,024.
3 Other increases not included in line 2 (itemize) ►	3	
4 Add lines 1, 2, and 3 . . . . .	4	1,109,297.
5 Decreases not included in line 2 (itemize) ►	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30 . . . . .	6	1,109,297.

Form 990-PF (2010)

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

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co.)			(b) How acquired P-Purchase D-Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
<b>1a</b> SEE PART IV SCHEDULE					
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
<b>(e) Gross sales price</b>	<b>(f) Depreciation allowed (or allowable)</b>	<b>(g) Cost or other basis plus expense of sale</b>	<b>(h) Gain or (loss) (e) plus (f) minus (g)</b>		
<b>a</b>					
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))		
<b>(i) F M V as of 12/31/69</b>	<b>(j) Adjusted basis as of 12/31/69</b>	<b>(k) Excess of col (i) over col (j), if any</b>			
<b>a</b>					
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
<b>2 Capital gain net income or (net capital loss)</b>	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		<b>2</b>	121, 958.	
<b>3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)</b>					
If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions)					
If (loss), enter -0- in Part I, line 8. . . . .			<b>3</b>		

**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	57, 955.	2, 081, 821.	0.027839
2008	645, 093.	4, 024, 678.	0.160284
2007	796, 796.	5, 038, 553.	0.158140
2006	685, 813.	5, 120, 605.	0.133932
2005	671, 512.	4, 463, 096.	0.150459

<b>2 Total of line 1, column (d)</b>	<b>2</b>	0.630654
<b>3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years</b>	<b>3</b>	0.126131
<b>4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5</b>	<b>4</b>	2, 075, 596.
<b>5 Multiply line 4 by line 3</b>	<b>5</b>	261, 797.
<b>6 Enter 1% of net investment income (1% of Part I, line 27b)</b>	<b>6</b>	886.
<b>7 Add lines 5 and 6</b>	<b>7</b>	262, 683.
<b>8 Enter qualifying distributions from Part XII, line 4</b>	<b>8</b>	344, 591.

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ► <input type="checkbox"/> and enter "N/A" on line 1 . . .	1	886.
	Date of ruling or determination letter _____ (attach copy of ruling 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 . . .		
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	
3	Add lines 1 and 2 . . .	3	886.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-) . . .	4	0.
5	<b>Tax based on investment income.</b> Subtract line 4 from line 3 If zero or less, enter -0- . . .	5	886.
6	<b>Credits/Payments:</b>		
a	2010 estimated tax payments and 2009 overpayment credited to 2010 . . .	6a	937.
b	Exempt foreign organizations-tax withheld at source . . .	6b	0.
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	937.
8	Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached . . .	8	
9	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter amount owed . . .	9	
10	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the amount overpaid . . .	10	51.
11	Enter the amount of line 10 to be <b>Credited to 2011 estimated tax</b> ► 51. Refunded ► 11	11	

**Part VII-A Statements Regarding Activities**

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? . . .	Yes	No
1b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? . . .	X	
	<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>		
1c	Did the foundation file Form 1120-POL for this year? . . .	X	
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ► \$ _____ (2) On foundation managers ► \$ _____		
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► \$ _____		
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? . . .	X	
	<i>If "Yes," attach a detailed description of the activities</i>		
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? . . .	X	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? . . .	X	
	<i>If "Yes," attach the statement required by General Instruction T</i>		
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 page 19 of the instructions) ► TX,		
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 on page 27)? 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	

**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) . . . . .	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? . . . . .	13	X
Website address ► N/A			
14	The books are in care of ► EEPB, PC Located at ► 1333 WEST LOOP SOUTH, STE 1400 HOUSTON, TX	Telephone no ► 713-622-0016 ZIP + 4 ► 77027	
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 90-221. If "Yes," enter the name of the foreign country ►	Yes	No

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

	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.	Yes	No
1a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? . . . . .	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? . . . . .	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? . . . . .	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? . . . . .	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? . . . . .	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) . . . . .	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? . . . . . Organizations relying on a current notice regarding disaster assistance check here . . . . . ►	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? . . . . . 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) . . . . .	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ►		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? . . . . .	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If "Yes," did it have excess business holdings in 2010 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010) . . . . .	3b	
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

**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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(1)	Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(2)	Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(3)	Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		5b	
	Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>				
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?	<input type="checkbox"/> Yes <input type="checkbox"/> 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? If "Yes" to 6b, file Form 8870	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		6b	X
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
b	If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		7b	X

**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
ATTACHMENT 3		32,500.	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 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	1,983,414.
b	Average of monthly cash balances	1b	123,790.
c	Fair market value of all other assets (see page 25 of the instructions)	1c	0.
d	<b>Total</b> (add lines 1a, b, and c)	1d	2,107,204.
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	0.
3	Subtract line 2 from line 1d	3	2,107,204.
4	Cash deemed held for charitable activities Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	31,608.
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3 Enter here and on Part V, line 4	5	2,075,596.
6	<b>Minimum investment return.</b> Enter 5% of line 5	6	103,780.

**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	103,780.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	886.
b	Income tax for 2010 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	886.
3	Distributable amount before adjustments Subtract line 2c from line 1	3	102,894.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	102,894.
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	<b>Distributable amount as adjusted</b> Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	102,894.

**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	344,591.
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	0.
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	0.
b	Cash distribution test (attach the required schedule)	3b	0.
4	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	344,591.
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	886.
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	6	343,705.

**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 . . . . .				102,894.
2 Undistributed income, if any, as of the end of 2010			0.	
a Enter amount for 2009 only . . . . .			0.	
b Total for prior years 20 08 20 07 20 06				
3 Excess distributions carryover, if any, to 2010				
a From 2005 . . . . .	461,173.			
b From 2006 . . . . .	440,737.			
c From 2007 . . . . .	564,648.			
d From 2008 . . . . .	446,443.			
e From 2009 . . . . .				
f Total of lines 3a through e . . . . .	1,913,001.			
4 Qualifying distributions for 2010 from Part XII, line 4 ► \$ 344,591.				
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) . . . . .				
c Treated as distributions out of corpus (Election required - see page 26 of the instructions) . . . . .				
d Applied to 2010 distributable amount . . . . .				102,894.
e Remaining amount distributed out of corpus . . . . .	241,697.			
5 Excess distributions carryover applied to 2010. (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	2,154,698.			
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 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 . . . . .				
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) . . . . .	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions) . . . . .	461,173.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a . . . . .	1,693,525.			
10 Analysis of line 9				
a Excess from 2006 . . . . .	440,737.			
b Excess from 2007 . . . . .	564,648.			
c Excess from 2008 . . . . .	446,443.			
d Excess from 2009 . . . . .				
e Excess from 2010 . . . . .	241,697.			

**Part XIV** **Private Operating Foundations** (see page 27 of the instructions and Part VII-A, question 9) **NOT** **APPLICABLE**

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

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

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

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

**1 Information Regarding Foundation Managers:**

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

N/A

**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

N/A

**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

N/A

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

N/A

**c Any submission deadlines**

N/A

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

N/A

**Part XV Supplementary Information (continued)****3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a <i>Paid during the year</i> SEE ATTACHED LIST				344,591.
<b>Total</b> .....				344,591.
b <i>Approved for future payment</i>				
<b>Total</b> .....				3b

## Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions )
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments . . . . .					
3 Interest on savings and temporary cash investments			14	58.	
4 Dividends and interest from securities . . . . .			14	9,903.	
5 Net rental income or (loss) from real estate					
a Debt-financed property . . . . .					
b Not debt-financed property . . . . .					
6 Net rental income or (loss) from personal property .					
7 Other investment income . . . . .					
8 Gain or (loss) from sales of assets other than inventory			18	121,958.	
9 Net income or (loss) from special events . . .					
10 Gross profit or (loss) from sales of inventory..					
11 Other revenue a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e) . . . . .				131,919.	
13 Total Add line 12, columns (b), (d), and (e) . . . . .				13	131,919.
(See worksheet in line 13 instructions on page 29 to verify calculations.)					

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

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

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

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

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

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.

Date \_\_\_\_\_

>Title

Paid  
Preparer  
Use Only

Print/Type preparer's name		Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
<b>Paid Preparer Use Only</b>	<i>Sandra Carbonari</i>		<i>Sandra Carbonari</i>	<i>6/3/11</i>	<i>P00644847</i>
	Firm's name ► EEPB PC			Firm's EIN ► 76-0222094	
	Firm's address ► 1333 WEST LOOP S. SUITE 1400 HOUSTON, TX			77027	Phone no 713-622-0016

## OTTER ISLAND FOUNDATION

EIN 76-0421104

Contributions  
1/1/2010 through 12/31/2010

Date	Num	Description	Memo	Amount
01/01/10	3026	Bo's Place	2010 Hearts of Hope luncheon	-500.00
01/01/10	3027	Boston Athenaeum	Annual Fund	-500.00
01/01/10	3040	Zoo Friends of Houston	Membership renewal	-75.00
01/01/10	3042	Afford Lake Camp	In honor of Abby, Emma, Winnie & Lydia Simmons	-400.00
01/01/10	3044	Atlantic Challenge	In honor of Fred Boursier and Martha Page	-500.00
01/01/10	3051	Maine Pro Musica	To be listed Anonymous	-1000.00
03/01/10	3053	COFAM	MS 150 Bike Ride (Jack Kelly)	-5500.00
03/24/10	3055	National Multiple Sclerosis Society	In memory of Phoebe Cook Welsh	-100.00
03/24/10	3056	Texas Children's Hospital	In honor of Winnie Simmons	-1000.00
03/25/10	ATM	The Los Angeles Ronald McDonald House	In honor of Winnie Simmons	-500.00
04/12/10	ATM	The Los Angeles Ronald McDonald House	In honor of Winnie Simmons	-500.00
04/14/10	ATM	National Multiple Sclerosis Society	MS 150 Bike Ride (John Pearson)	-500.00
04/20/10	3057	COFAM	Wheeler Griffith Trustee Annual Fund	-2000.00
06/24/10	3063	The Jung Center	2010 Membership (Donor Level)	-150.00
06/24/10	3064	The Jung Center	Pledge	-5000.00
06/24/10	3065	The American-Scandinavian Foundation	2010 Contributing Associate	-150.00
06/30/10	3102	California Lawyers For The Arts	In honor of Wheeler Simmons Griffith '97	-395.52
07/01/10	EFT	Pomfret School	2010 Membership (Donor Level)	-1000.00
07/01/10	EFT	VU DEV ALUMNI RELATION	Pledge	-1000.00
07/02/10	EFT	Yellowstone Academy Guild	Wheeler Griffith Trustee Annual Fund	-300.00
07/02/10	EFT	Yellowstone Academy Guild	2010 Membership (Donor Level)	-200.00
07/02/10	3108	Mormon Scholars Foundation	Pledge	-10000.00
07/02/10	3097	St. George's School	Wheeler Griffith Trustee Annual Fund	-500.00
07/06/10	3095	Greater Houston Community Foundation	2010 Membership (Donor Level)	-10000.00
07/06/10	3072	Coastal Mountains Land Trust	Pledge	-10000.00
07/06/10	3069	Camden Public Library	Wheeler Griffith Trustee Annual Fund	-1000.00
07/06/10	3096	NRCM	2010 Membership (Donor Level)	-250.00
07/06/10	3105	Harvard Club Of New York Foundation	Pledge	-18000.00
07/07/10	3093	First Congregational Church	Wheeler Griffith Trustee Annual Fund	-15000.00
07/07/10	3080	Northfield Mount Herman School	2010 Membership (Donor Level)	-10000.00
07/07/10	3103	Island Institute	Pledge	-5800.00
07/07/10	3079	Northfield Mount Herman School	Wheeler Griffith Trustee Annual Fund	-500.00
07/07/10	3071	Center For Maine Contemporary Art	2010 Membership (Donor Level)	-2000.00
07/07/10	3106	North Haven Historical Society	Pledge	-1000.00
07/07/10	3089	Duke University	Wheeler Griffith Trustee Annual Fund	-250.00
07/07/10	3081	North Haven Arts And Enrichment	2010 Membership (Donor Level)	-100.00
07/07/10	3082	North Haven Historical Society	Pledge	-500.00
07/07/10	3100	St John's School	Wheeler Griffith Trustee Annual Fund	-250.00
07/07/10	3114	Vesterheim Norwegian - American Museum	2010 Membership (Donor Level)	-100.00
07/08/10	3115	Young Audiences Of Houston	Pledge	-5000.00

07/08/10	3099	Groton School	-20000.00
07/08/10	3101	Texas Christian University	-1000.00
07/08/10	3087	Colorado College	-1000.00
07/08/10	3113	United Way Of The Texas Gulf Coast	-1000.00
07/08/10	3073	Penobscot Bay YMCA	-500.00
07/09/10	3117	Epic Change Inc	-300.00
07/09/10	3111	The Nature Conservancy - Maine Chapter	-100.00
07/12/10	3086	Harvard Business School	-50000.00
07/12/10	3083	National Trust for Historic Preservation	-25000.00
07/12/10	3092	Farnsworth Art Museum	-25000.00
07/12/10	3104	Charitable Contribution	-20000.00
07/12/10	3088	Connecticut College	-10000.00
07/12/10	3098	Penobscot Marine Museum	-1000.00
07/12/10	3090	Connecticut College	-1000.00
07/12/10	3118	Theta Charity Antiques Show Of Houston	-400.00
07/12/10	3078	North Haven Sustainable Housing	-250.00
07/12/10	3075	Vinalhaven Land Trust	-250.00
07/13/10	3109	Rice University	-10000.00
07/13/10	3091	Episcopal High School	-1000.00
07/14/10	3076	Robert E Lee Memorial Association	-5000.00
07/14/10	3077	Robert E Lee Memorial Association	-5000.00
07/14/10	3084	Menil Collection	-1000.00
07/16/10	3068	Bay Chamber Concerts	-1000.00
07/19/10	3062	Charitable Contribution	-1000.00
07/21/10	3094	Friends Of Fleming Park	-100.00
07/27/10	EFT	Center For Maine Contemporary Art	-600.00
07/29/10	3067	Annunciation Orthodox School	-1500.00
08/02/10	3066	Annunciation Orthodox School	-1000.00
08/04/10	3107	Historic New England	-100.00
08/10/10	3119	March Of Dimes	-100.00
08/11/10	3110	The Max Warburg Courage Curriculum	-500.00
08/24/10	3112	Trees For Houston / Boca	-150.00
10/14/10	3127	California Lawyers For The Arts	-500.00
12/22/10	3129	10th Mountain Division Hut Association	-100.00
12/22/10	3130	Alford Lake Camp	-400.00
12/22/10	3131	Canterbury Shaker Village	-100.00
12/22/10	3132	Center For Furniture Craftsmanship	-250.00
12/22/10	3133	Friends Of Colonial Pemaquid	-50.00
12/22/10	3134	Herring Gut Learning Center	-500.00
12/22/10	3200	Island Institute	-10000.00
12/22/10	3201	Farnsworth Art Museum	-49720.68
12/22/10	3202	Rice University	-2250.00
12/27/10	3207	Maine Media Workshops	-200.00
12/29/10	3206	The Strand Theater	-500.00
		TOTAL	-344,591.20

**FORM 990-PF - PART IV**  
**CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME**

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis			
301,607.		5,400 SHS SCHLUMBERGER PROPERTY TYPE: SECURITIES 88,708.				06/25/1996	06/07/2010	212,899.
148,535.		6,300 SHS ZIONS BANCORP PROPERTY TYPE: SECURITIES 239,476.				12/27/1993	06/07/2010	-90,941.
TOTAL GAIN(LOSS) .....								<u>121,958.</u>

## FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
INVESTMENT FEES	4,180.	4,180.
ACCOUNTING FEES	2,603.	2,603.
BANK FEES	65.	65.
MISCELLANEOUS	32.	32.
PROFESSIONAL FEES	3,747.	3,747.
POSTAGE	35.	35.
SUPPLIES	190.	190.
TOTALS	<u>10,852.</u>	<u>10,852.</u>

FORM 990PF, PART II - CORPORATE STOCKATTACHMENT 2

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
WEATHERFORD	65,675.	387,600.
SCHLUMBERGER	96,922.	492,650.
TRANSOCEAN	317,452.	784,907.
ZIONS BANCORP	503,887.	321,193.
NATIONAL OILWELL VARCO	27,663.	128,515.
<b>TOTALS</b>	<b><u>1,011,599.</u></b>	<b><u>2,114,865.</u></b>

## OTTER ISLAND FOUNDATION

## FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

76-0421104

## ATTACHMENT 3

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION</u>	<u>COMPENSATION</u>	<u>CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS</u>	<u>EXPENSE ACCT AND OTHER ALLOWANCES</u>
ELLEN C. L. SIMMONS 1405 NORTH BOULEVARD HOUSTON, TX 77006	PRESIDENT, VP, TREASURER 0.	0.	0.	0.
WHEELER E. S. GRIFFITH 1405 NORTH BOULEVARD HOUSTON, TX 77006	EXECUTIVE DIRECTOR 6.00	32,500.	0.	0.
ABBY J. SIMMONS 1405 NORTH BOULEVARD HOUSTON, TX 77006	DIRECTOR 0.	0.	0.	0.
EMMA A. SIMMONS 1405 NORTH BOULEVARD HOUSTON, TX 77006	DIRECTOR 0.	0.	0.	0.
WINNIE B. SIMMONS 1405 NORTH BOULEVARD HOUSTON, TX 77006	DIRECTOR 0.	0.	0.	0.
LYDIA F. SIMMONS 1405 NORTH BOULEVARD HOUSTON, TX 77006	DIRECTOR 0.	0.	0.	0.
GRAND TOTALS		<u>32,500.</u>	<u>0.</u>	<u>0.</u>

**SCHEDULE D**  
**(Form 1041)**Department of the Treasury  
Internal Revenue Service**Capital Gains and Losses**

OMB No 1545-0092

► Attach to Form 1041, Form 5227, or Form 990-T. See the Instructions for Schedule D (Form 1041) (also for Form 5227 or Form 990-T, if applicable).

**2010**

Name of estate or trust

OTTER ISLAND FOUNDATION

Employer identification number

76-0421104

Note: Form 5227 filers need to complete **only** Parts I and II**Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less**

(a) Description of property (Example 100 shares 7% preferred of "Z" Co )	(b) Date acquired (mo , day, yr )	(c) Date sold (mo , day, yr )	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
1a					

b Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b . . . . .	1b	
2 Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824 . . . . .	2	
3 Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts . . . . .	3	
4 Short-term capital loss carryover Enter the amount, if any, from line 9 of the 2009 Capital Loss Carryover Worksheet . . . . .	4	( )
5 Net short-term gain or (loss). Combine lines 1a through 4 in column (f) Enter here and on line 13, column (3) on the back . . . . . ►	5	

**Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year**

(a) Description of property (Example 100 shares 7% preferred of "Z" Co )	(b) Date acquired (mo , day, yr )	(c) Date sold (mo , day, yr )	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
6a					

b Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b . . . . .	6b	121,958.
7 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824 . . . . .	7	
8 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts . . . . .	8	
9 Capital gain distributions . . . . .	9	
10 Gain from Form 4797, Part I . . . . .	10	
11 Long-term capital loss carryover Enter the amount, if any, from line 14 of the 2009 Capital Loss Carryover Worksheet . . . . .	11	( )
12 Net long-term gain or (loss). Combine lines 6a through 11 in column (f) Enter here and on line 14a, column (3) on the back . . . . . ►	12	121,958.

For Paperwork Reduction Act Notice, see the Instructions for Form 1041.

Schedule D (Form 1041) 2010

<b>Part III</b> <b>Summary of Parts I and II</b>		<b>(1) Beneficiaries' (see instr )</b>	<b>(2) Estate's or trust's</b>	<b>(3) Total</b>
<b>Caution: Read the instructions before completing this part</b>				
<b>13</b> <b>Net short-term gain or (loss)</b> . . . . .	<b>13</b>			
<b>14</b> <b>Net long-term gain or (loss):</b>				
a Total for year . . . . .	<b>14a</b>			<b>121, 958.</b>
b Unrecaptured section 1250 gain (see line 18 of the wrksht) . . . . .	<b>14b</b>			
c 28% rate gain . . . . .	<b>14c</b>			
<b>15</b> <b>Total net gain or (loss). Combine lines 13 and 14a ►</b> . . . . .	<b>15</b>			<b>121, 958.</b>

**Note:** If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a) If lines 14a and 15, column (2), are net gains, go to Part V, and do not complete Part IV If line 15, column (3), is a net loss, complete Part IV and the Capital Loss Carryover Worksheet, as necessary

**Part IV** **Capital Loss Limitation**

<b>16</b> Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the smaller of		
a The loss on line 15, column (3) or b \$3,000 . . . . .		<b>16</b> ( )

**Note:** If the loss on line 15, column (3), is more than \$3,000, or if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the Capital Loss Carryover Worksheet on page 7 of the instructions to figure your capital loss carryover

**Part V** **Tax Computation Using Maximum Capital Gains Rates**

**Form 1041 filers.** Complete this part only if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), and Form 1041, line 22, is more than zero

**Caution:** Skip this part and complete the worksheet on page 8 of the instructions if

- Either line 14b, col (2) or line 14c, col (2) is more than zero, or
- Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero

**Form 990-T trusts.** Complete this part only if both lines 14a and 15 are gains, or qualified dividends are included in income in Part I of Form 990-T, and Form 990-T, line 34, is more than zero Skip this part and complete the worksheet on page 8 of the instructions if either line 14b, col (2) or line 14c, col (2) is more than zero

<b>17</b> Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34) . . . . .	<b>17</b>		
<b>18</b> Enter the smaller of line 14a or 15 in column (2) but not less than zero . . . . .	<b>18</b>		
<b>19</b> Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T) . . . . .	<b>19</b>		
<b>20</b> Add lines 18 and 19 . . . . .	<b>20</b>		
<b>21</b> If the estate or trust is filing Form 4952, enter the amount from line 4g, otherwise, enter -0- ► . . . . .	<b>21</b>		
<b>22</b> Subtract line 21 from line 20 If zero or less, enter -0- . . . . .	<b>22</b>		
<b>23</b> Subtract line 22 from line 17 If zero or less, enter -0- . . . . .	<b>23</b>		
<b>24</b> Enter the smaller of the amount on line 17 or \$2,300 . . . . .	<b>24</b>		
<b>25</b> Is the amount on line 23 equal to or more than the amount on line 24?			
<input type="checkbox"/> Yes. Skip lines 25 and 26, go to line 27 and check the "No" box	<b>25</b>		
<input type="checkbox"/> No. Enter the amount from line 23 . . . . .	<b>26</b>		
<b>26</b> Subtract line 25 from line 24 . . . . .	<b>26</b>		
<b>27</b> Are the amounts on lines 22 and 26 the same?			
<input type="checkbox"/> Yes. Skip lines 27 thru 30, go to line 31	<b>27</b>		
<input type="checkbox"/> No. Enter the smaller of line 17 or line 22 . . . . .	<b>28</b>		
<b>28</b> Enter the amount from line 26 (If line 26 is blank, enter -0-) . . . . .	<b>28</b>		
<b>29</b> Subtract line 28 from line 27 . . . . .	<b>29</b>		
<b>30</b> Multiply line 29 by 15% ( 15 ) . . . . .	<b>30</b>		
<b>31</b> Figure the tax on the amount on line 23 Use the 2010 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041) . . . . .	<b>31</b>		
<b>32</b> Add lines 30 and 31 . . . . .	<b>32</b>		
<b>33</b> Figure the tax on the amount on line 17 Use the 2010 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041) . . . . .	<b>33</b>		
<b>34</b> Tax on all taxable income. Enter the smaller of line 32 or line 33 here and on Form 1041, Schedule G, line 1a (or Form 990-T, line 36) . . . . .	<b>34</b>		

Name of estate or trust as shown on Form 1041. Do not enter name and employer identification number if shown on the other side

**Employer identification number**

## OTTER ISLAND FOUNDATION

76-0421104

**Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year**

(a) Description of property (Example 100 sh 7% preferred of "Z" Co )	(b) Date acquired (mo , day, yr )	(c) Date sold (mo , day, yr )	(d) Sales price (see page 4 of the instructions)	(e) Cost or other basis (see page 4 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
6a 5,400 SHS SCHLUMBERGER	06/25/1996	06/07/2010	301,607.	88,708.	212,899.
6,300 SHS ZIONS BANCORP	12/27/1993	06/07/2010	148,535.	239,476.	-90,941.

**6b Total.** Combine the amounts in column (f) Enter here and on Schedule D, line 6b . . . . .

121,958.

Application for Extension of Time To File an  
Exempt Organization Return

► 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 . . . . . ►
- 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](http://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	Name of exempt organization <b>OTTER ISLAND FOUNDATION</b>	Employer identification number <b>76-0421104</b>
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 <b>1405 NORTH BOULEVARD</b>	
	City, town or post office, state, and ZIP code For a foreign address, see instructions. <b>HOUSTON, TX 77006</b>	

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

- The books are in the care of ► EEPB, PC

Telephone No. ► 713 622-0016 FAX No. ► \_\_\_\_\_

- 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 08/15, 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 \_\_\_\_\_, 20\_\_\_\_\_, and ending \_\_\_\_\_, 20\_\_\_\_\_

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 \$ <b>886.</b>
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 \$ <b>937.</b>
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 \$ _____

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.

For Paperwork Reduction Act Notice, see instructions.

Form 8868 (Rev. 1-2011)