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Return of Private Foundation  
or Section 4947(a)(1) Nonexempt Charitable Trust  
Treated as a Private Foundation

OMB No 1545-0052

2010

Department of the Treasury  
Internal Revenue Service

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

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

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

|   |  |   |
|---|--|---|
| Name of foundation<br><b>Albert and Margaret Alkek Foundation</b>   |  | <b>A</b> Employer identification number<br><b>76-0491186</b>  |
| Number and street (or P O box number if mail is not delivered to street address)<br><b>1100 Louisiana St</b>  |  | <b>B</b> Telephone number (see the instructions)<br><b>(713) 652-6601</b>   |
| City or town<br><b>Houston</b>  | State ZIP code<br><b>TX 77002</b>  | <b>C</b> If exemption application is pending, check here <input type="checkbox"/>   |
| <b>H</b> Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation<br><input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation |  | <b>D</b> 1 Foreign organizations, check here <input type="checkbox"/><br>2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>   |
| <b>I</b> Fair market value of all assets at end of year (from Part II, column (c), line 16)<br><b>\$ 214,123,803.</b>   | <b>J</b> Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual<br><input type="checkbox"/> Other (specify) _____ | <b>E</b> If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/><br><b>F</b> If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/> |

| Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see the instructions)) |   | (a) Revenue and expenses per books | (b) Net investment income | (c) Adjusted net income | (d) Disbursements for charitable purposes (cash basis only) |
|--|---|------------------------------------|---------------------------|-------------------------|---|
| REVENUE  | 1 Contributions, gifts, grants, etc, received (att sch)                 | 1,563,036.                         |                           |                         |   |
|  | 2 Ck <input type="checkbox"/> if the foundn is not req to att Sch B     |                                    |                           |                         |   |
|  | 3 Interest on savings and temporary cash investments                    | 1,548.                             | 1,377.                    |                         |   |
|  | 4 Dividends and interest from securities                                | 4,057,283.                         | 4,008,772.                |                         |   |
|  | 5a Gross rents  |                                    |                           |                         |   |
|  | b Net rental income or (loss)   |                                    |                           |                         |   |
|  | 6a Net gain/(loss) from sale of assets not on line 10                   | -1,641,650.                        |                           |                         |   |
|  | b Gross sales price for all assets on line 6a                           | 17,307,402.                        |                           |                         |   |
|  | 7 Capital gain net income (from Part IV, line 2)                        |                                    | 0.                        |                         |   |
|  | 8 Net short-term capital gain   |                                    |                           |                         |   |
|  | 9 Income modifications  |                                    |                           |                         |   |
|  | 10a Gross sales less returns and allowances                             |                                    |                           |                         |   |
| b Less Cost of goods sold  |   |                                    |                           |                         |   |
| c Gross profit/(loss) (att sch)  |   |                                    |                           |                         |   |
| 11 Other income (attach schedule) See Line 11 Stmt   | 460,674.  | 458,653.                           |                           |                         |   |
| 12 Total. Add lines 1 through 11   | 4,440,891.  | 4,468,802.                         |                           |                         |   |
| ADMINISTRATIVE EXPENSES  | 13 Compensation of officers, directors, trustees, etc                   | 647,750.                           | 431,562.                  |                         | 216,188.  |
|  | 14 Other employee salaries and wages                                    | 13,734.                            | 5,494.                    |                         | 8,240.  |
|  | 15 Pension plans, employee benefits                                     | 29,146.                            | 22,006.                   |                         | 7,140.  |
|  | 16a Legal fees (attach schedule) L-16a Stmt                             | 76,018.                            | 76,018.                   |                         | 0.  |
|  | b Accounting fees (attach sch) L-16b Stmt                               | 15,102.                            | 9,999.                    |                         | 5,103.  |
|  | c Other prof fees (attach sch) L-16c Stmt                               | 1,293,322.                         | 1,293,322.                |                         | 0.  |
|  | 17 Interest   | 107,448.                           | 99,330.                   |                         | 0.  |
|  | 18 Taxes (attach schedule) (see instr) See Line 18 Stmt                 | 72,462.                            | 72,192.                   |                         | 0.  |
|  | 19 Depreciation (attach sch) and depletion                              | 39,911.                            | 26,423.                   |                         |   |
|  | 20 Occupancy  | 248.                               | 164.                      |                         | 84.   |
|  | 21 Travel, conferences, and meetings                                    | 2,556.                             | 2,321.                    |                         | 180.  |
|  | 22 Printing and publications  | 405.                               | 405.                      |                         | 0.  |
|  | 23 Other expenses (attach schedule) See Line 23 Stmt                    | 1,570,142.                         | 1,239,247.                |                         | 3,645.  |
|  | 24 Total operating and administrative expenses. Add lines 13 through 23 | 3,868,244.                         | 3,278,483.                |                         | 240,580.  |
|  | 25 Contributions, gifts, grants paid                                    | 10,000,000.                        |                           |                         | 10,000,000.   |
| 26 Total expenses and disbursements. Add lines 24 and 25   | 13,868,244.   | 3,278,483.                         |                           | 10,240,580.             |   |
| 27 Subtract line 26 from line 12:  |   |                                    |                           |                         |   |
| a Excess of revenue over expenses and disbursements  | -9,427,353.   |                                    |                           |                         |   |
| b Net investment income (if negative, enter -0-)   |   | 1,190,319.                         |                           |                         |   |
| c Adjusted net income (if negative, enter -0-)   |   |                                    |                           |                         |   |

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**Part II Balance Sheets**

Attached schedules and amounts in the description column should be for end of year amounts only (See instructions.)

|  |   | Beginning of year | End of year    |                       |
|--|---|-------------------|----------------|-----------------------|
|  |   | (a) Book Value    | (b) Book Value | (c) Fair Market Value |
| <b>A<br/>S<br/>S<br/>E<br/>T<br/>S</b>   | 1 Cash — non-interest-bearing   | 306.              | 306.           | 306.                  |
|  | 2 Savings and temporary cash investments  | 3,236,464.        | 1,345,032.     | 1,345,032.            |
|  | 3 Accounts receivable ▶ 979.  |                   |                |                       |
|  | Less: allowance for doubtful accounts ▶   | 410.              | 979.           | 979.                  |
|  | 4 Pledges receivable ▶  |                   |                |                       |
|  | Less: allowance for doubtful accounts ▶   |                   |                |                       |
|  | 5 Grants receivable   |                   |                |                       |
|  | 6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see the instructions)                   |                   |                |                       |
|  | 7 Other notes and loans receivable (attach sch) ▶   |                   |                |                       |
|  | Less: allowance for doubtful accounts ▶   |                   |                |                       |
|  | 8 Inventories for sale or use   |                   |                |                       |
|  | 9 Prepaid expenses and deferred charges   |                   |                |                       |
|  | 10a Investments — U.S. and state government obligations (attach schedule)   |                   |                |                       |
|  | b Investments — corporate stock (attach schedule) L-10b Stmt  | 32,469,419.       | 33,968,427.    | 39,672,451.           |
|  | c Investments — corporate bonds (attach schedule)   | 250,000.          |                |                       |
|  | 11 Investments — land, buildings, and equipment basis ▶   |                   |                |                       |
| Less: accumulated depreciation (attach schedule) ▶   |   |                   |                |                       |
| 12 Investments — mortgage loans  |   |                   |                |                       |
| 13 Investments — other (attach schedule) L-13 Stmt   | 165,766,472.  | 157,977,689.      | 172,963,190.   |                       |
| 14 Land, buildings, and equipment basis ▶ 284,611.   |   |                   |                |                       |
| Less: accumulated depreciation (attach schedule) L-14 Stmt ▶ 112,219.  | 212,302.  | 172,392.          | 137,000.       |                       |
| 15 Other assets (describe ▶ L-15 Stmt)   | 0.  | 0.                | 4,845.         |                       |
| 16 <b>Total assets</b> (to be completed by all filers — see instructions. Also, see page 1, item I)  | 201,935,373.  | 193,464,825.      | 214,123,803.   |                       |
| <b>L<br/>I<br/>A<br/>B<br/>I<br/>L<br/>I<br/>T<br/>I<br/>E<br/>S</b>   | 17 Accounts payable and accrued expenses  |                   |                |                       |
|  | 18 Grants payable   |                   |                |                       |
|  | 19 Deferred revenue   |                   |                |                       |
|  | 20 Loans from officers, directors, trustees, & other disqualified persons   |                   |                |                       |
|  | 21 Mortgages and other notes payable (attach schedule)  |                   |                |                       |
|  | 22 Other liabilities (describe ▶)   |                   |                |                       |
|  | 23 <b>Total liabilities</b> (add lines 17 through 22)   |                   |                |                       |
| <b>F<br/>U<br/>N<br/>D<br/>A<br/>S<br/>S<br/>E<br/>T<br/>S<br/><br/>N<br/>E<br/>T<br/>A<br/>S<br/>S<br/>E<br/>T<br/>S<br/><br/>O<br/>R<br/>F<br/>U<br/>N<br/>D<br/>B<br/>A<br/>L<br/>A<br/>N<br/>C<br/>E<br/>S</b> | <b>Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.</b> ▶ <input checked="" type="checkbox"/> |                   |                |                       |
|  | 24 Unrestricted   | 201,935,373.      | 193,464,825.   |                       |
|  | 25 Temporarily restricted   |                   |                |                       |
|  | 26 Permanently restricted   |                   |                |                       |
|  | <b>Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.</b> ▶ <input type="checkbox"/>                         |                   |                |                       |
|  | 27 Capital stock, trust principal, or current funds   |                   |                |                       |
|  | 28 Paid-in or capital surplus, or land, building, and equipment fund  |                   |                |                       |
|  | 29 Retained earnings, accumulated income, endowment, or other funds   |                   |                |                       |
|  | 30 <b>Total net assets or fund balances</b> (see the instructions)  | 201,935,373.      | 193,464,825.   |                       |
|  | 31 <b>Total liabilities and net assets/fund balances</b> (see the instructions)   | 201,935,373.      | 193,464,825.   |                       |

**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 | 201,935,373. |
| 2 Enter amount from Part I, line 27a   | 2 | -9,427,353.  |
| 3 Other increases not included in line 2 (itemize) ▶ <u>Book/tax differences in investments</u>  | 3 | 1,965,952.   |
| 4 Add lines 1, 2, and 3  | 4 | 194,473,972. |
| 5 Decreases not included in line 2 (itemize) ▶ <u>Book/tax differences in investments</u>  | 5 | 1,009,147.   |
| 6 Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30  | 6 | 193,464,825. |

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

| (a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shares MLC Company) |  | (b) How acquired<br>P — Purchase<br>D — Donation | (c) Date acquired<br>(month, day, year) | (d) Date sold<br>(month, day, year) |
|--|--|--|---|-------------------------------------|
| <b>1a From publicly traded securities</b>  |  | P  | various                                 | various                             |
| <b>b From other investments</b>  |  | P  | various                                 | various                             |
| <b>c</b>   |  |  |   |                                     |
| <b>d</b>   |  |  |   |                                     |
| <b>e</b>   |  |  |   |                                     |

| (e) Gross sales price | (f) Depreciation allowed<br>(or allowable) | (g) Cost or other basis<br>plus expense of sale | (h) Gain or (loss)<br>(e) plus (f) minus (g) |
|-----------------------|--|---|--|
| <b>a</b> 7,239,212.   | 0.   | 7,057,307.                                      | 181,905.                                     |
| <b>b</b> 9,575,647.   | 0.   | 11,891,745.                                     | -2,316,098.                                  |
| <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 (Column (h)<br>gain minus column (k), but not less<br>than -0-) or Losses (from column (h)) |
|---|--------------------------------------|---|---|
| (i) Fair Market Value<br>as of 12/31/69   | (j) Adjusted basis<br>as of 12/31/69 | (k) Excess of column (i)<br>over column (j), if any |   |
| <b>a</b> 0.   | 0.                                   | 0.  | 181,905.  |
| <b>b</b>  |                                      |   | -2,316,098.   |
| <b>c</b>  |                                      |   |   |
| <b>d</b>  |                                      |   |   |
| <b>e</b>  |                                      |   |   |

|  |  |          |             |
|--|--|----------|-------------|
| <b>2</b> Capital gain net income or (net capital loss).  | <div style="border: 1px solid black; padding: 2px;">           If gain, also enter in Part I, line 7<br/>           If (loss), enter -0- in Part I, line 7         </div>                                    | <b>2</b> | -2,134,193. |
| <b>3</b> Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)                              |  |          |             |
| If gain, also enter in Part I, line 8, column (c) (see the instructions) If (loss), enter -0-<br>in Part I, line 8 | <div style="border: 1px solid black; padding: 2px;">           If gain, also enter in Part I, line 8, column (c) (see the instructions) If (loss), enter -0-<br/>           in Part I, line 8         </div> | <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 the instructions before making any entries

| (a) Base period years<br>Calendar year (or tax year<br>beginning in) | (b) Adjusted qualifying distributions | (c) Net value of<br>noncharitable-use assets | (d) Distribution ratio<br>(column (b) divided by column (c)) |
|--|---------------------------------------|--|--|
| 2009   | 9,946,576.                            | 190,851,358.                                 | 0.052117   |
| 2008   | 11,332,673.                           | 233,992,634.                                 | 0.048432   |
| 2007   | 12,476,533.                           | 256,410,565.                                 | 0.048658   |
| 2006   | 11,493,179.                           | 236,667,550.                                 | 0.048563   |
| 2005   | 10,563,641.                           | 223,513,765.                                 | 0.047262   |

|   |          |              |
|---|----------|--------------|
| <b>2</b> Total of line 1, column (d)  | <b>2</b> | 0.245032     |
| <b>3</b> 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>3</b> | 0.049006     |
| <b>4</b> Enter the net value of noncharitable-use assets for 2010 from Part X, line 5   | <b>4</b> | 203,946,002. |
| <b>5</b> Multiply line 4 by line 3  | <b>5</b> | 9,994,578.   |
| <b>6</b> Enter 1% of net investment income (1% of Part I, line 27b)   | <b>6</b> | 11,903.      |
| <b>7</b> Add lines 5 and 6  | <b>7</b> | 10,006,481.  |
| <b>8</b> Enter qualifying distributions from Part XII, line 4   | <b>8</b> | 10,240,580.  |

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

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

|   |    |         |         |
|---|----|---------|---------|
| 1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1<br>Date of ruling or determination letter _____ (attach copy of letter if necessary – see instr.) |    |         |         |
| b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b  |    | 1       | 11,903. |
| c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (b)  |    |         |         |
| 2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)  |    | 2       | 0.      |
| 3 Add lines 1 and 2   |    | 3       | 11,903. |
| 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       | 11,903. |
| 6 Credits/Payments:   |    |         |         |
| a 2010 estimated tax pmts and 2009 overpayment credited to 2010   | 6a | 75,000. |         |
| b Exempt foreign organizations – tax withheld at source   | 6b |         |         |
| c Tax paid with application for extension of time to file (Form 8868)   | 6c |         |         |
| d Backup withholding erroneously withheld   | 6d |         |         |
| 7 Total credits and payments Add lines 6a through 6d  | 7  | 75,000. |         |
| 8 Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached  | 8  |         |         |
| 9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed   | 9  |         |         |
| 10 Overpayment If line 7 is more than the total of lines 5 and 8, enter the amount overpaid   | 10 | 63,097. |         |
| 11 Enter the amount of line 10 to be Credited to 2011 estimated tax 63,097. Refunded  | 11 |         |         |

**Part VII-A Statements Regarding Activities**

|   | Yes | No |
|---|-----|----|
| 1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?  |     | X  |
| b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?<br><i>If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities</i> |     | X  |
| c Did the foundation file Form 1120-POL for this year?  |     | X  |
| d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year<br>(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?<br><i>If 'Yes,' attach a detailed description of the activities</i>   |     | X  |
| 3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If 'Yes,' attach a conformed copy of the changes</i>   |     | X  |
| 4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?   | X   |    |
| b If 'Yes,' has it filed a tax return on Form 990-T for this year?  | X   |    |
| 5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?<br><i>If 'Yes,' attach the statement required by General Instruction T</i>   |     | X  |
| 6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either<br>• By language in the governing instrument, or<br>• By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?                 | X   |    |
| 7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If 'Yes,' complete Part II, column (c), and Part XV</i>  | X   |    |
| 8 a Enter the states to which the foundation reports or with which it is registered (see the instructions)<br>TX – Texas  |     |    |
| b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If 'No,' attach explanation</i>  | 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)? <i>If 'Yes,' complete Part XIV</i>   |     | X  |
| 10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i>  |     | X  |

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

|   |  |    |     |    |
|---|--|----|-----|----|
| 11  | At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions)  | 11 |     | X  |
| 12  | Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?  | 12 |     | X  |
| 13  | Did the foundation comply with the public inspection requirements for its annual returns and exemption application?<br>Website address <u>www.alek.org</u>   | 13 | X   |    |
| 14  | The books are in care of <u>Scott Seaman, Executive Director</u> Telephone no <u>(713) 652-6601</u><br>Located at <u>1100 Louisiana, Ste 5250 Houston TX</u> ZIP + 4 <u>77002</u>  |    |     |    |
| 15  | Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of <b>Form 1041</b> — Check here <input type="checkbox"/><br>and enter the amount of tax-exempt interest received or accrued during the year <u>15</u> |    |     |    |
| 16  | At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?  | 16 | Yes | No |
| See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If 'Yes,' enter the name of the foreign country <u></u> |  |    |     |    |

**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 |
|--|-----|----|
| <b>1a</b> 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No   |     |    |
| (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No   |     |    |
| (5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  |     |    |
| (6) Agree to pay money or property to a government official? ( <b>Exception.</b> Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days ) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  |     |    |
| <b>b</b> If any answer is 'Yes' to 1a(1)-(6), did <b>any</b> of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see the instructions)? <input type="checkbox"/>  | 1b  | X  |
| Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>  |     |    |
| <b>c</b> 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? <input type="checkbox"/>  | 1c  | X  |
| <b>2</b> 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))   |     |    |
| <b>a</b> At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br>If 'Yes,' list the years <u>20</u> , <u>20</u> , <u>20</u> , <u>20</u>   |     |    |
| <b>b</b> Are there any years listed in 2a for which the foundation is <b>not</b> applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to <b>all</b> years listed, answer 'No' and attach statement — see the instructions )   | 2b  |    |
| <b>c</b> If the provisions of section 4942(a)(2) are being applied to <b>any</b> of the years listed in 2a, list the years here <u>20</u> , <u>20</u> , <u>20</u> , <u>20</u>  |     |    |
| <b>3a</b> Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No   |     |    |
| <b>b</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  | X  |
| <b>4a</b> Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?  | 4a  | X  |
| <b>b</b> Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?   | 4b  | X  |

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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)? (see instructions)

☐ Yes ☒ No

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

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

5b

Organizations relying on a current notice regarding disaster assistance check here

☐**c** If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?☐ Yes ☐ No

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

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

6b

If 'Yes' to 6b, file Form 8870

X

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

7b

**b** If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?**Part VIII** Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, foundation managers and their compensation (see instructions).

| (a) Name and address   | (b) Title and average hours per week devoted to position | (c) Compensation (If not paid, enter -0-) | (d) Contributions to employee benefit plans and deferred compensation | (e) Expense account, other allowances |
|------------------------|--|---|---|---------------------------------------|
| See attached statement |  |   |   |                                       |
|                        |  |   |   |                                       |
|                        |  |   |   |                                       |
|                        |  |   |   |                                       |
|                        |  |   |   |                                       |
|                        |  |   |   |                                       |

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

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

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

▶

None

**Part VIII** Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3** Five highest-paid independent contractors for professional services (see instructions). If none, enter 'NONE'.

| (a) Name and address of each person paid more than \$50,000                     | (b) Type of service | (c) Compensation |
|---|---------------------|------------------|
| Beck, Redden & Secrest LLC<br>1221 McKinney St., Suite 4500<br>Houston TX 77002 | legal counsel       | 70,417.          |
|   |                     |                  |
|   |                     |                  |
|   |                     |                  |
|   |                     |                  |
|   |                     |                  |
| <b>Total</b> number of others receiving over \$50,000 for professional services |                     | None             |

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

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

|        | Expenses |
|--------|----------|
| 1 None | 0.       |
| 2      |          |
| 3      |          |
| 4      |          |

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

| Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2 | Amount |
|--|--------|
| 1 None   | 0.     |
| 2  |        |
| All other program-related investments See instructions   |        |
| 3  |        |
| <b>Total.</b> Add lines 1 through 3  | None   |

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Form 990-PF (2010)



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

|   |           |              |
|---|-----------|--------------|
| <b>1</b> Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes |           |              |
| <b>a</b> Average monthly fair market value of securities  | <b>1a</b> | 34,534,535.  |
| <b>b</b> Average of monthly cash balances   | <b>1b</b> | 4,129,680.   |
| <b>c</b> Fair market value of all other assets (see instructions)   | <b>1c</b> | 168,387,564. |
| <b>d</b> Total (add lines 1a, b, and c)   | <b>1d</b> | 207,051,779. |
| <b>e</b> Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)  | <b>1e</b> |              |
| <b>2</b> Acquisition indebtedness applicable to line 1 assets   | <b>2</b>  |              |
| <b>3</b> Subtract line 2 from line 1d   | <b>3</b>  | 207,051,779. |
| <b>4</b> Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)   | <b>4</b>  | 3,105,777.   |
| <b>5</b> Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4        | <b>5</b>  | 203,946,002. |
| <b>6</b> Minimum investment return. Enter 5% of line 5  | <b>6</b>  | 10,197,300.  |

**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.)

|   |           |             |
|---|-----------|-------------|
| <b>1</b> Minimum investment return from Part X, line 6  | <b>1</b>  | 10,197,300. |
| <b>2a</b> Tax on investment income for 2010 from Part VI, line 5  | <b>2a</b> | 11,903.     |
| <b>b</b> Income tax for 2010 (This does not include the tax from Part VI)                                 | <b>2b</b> |             |
| <b>c</b> Add lines 2a and 2b  | <b>2c</b> | 11,903.     |
| <b>3</b> Distributable amount before adjustments Subtract line 2c from line 1                             | <b>3</b>  | 10,185,397. |
| <b>4</b> Recoveries of amounts treated as qualifying distributions  | <b>4</b>  |             |
| <b>5</b> Add lines 3 and 4  | <b>5</b>  | 10,185,397. |
| <b>6</b> Deduction from distributable amount (see instructions)   | <b>6</b>  |             |
| <b>7</b> Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1 | <b>7</b>  | 10,185,397. |

**Part XII Qualifying Distributions** (see instructions)

|  |           |             |
|--|-----------|-------------|
| <b>1</b> Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes   |           |             |
| <b>a</b> Expenses, contributions, gifts, etc. — total from Part I, column (d), line 26   | <b>1a</b> | 10,240,580. |
| <b>b</b> Program-related investments — total from Part IX-B  | <b>1b</b> | 0.          |
| <b>2</b> Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes   | <b>2</b>  |             |
| <b>3</b> Amounts set aside for specific charitable projects that satisfy the   |           |             |
| <b>a</b> Suitability test (prior IRS approval required)  | <b>3a</b> |             |
| <b>b</b> Cash distribution test (attach the required schedule)   | <b>3b</b> |             |
| <b>4</b> Qualifying distributions Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4  | <b>4</b>  | 10,240,580. |
| <b>5</b> Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions) | <b>5</b>  | 11,903.     |
| <b>6</b> Adjusted qualifying distributions. Subtract line 5 from line 4  | <b>6</b>  | 10,228,677. |

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

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Form 990-PF (2010)

**Part XIII Undistributed Income** (see instructions)

|   | (a)<br>Corpus | (b)<br>Years prior to 2009 | (c)<br>2009 | (d)<br>2010 |
|---|---------------|----------------------------|-------------|-------------|
| <b>1</b> Distributable amount for 2010 from Part XI, line 7   |               |                            |             | 10,185,397. |
| <b>2</b> Undistributed income, if any, as of the end of 2010  |               |                            |             |             |
| <b>a</b> Enter amount for 2009 only   |               |                            | 4,214,487.  |             |
| <b>b</b> Total for prior years 20 __, 20 __, 20 __  |               |                            |             |             |
| <b>3</b> Excess distributions carryover, if any, to 2010  |               |                            |             |             |
| <b>a</b> From 2005  | 0.            |                            |             |             |
| <b>b</b> From 2006  | 0.            |                            |             |             |
| <b>c</b> From 2007  | 0.            |                            |             |             |
| <b>d</b> From 2008  | 0.            |                            |             |             |
| <b>e</b> From 2009  | 0.            |                            |             |             |
| <b>f</b> Total of lines 3a through e  | 0.            |                            |             |             |
| <b>4</b> Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ 10,240,580.   |               |                            |             |             |
| <b>a</b> Applied to 2009, but not more than line 2a   |               |                            | 4,214,487.  |             |
| <b>b</b> Applied to undistributed income of prior years (Election required — see instructions)  |               |                            |             |             |
| <b>c</b> Treated as distributions out of corpus (Election required — see instructions)  |               |                            |             |             |
| <b>d</b> Applied to 2010 distributable amount   |               |                            |             | 6,026,093.  |
| <b>e</b> Remaining amount distributed out of corpus   | 0.            |                            |             |             |
| <b>5</b> Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a))   |               |                            |             |             |
| <b>6</b> Enter the net total of each column as indicated below:   |               |                            |             |             |
| <b>a</b> Corpus Add lines 3f, 4c, and 4e Subtract line 5  | 0.            |                            |             |             |
| <b>b</b> Prior years' undistributed income Subtract line 4b from line 2b  |               | 0.                         |             |             |
| <b>c</b> Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed |               |                            |             |             |
| <b>d</b> Subtract line 6c from line 6b Taxable amount — see instructions  |               | 0.                         |             |             |
| <b>e</b> Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount — see instructions  |               |                            | 0.          |             |
| <b>f</b> Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011  |               |                            |             | 4,159,304.  |
| <b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)                                  |               |                            |             |             |
| <b>8</b> Excess distributions carryover from 2005 not applied on line 5 or line 7 (see instructions)  | 0.            |                            |             |             |
| <b>9</b> Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a  | 0.            |                            |             |             |
| <b>10</b> Analysis of line 9  |               |                            |             |             |
| <b>a</b> Excess from 2006   | 0.            |                            |             |             |
| <b>b</b> Excess from 2007   | 0.            |                            |             |             |
| <b>c</b> Excess from 2008   | 0.            |                            |             |             |
| <b>d</b> Excess from 2009   | 0.            |                            |             |             |
| <b>e</b> Excess from 2010   | 0.            |                            |             |             |

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Form 990-PF (2010)

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

N/A

- 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(1)(3) or

4942(1)(5)

- 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(i)(3)(B)(iii)

**(3) Largest amount of support from an exempt organization**

**(4) Gross investment income**

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

### 1 Information Regarding Foundation Managers:

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

- b** List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

**2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc, Programs:**

Check here ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see 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

Charles Williams

1100 Louisiana St., Suite 5250

Houston

TX 77002

(713) 652-6601

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

See guidelines at [www.alkek.org](http://www.alkek.org).

- c Any submission deadlines**

None

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

Limited to non-profit organizations in the State of Texas.

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

| Recipient<br>Name and address (home or business)               | If recipient is an individual,<br>show any relationship to<br>any foundation manager or<br>substantial contributor | Foundation<br>status of<br>recipient | Purpose of grant or<br>contribution | Amount      |
|--|--|--------------------------------------|-------------------------------------|-------------|
| <b>a</b> Paid during the year<br>See attached statement        |  |                                      |                                     | 10,000,000. |
| <b>Total</b>   |  |                                      | <b>3a</b>                           | 10,000,000. |
| <b>b</b> Approved for future payment<br>See attached statement |  |                                      |                                     | 4,924,500.  |
| <b>Total</b>   |  |                                      | <b>3b</b>                           | 4,924,500.  |

## 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)<br>Related or exempt<br>function income<br>(see the instructions) |
|--|--|---------------------------|---------------|--------------------------------------|---------------|---|
|  |  | (a)<br>Business<br>code   | (b)<br>Amount | (c)<br>Exclu-<br>sion<br>code        | (d)<br>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       | 523000                    | 0.            | 43                                   | 1,377.        | 171.  |
| 4  | Dividends and interest from securities                   | 523000                    | 48,511.       | 14                                   | 4,008,772.    |   |
| 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                                  | 523000                    | 2,021.        | 18                                   | 458,653.      |   |
| 8  | Gain or (loss) from sales of assets other than inventory | 523000                    | 492,543.      | 18                                   | -2,134,193.   |   |
| 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)                  |                           | 543,075.      |                                      | 2,334,609.    | 171.  |
| 13   | <b>Total.</b> Add line 12, columns (b), (d), and (e)     |                           |               |                                      | 13            | 2,877,855.  |

(See worksheet in line 13 instructions to verify calculations )

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

[illegible]



**Schedule B**  
**(Form 990, 990-EZ,**  
**or 990-PF)**

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

► **Attach to Form 990, 990-EZ, or 990-PF**

OMB No 1545-0047

**2010**

Name of the organization

**Albert and Margaret Alkek Foundation**

Employer identification number

**76-0491186**

**Organization type** (check one)

**Filers of:**

Form 990 or 990-EZ

**Section:**

- ☐ 501(c)(\_\_\_\_) (enter number) organization  
☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation  
☐ 527 political organization

Form 990-PF

- ☒ 501(c)(3) exempt private foundation  
☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation  
☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**

**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

**Special Rules**

- ☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ, that met the 33-1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ, that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ, that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ► \$ \_\_\_\_\_

**Caution:** An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF) but it **must** answer 'No' on Part IV, line 2 of their Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

**BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF.**

**Schedule B** (Form 990, 990-EZ, or 990-PF) (2010)

Name of organization

Employer identification number

Albert and Margaret Alkek Foundation

76-0491186

**Part I** Contributors (see instructions)

| (a)<br>Number | (b)<br>Name, address, and ZIP + 4  | (c)<br>Aggregate<br>contributions | (d)<br>Type of contribution  |
|---------------|--|-----------------------------------|--|
| 1             | Margaret Alkek Charitable Lead Annuity Trust<br>1100 Louisiana St., Suite 5250<br>Houston TX 77002 | \$ 1,563,036.                     | Person <input checked="checked" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution) |
|               |  | \$                                | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution)                   |
|               |  | \$                                | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution)                   |
|               |  | \$                                | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution)                   |
|               |  | \$                                | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution)                   |
|               |  | \$                                | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution)                   |
|               |  | \$                                | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution)                   |



**Albert and Margaret Alkek Foundation**  
**TIN: 76-0491186**  
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Form 990-PF, Page 1, Part I, Line 11 – Other Income:

|                         | (a) Revenue and<br>Expenses Per<br>Books | (b) Net<br>Investment<br>Income | d) Disbursements<br>for Charitable<br>Purposes |
|-------------------------|--|---------------------------------|--|
| Other investment income | 458,859                                  | 456,838                         | 0  |
| Oil and gas royalties   | 1,815                                    | 1,815                           | 0  |
|                         | <u>460,674</u>                           | <u>458,653</u>                  | <u>0</u>                                       |

Form 990-PF, Page 1, Part I, Line 16a – Legal Fees:

|                        | (a) Amount<br>Paid Per Books | (b) Net<br>Investment<br>Income | d) Disbursements<br>for Charitable<br>Purposes |
|------------------------|------------------------------|---------------------------------|--|
| Legal services         | 75,327                       | 75,327                          | 0  |
| Legal support services | 691                          | 691                             | 0  |
|                        | <u>76,018</u>                | <u>76,018</u>                   | <u>0</u>                                       |

Form 990-PF, Page 1, Part I, Line 16b – Accounting Fees:

|                | (a) Amount<br>Paid Per Books | (b) Net<br>Investment<br>Income | d) Disbursements<br>for Charitable<br>Purposes |
|----------------|------------------------------|---------------------------------|--|
| Audit services | 15,070                       | 9,978                           | 5,092  |
| Tax services   | 32                           | 21                              | 11   |
|                | <u>15,102</u>                | <u>9,999</u>                    | <u>5,103</u>                                   |

Form 990-PF, Page 1, Part I, Line 16c – Other Professional Services:

|                                | (a) Amount<br>Paid Per Books | (b) Net<br>Investment<br>Income | d) Disbursements<br>for Charitable<br>Purposes |
|--------------------------------|------------------------------|---------------------------------|--|
| Investment management services | 1,258,506                    | 1,258,506                       | 0  |
| Securities custody services    | 34,816                       | 34,816                          | 0  |
|                                | <u>1,293,322</u>             | <u>1,293,322</u>                | <u>0</u>                                       |

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Form 990-PF, Page 1, Part I, Line 18 – Taxes:

|                                  | (a) Revenue and<br>Expenses Per<br>Books | (b) Net<br>Investment<br>Income | d) Disbursements<br>for Charitable<br>Purposes |
|----------------------------------|--|---------------------------------|--|
| Foreign taxes                    | 65,516                                   | 65,246                          | 0  |
| Oil and gas royalty              | 185                                      | 185                             | 0  |
| Return of federal taxes withheld | 6,761                                    | 6,761                           | 0  |
|                                  | <u>72,462</u>                            | <u>72,192</u>                   | <u>0</u>                                       |

Form 990-PF, Page 1, Part I, Line 23 – Other Expenses:

|                                   | (a) Revenue and<br>Expenses Per<br>Books | (b) Net<br>Investment<br>Income | d) Disbursements<br>for Charitable<br>Purposes |
|-----------------------------------|--|---------------------------------|--|
| Deductions - limited partnerships | 1,410,045                                | 1,099,220                       | 0  |
| Depletion - limited partnerships  | 86,912                                   | 70,487                          | 0  |
| Other investment expenses         | 62,327                                   | 62,327                          | 0  |
| General and administrative        | 10,858                                   | 7,213                           | 3,645  |
|                                   | <u>1,570,142</u>                         | <u>1,239,247</u>                | <u>3,645</u>                                   |

Form 990-PF, Page 2, Part II, Line 3 – Accounts Receivable:

|  | End of Year |                   |
|--|-------------|-------------------|
|  | Book Value  | Fair Market Value |
| Expenses paid on behalf of an investment partnership | <u>979</u>  | <u>979</u>        |

Form 990-PF, Page 2, Part II, Line 10b – Investments – Corporate Stock:

|                  | End of Year       |                   |
|------------------|-------------------|-------------------|
|                  | Book Value        | Fair Market Value |
| Held directly    | 6,821,307         | 6,782,648         |
| Managed accounts | 27,147,120        | 32,889,803        |
|                  | <u>33,968,427</u> | <u>39,672,451</u> |

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Form 990-PF, Page 2, Part II, Line 13 – Investments – Other:

|                          | End of Year        |                    |
|--------------------------|--------------------|--------------------|
|                          | Book Value         | Fair Market Value  |
| Limited partnerships     | 85,856,718         | 99,044,272         |
| Private REIT             | 4,610,448          | 3,381,317          |
| Foreign investment funds | 67,510,523         | 70,537,601         |
|                          | <u>157,977,689</u> | <u>172,963,190</u> |

Form 990-PF, Page 2, Part II, Line 14b – Description of Land, Buildings, and Equipment.

|                  | Cost Basis     | Accumulated Depreciation | Book Value     |
|------------------|----------------|--------------------------|----------------|
| Furniture        | 266,296        | 106,334                  | 159,962        |
| Office equipment | 18,315         | 5,885                    | 12,430         |
|                  | <u>284,611</u> | <u>112,219</u>           | <u>172,392</u> |

Form 990-PF, Page 2, Part II, Line 15 – Other Assets:

|   | End of Year |                   |
|---|-------------|-------------------|
|   | Book Value  | Fair Market Value |
| On 12/31/07 the Estate of Albert B. Alkek transferred an anticipatory right to proceeds from the following asset: |             |                   |
| Oil and gas royalty interest  | 0           | 4,845             |
|   | <u>0</u>    | <u>4,845</u>      |

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Form 990-PF, Page 6, Part VIII, Line 1 – Information About Officers and Directors:

| <u>(a) Name and Address</u>   | <u>(b) Title and Average Hours<br/>Per Week Devoted to Position</u>  | <u>(c)<br/>Compensation</u> | <u>(d) Contributions<br/>to Employee<br/>Benefit Plans and<br/>Deferred<br/>Compensation</u> | <u>(e)<br/>Expense<br/>Account,<br/>Other<br/>Allowances</u> |
|---|--|-----------------------------|--|--|
| Bobby R. Alford, MD<br>1100 Louisiana, Ste. 5250<br>Houston, TX 77002     | Director<br>Periodic Board Meetings  | 15,000                      | 0  | 0  |
| Daniel C. Arnold<br>1100 Louisiana, Ste. 5250<br>Houston, TX 77002        | Director<br>Periodic Board and Investment<br>Committee Meetings  | 18,000                      | 0  | 0  |
| Sandra K. Bacak<br>1100 Louisiana, Ste. 5250<br>Houston, TX 77002         | Asst. Secretary/Controller<br>40 Hours Per Week and<br>Periodic Board Meetings                                     | 92,500                      | 4,625  | 0  |
| Joe M. Bailey<br>1100 Louisiana, Ste. 5250<br>Houston, TX 77002           | Director<br>Periodic Board and Investment<br>Committee Meetings  | 18,000                      | 0  | 0  |
| William T. Butler, MD<br>1100 Louisiana, Ste. 5250<br>Houston, TX 77002   | Director<br>Periodic Board Meetings  | 7,500                       | 0  | 0  |
| Dan B. Jones, MD<br>1100 Louisiana, Ste. 5250<br>Houston, TX 77002        | Director<br>Periodic Board Meetings  | 15,000                      | 0  | 0  |
| Paul Klotman, MD<br>1100 Louisiana, Ste. 5250<br>Houston, TX 77002        | Director<br>Periodic Board Meetings  | 3,750                       | 0  | 0  |
| Scott B. Seaman<br>1100 Louisiana, Ste. 5250<br>Houston, TX 77002         | Treasurer & Executive Director<br>15 – 40+ Hours Per Week and<br>Periodic Board & Investment<br>Committee Meetings | 295,000                     | 0  | 0  |
| Charles A. Williams<br>1100 Louisiana, Ste. 5250<br>Houston, TX 77002     | President & Director<br>10 - 25 Hours Per Week and<br>Periodic Board and Investment<br>Committee Meetings          | 150,000                     | 0  | 0  |
| Margaret Alkek Williams<br>1100 Louisiana, Ste. 5250<br>Houston, TX 77002 | Director<br>Periodic Board Meetings  | 15,000                      | 0  | 0  |
| Randa D. Williams<br>1100 Louisiana, Ste. 5250<br>Houston, TX 77002       | Director<br>Periodic Board and Investment<br>Committee Meetings  | 18,000                      | 0  | 0  |
|   |  | 647,750                     | 4,625  | 0  |

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Form 990-PF, Page 11, Part XV, Line 3a – Grants and Contributions Paid:

No recipient is an individual and all are public charities as described in Section 509(a) of the Internal Revenue Code of 1986, as amended ("I.R.C.") and are exempt under I.R.C. section 501(c)(3) or are governmental units described in I.R.C. Section 170(c) which are not private foundations

| <u>Recipient Name and Address</u>  | <u>Foundation Status of Recipient</u> | <u>Purpose of Grant or Contribution</u>                                  | <u>Amount</u>   |
|--|---------------------------------------|--|-----------------|
| <b><u>Medical:</u></b>   |                                       |  |                 |
| Baylor College of Medicine<br>Houston, Texas 77030   | public charity                        | Medical research and educational programs                                | 6,551,000       |
| Menninger Clinic, The<br>Menninger-Baylor College of Medicine-<br>Methodist Foundation<br>Houston, Texas 77080 | public charity                        | Construction of new campus   | 50,000          |
| Texas A&M Health Science<br>Center Foundation<br>College Station, Texas 77840                                  | public charity                        | Establish an endowed chair for the Institute of Biosciences & Technology | 150,000         |
| The University of Texas M. D. Anderson<br>Cancer Center<br>Houston, Texas 77030                                | govt. unit                            | Hospital construction  | 1,000,000       |
| The University of Texas Health Science<br>Center at Houston<br>Houston, Texas 77030                            | govt unit                             | Research and educational programs  | 100,000         |
|  |                                       |  | <hr/> 7,851,000 |
| <b><u>Educational:</u></b>   |                                       |  |                 |
| Episcopal High School<br>Houston, Texas 77277  | public charity                        | Scholarships   | 37,500          |
| Houston Community College Foundation<br>Houston, Texas 77002   | public charity                        | Scholarships   | 50,000          |
| St. Mary's University<br>San Antonio, Texas 78228  | public charity                        | Campus renovation  | 200,000         |
| Texas Heart Institute<br>Houston, Texas 77225  | public charity                        | Program support  | 200,000         |
| Texas State University-San Marcos<br>San Marcos, Texas 78666   | public charity & govt unit            | Library reference services   | 200,000         |
| TMI-The Episcopal School of Texas<br>San Antonio, Texas 78257  | public charity                        | Scholarships   | 149,000         |
|  |                                       |  | <hr/> 836,500   |

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Form 990-PF, Page 11, Part XV, Line 3a – Grants and Contributions Paid, Continued:

| <u>Recipient Name and Address</u>                               | <u>Foundation<br/>Status of<br/>Recipient</u> | <u>Purpose of<br/>Grant or Contribution</u> | <u>Amount</u>    |
|---|---|---|------------------|
| <b><u>Community:</u></b>  |   |   |                  |
| Bandera Public Library Corporation<br>Bandera, Texas 78003      | public<br>charity                             | Program support                             | 2,500            |
| Casa de Esperanza de los Ninos<br>Houston, Texas 77266          | public<br>charity                             | Construction of home for<br>children        | 50,000           |
| Children's Museum of Houston, Inc., The<br>Houston, Texas 77004 | public<br>charity                             | Program support                             | 50,000           |
| Discovery Green Conservancy<br>Houston, Texas 77219             | public<br>charity                             | Park construction                           | 200,000          |
| Houston Zoo, Inc.<br>Houston, Texas 77030                       | public<br>charity                             | New exhibit construction                    | 200,000          |
| Julia Ideson Library Conservation Fund<br>Houston, Texas 77005  | public<br>charity                             | Construction and<br>rennovation             | 25,000           |
| Memorial Park Conservancy, Inc.<br>Houston, Texas 77007         | public<br>charity                             | Capital campaign                            | 50,000           |
| St. Christopher's Episcopal Church<br>Bandera, Texas 78003      | public<br>charity                             | Program support                             | 35,000           |
|   |   |   | <hr/> 612,500    |
| <b><u>Cultural:</u></b>   |   |   |                  |
| Houston Ballet Foundation<br>Houston, Texas 77219               | public<br>charity                             | Capital campaign                            | 500,000          |
| Museum of Fine Arts, Houston<br>Houston, Texas 77265            | public<br>charity                             | Exhibit and operational<br>support          | 200,000          |
|   |   |   | <hr/> 700,000    |
|   |   |   | <hr/> 10,000,000 |

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Form 990-PF, Page 11, Part XV, Line 3b – Grants and Contributions Approved for Future Payment:

No recipient is an individual and all are public charities as described in Section 509(a) of the Internal Revenue Code of 1986, as amended ("I.R.C.") and are exempt under I.R.C. section 501(c)(3) or are governmental units described in I.R.C. Section 170(c) which are not private foundations

| <u>Recipient Name and Address</u>   | <u>Foundation<br/>Status of<br/>Recipient</u> | <u>Purpose of<br/>Grant or Contribution</u>  | <u>Amount</u>    |
|---|---|--|------------------|
| Baylor College of Medicine<br>Houston, Texas 77030                                  | public<br>charity                             | Medical research and<br>educational programs | 149,500          |
| Discovery Green Conservancy<br>Houston, Texas 77219                                 | public<br>charity                             | Construction of park                         | 200,000          |
| Houston Ballet Foundation<br>Houston, Texas 77002                                   | public<br>charity                             | Support performances                         | 3,500,000        |
| Houston Community College Foundation<br>Houston, Texas 77002                        | public<br>charity                             | Scholarships                                 | 50,000           |
| Julia Ideson Library Conservation Fund<br>Houston, Texas 77005                      | public<br>charity                             | Construction and<br>rennovation              | 25,000           |
| Memorial Park Conservancy, Inc.<br>Houston, Texas 77007                             | public<br>charity                             | Construction of park<br>facilities           | 100,000          |
| Menninger Clinic Incorporated, The<br>Houston, Texas 77080                          | public<br>charity                             | Capital campaign                             | 100,000          |
| Museum of Fine Arts, Houston<br>Houston, Texas 77265                                | public<br>charity                             | Exhibit and operational<br>support           | 200,000          |
| Texas Heart Institute<br>Houston, Texas 77225                                       | public<br>charity                             | Educational programs                         | 200,000          |
| Texas State University - San Marcos<br>San Marcos, Texas 78666                      | govt.<br>unit                                 | Library reference services                   | 200,000          |
| The University of Texas Health Science<br>Center at Houston<br>Houston, Texas 77030 | govt.<br>unit                                 | Research and educational<br>programs         | 200,000          |
|   |   |  | <u>4,924,500</u> |