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Form **990-PF**Department of the Treasury  
Internal Revenue Service**Return of Private Foundation**  
or Section 4947(a)(1) Nonexempt Charitable Trust

OMB No 1545-0052

**2010****Note.** The foundation may be able to use a copy of this return to satisfy state reporting requirements

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

G Check all that apply ☐ Initial return ☐ Initial return of a former public charity ☐ Final return  
☐ Amended return ☐ Address change ☐ Name changeName of foundation **A Employer identification number**

CHAMBERS FAMILY FOUNDATION

77-0443168

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

Room/suite

**B Telephone number** (see page 10 of the instructions)

P.O. BOX 10195 DEPT. 12

(650) 210-5000

City or town, state, and ZIP code

PALO ALTO, CA 94303

**H Check type of organization** ☒ Section 501(c)(3) exempt private foundation  
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation**I Fair market value of all assets at end of year (from Part II, col (c), line 16)** \$ 23,889,383:  
**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)
<b>1</b> Contributions, gifts, grants, etc., received (attach schedule)	67,891.			
<b>2</b> Check <input type="checkbox"/> if the foundation is not required to attach Sch B				
<b>3</b> Interest on savings and temporary cash investments	22,914.	22,914.		ATCH 1
<b>4</b> Dividends and interest from securities	45,249.	45,249.		ATCH 2
<b>5a</b> Gross rents				
<b>b</b> Net rental income or (loss)				
<b>6a</b> Net gain or (loss) from sale of assets not on line 10	8,942,578.			
<b>b</b> Gross sales price for all assets on line 6a	31,015,480.			
<b>7</b> Capital gain net income (from Part IV, line 2)		8,975,693.		
<b>8</b> Net short-term capital gain				
<b>9</b> Income modifications				
<b>10a</b> Gross sales less returns and allowances				
<b>b</b> Less Cost of goods sold				
<b>c</b> Gross profit or (loss) (attach schedule)				
<b>11</b> Other income (attach schedule)				
<b>12 Total</b> Add lines 1 through 11	9,078,632.	9,043,856.		
<b>13</b> Compensation of officers, directors, trustees, etc.	0.			
<b>14</b> Other employee salaries and wages				
<b>15</b> Pension plans; employee benefits				
<b>16a</b> Legal fees (attach schedule) ATCH 3	127.	0.	0.	0.
<b>b</b> Accounting fees (attach schedule) ATCH 4	20,500.	0.	0.	0.
<b>c</b> Other professional fees (attach schedule) ATCH 5	1,447.	1,447.		
<b>17</b> Interest				
<b>18</b> Taxes (attach schedule) (see page 14 of the instructions)	185,105.			
<b>19</b> Depreciation (attach schedule) and depletion				
<b>20</b> Occupancy				
<b>21</b> Travel, conferences, and meetings				
<b>22</b> Printing and publications				
<b>23</b> Other expenses (attach schedule)				
<b>24 Total operating and administrative expenses.</b> Add lines 13 through 23	207,179.	1,447.	0.	0.
<b>25</b> Contributions, gifts, grants paid	1,905,000.			1,905,000.
<b>26 Total expenses and disbursements.</b> Add lines 24 and 25	2,112,179.	1,447.	0.	1,905,000.
<b>27 Subtract line 26 from line 12</b>				
<b>a</b> Excess of revenue over expenses and disbursements	6,966,453.			
<b>b</b> Net investment income (if negative, enter -0-)		9,042,409.		
<b>c</b> Adjusted net income (if negative, enter -0-)				

Operating and Administrative Expenses

Revenue

SCANNED NOV 29 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
Assets	1	Cash - non-interest-bearing			
	2	Savings and temporary cash investments	705,185.	11,458,823.	11,458,823.
	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			
	10 a	Investments - U.S. and state government obligations (attach schedule)			
	b	Investments - corporate stock (attach schedule) <b>ATCH 7</b>	15,997,018.	12,209,833.	12,430,560.
	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	<b>Total assets</b> (to be completed by all filers - see the instructions. Also, see page 1, item I)	16,702,203.	23,668,656.	23,889,383.	
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	<b>Total liabilities</b> (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	16,702,203.	23,668,656.	
	28	Paid-in or capital surplus, or land, bldg., and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
	30	<b>Total net assets or fund balances</b> (see page 17 of the instructions)	16,702,203.	23,668,656.	
31	<b>Total liabilities and net assets/fund balances</b> (see page 17 of the instructions)	16,702,203.	23,668,656.		

**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	16,702,203.
2	Enter amount from Part I, line 27a	2	6,966,453.
3	Other increases not included in line 2 (itemize)	3	
4	Add lines 1, 2, and 3	4	23,668,656.
5	Decreases not included in line 2 (itemize)	5	
6	<b>Total net assets or fund balances at end of year</b> (line 4 minus line 5) - Part II, column (b), line 30	6	23,668,656.

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

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co.)			(b) How acquired P-Purchase D-Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a SEE PART IV SCHEDULE					
b					
c					
d					
e					
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)		
a					
b					
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69					
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))		
a					
b					
c					
d					
e					
2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }			2	8,975,693.	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8. . . . .			3		

**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	1,375,000.	31,228,398.	0.044030
2008	996,226.	19,271,406.	0.051695
2007	60,000.	18,472,329.	0.003248
2006	1,471,767.	16,228,814.	0.090689
2005	360,000.	16,158,167.	0.022280
2 Total of line 1, column (d) . . . . .			2 0.211942
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years . . . . .			3 0.042388
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5 . . . . .			4 25,996,752.
5 Multiply line 4 by line 3 . . . . .			5 1,101,950.
6 Enter 1% of net investment income (1% of Part I, line 27b) . . . . .			6 90,424.
7 Add lines 5 and 6 . . . . .			7 1,192,374.
8 Enter qualifying distributions from Part XII, line 4 . . . . . If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18			8 1,905,000.

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

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1		1	90,424.
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	90,424.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			
3 Add lines 1 and 2			
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	90,424.
6 Credits/Payments		7	193,031.
a 2010 estimated tax payments and 2009 overpayment credited to 2010			
b Exempt foreign organizations-tax withheld at source			
c Tax paid with application for extension of time to file (Form 8868)			
d Backup withholding erroneously withheld			
7 Total credits and payments. Add lines 6a through 6d		7	193,031.
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" 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	102,607.
11 Enter the amount of line 10 to be Credited to 2011 estimated tax 102,607. 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 page 19 of the instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation \$ _____ (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? If "Yes," attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	X	
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?	N/A	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	X	
8 a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) CA,		
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

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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 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 <b>N/A</b>				
14	The books are in care of <b>HARRIS MYCFO, INC.</b> Telephone no <b>650-210-5000</b>			
Located at <b>P.O. BOX 10195 DEPT. # 12 PALO ALTO, CA</b> ZIP + 4 <b>94303</b>				
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?	16	Yes	No
See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country				X

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly)		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<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)?	1b	X
Organizations relying on a current notice regarding disaster assistance check here		
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?	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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If "Yes," list the years		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see page 22 of the instructions).	2b	N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here		
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	N/A
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

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

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

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

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

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

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

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

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

**c** If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☒ No  
If "Yes," attach the statement required by Regulations section 53.4945-5(d)

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

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

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

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

**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
ATTACHMENT 8		0.	0.	0.

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

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

Total number of other employees paid over \$50,000 ☐ NONE

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**Part VIII** Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3** Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total 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 N/A	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 NONE	
2	
All other program-related investments. See page 24 of the instructions.	
3 NONE	
Total. Add lines 1 through 3 . . . . .	

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**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	14,423,431.
b	Average of monthly cash balances	1b	11,969,211.
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	26,392,642.
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	26,392,642.
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	395,890.
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	5	25,996,752.
6	<b>Minimum investment return.</b> Enter 5% of line 5	6	1,299,838.

**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	1,299,838.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	90,424.
b	Income tax for 2010 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	90,424.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	1,209,414.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	1,209,414.
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	1,209,414.

**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	1,905,000.
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	1,905,000.
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	90,424.
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	6	1,814,576.

**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 . . . . .				1,209,414.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only . . . . .			906,187.	
b Total for prior years 20 08, 20 07, 20 06 . . . . .				
3 Excess distributions carryover, if any, to 2010				
a From 2005 . . . . .				
b From 2006 . . . . .				
c From 2007 . . . . .				
d From 2008 . . . . .				
e From 2009 . . . . .				0.
f Total of lines 3a through e . . . . .	0.			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ 1,905,000.				
a Applied to 2009, but not more than line 2a . . . . .			906,187.	
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 . . . . .				998,813.
e Remaining amount distributed out of corpus . . . . .	0.			
5 Excess distributions carryover applied to 2010 . . . . . (If an amount appears in column (d), the same amount must be shown in column (a) )	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5 . . . . .	0.			
b Prior years' undistributed income Subtract line 4b from line 2b . . . . .				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed . . . . .				
d Subtract line 6c from line 6b Taxable amount - see page 27 of the instructions . . . . .				
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount - see page 27 of the instructions . . . . .				
f Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011 . . . . .				210,601.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions) . . . . .				
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions) . . . . .				
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a . . . . .	0.			
10 Analysis of line 9				
a Excess from 2006 . . . . .				
b Excess from 2007 . . . . .				
c Excess from 2008 . . . . .				
d Excess from 2009 . . . . .				
e Excess from 2010 . . . . .	0.			

**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(j)(3) or

4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
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)(iii) . . . . .					
(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) )

ATTACHMENT 9

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

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

c Any submission deadlines

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

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

<div>Recipient</div> <div>Name and address (home or business)</div>	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
<b>a</b> Paid during the year  ATTACHMENT 10				
<b>Total</b> . . . . . ▶ <b>3a</b>				1,905,000.
<b>b</b> Approved for future payment  ATTACHMENT 11				
<b>Total</b> . . . . . ▶ <b>3b</b>				2,200,000.

Form 990-PF (2010)





**Schedule of Contributors**

OMB No 1545-0047

**2010**

▶ Attach to Form 990, 990-EZ, or 990-PF.

Name of the organization

CHAMBERS FAMILY FOUNDATION

Employer identification number

77-0443168

Organization type (check one)

Filers of:

Section:

Form 990 or 990-EZ

☐ 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 its 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).

Name of organization CHAMBERS FAMILY FOUNDATION

Employer identification number  
77-0443168**Part I** Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	SUNCOAST INVESTMENT HOLDINGS P.O. BOX 10195, DEPT 12 PALO ALTO, CA 94303	\$ 67,891.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)



Employer identification number  
77-0443168

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	17,408 SHS OF ISTA PHARM SHARES	\$ 67,891.	05/06/2010
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	

FORM 990PF, PART I - INTEREST ON TEMPORARY CASH INVESTMENTS

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
INTEREST INCOME (B OF A)	14.	14.
INTEREST INCOME	22,900.	22,900.
TOTAL	22,914.	22,914.

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
DIVIDEND INCOME	45,249.	45,249.
TOTAL	<u>45,249.</u>	<u>45,249.</u>

ATTACHMENT 3

FORM 990PF, PART I - LEGAL FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>	<u>CHARITABLE PURPOSES</u>
LEGAL FEES	127.	0.	0.	0.
TOTALS	<u>127.</u>	<u>0.</u>	<u>0.</u>	<u>0.</u>

ATTACHMENT 4FORM 990PF, PART I - ACCOUNTING FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>	<u>CHARITABLE PURPOSES</u>
ACCOUNTING FEES	20,500.	0.	0.	0.
TOTALS	<u>20,500.</u>	<u>0.</u>	<u>0.</u>	<u>0.</u>

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
MORGAN STANLEY	1,437.	1,437.
MISC EXP	10.	10.
TOTALS	<u>1,447.</u>	<u>1,447.</u>

FORM 990PF, PART I - TAXES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>
UNITED STATES TREASURY	185,000.
FRANCHISE TAX BOARD	10.
DEPT OF JUSTICE/SEC OF STATE	95.
TOTALS	<u>185,105.</u>

ATTACHMENT 7FORM 990PF, PART II - CORPORATE STOCK

<u>DESCRIPTION</u>	<u>BEGINNING BOOK VALUE</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
EQUITIES	15,997,018.	12,209,833.	12,430,560.
TOTALS	<u>15,997,018.</u>	<u>12,209,833.</u>	<u>12,430,560.</u>



## CHAMBERS FAMILY FOUNDATION

77-0443168

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEESATTACHMENT 8

<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>
JOHN T. CHAMBERS P.O. BOX 10195 DEPT. 12 PALO ALTO, CA 94303	PRESIDENT/ CEO 1.00	0.	0.	0.
CONSTANCE E. CHAMBERS P.O. BOX 10195 DEPT. 12 PALO ALTO, CA 94303	TREASURER/CFO/ SECRETARY 1.00	0.	0.	0.
HARVEY L. ARMSTRONG P.O. BOX 10195 DEPT. 12 PALO ALTO, CA 94303	ASSISTANT SECRETARY 1.00	0.	0.	0.
GRAND TOTALS		<u>0.</u>	<u>0.</u>	<u>0.</u>

FORM 990PF, PART XV - INFORMATION REGARDING FOUNDATION MANAGERS

JOHN T. CHAMBERS  
CONSTANCE E. CHAMBERS

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 10

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND		PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
	FOUNDATION	STATUS OF RECIPIENT		
GEORGE W. BUSH FOUNDATION P.O. BOX 600610 DALLAS, TX 75206	NONE PUBLIC CHARITY		WOMEN'S INITIATIVE ADVISORY COUNCIL	500,000
DUKE UNIVERSITY OFFICE OF UNIVERSITY DEVELOPMENT BOX 90581 DURHAM, NC 27708	NONE PUBLIC CHARITY		SCHOOL OF ENGINEERING LEADERSHIP	300,000.
SECOND HARVEST FOOD BANK 1051 BING STREET SAN CARLOS, CA 94070	NONE PUBLIC CHARITY		GENERAL CHARITABLE PURPOSE	250,000
AMERICAN CANCER SOCIETY 250 WILLIAMS ST.NW ATLANTA, GA 30303-1002	NONE PUBLIC CHARITY		CANCER CHALLENGE	10,000.
THE GLOBAL HELATH CORPS 5 PENN PLAZA, FLOOR 2 NEW YORK, NY 10001	NONE PUBLIC CHARITY		FACE AIDS	25,000.
AMERICAN FRIENDS OF PERES INSTITUTE FOR PEACE 200 SOUTH BISCAYNE BLVD , SUITE 1680 MIAMI, FL 33131	NONE PUBLIC CHARITY		GENERAL CHARITABLE PURPOSE	25,000.

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 10 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT		PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
LUCILE PACKARD CHILDREN'S HOSPITAL 400 HAMILTON AVENUE, SUITE 340 PALO ALTO, CA 94301	NONE PUBLIC CHARITY		INNOVATION GRANT FUND	100,000.
CALIFORNIA WATERFOWL ASSOCIATION 4630 NORTHGATE BLVD , SUITE 150 SACRAMENTO, CA 95834	NONE PUBLIC CHARITY		CWA'S YOUTH PROGRAMS	25,000
FOREVER YOUNG FOUNDATION 1424 S. STAPLEY DR., MESA, AZ 85204	NONE PUBLIC CHARITY		STEVE YOUNG/JERRY RICE BAY AREA CLASSIC	10,000
INNVISION THE WAY HOME 1900 THE ALAMEDA, SUITE 400 SAN JOSE, CA 95126	NONE PUBLIC CHARITY		GENERAL CHARITABLE PURPOSE	10,000.
CITI PERFORMING ARTS CENTER 270 TREMONT STREET BOSTON, MA 02116	NONE PUBLIC CHARITY		THE COLORFUL INITIATIVE	25,000
STANFORD UNIVERSITY LELAND STANFORD JUNIOR UNIVERSITY 326 GALVEZ STREET, STANFORD, CA 94305-6105	NONE PUBLIC CHARITY		FOOTBALL COACHING SUPPORT FUND	250,000.

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 10 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
STANFORD UNIVERSITY LELAND STANFORD JUNIOR UNIVERSITY 326 GALVEZ STREET, STANFORD, CA 94305-6105	NONE PUBLIC CHARITY	BASKETBALL COACHING SUPPORT FUND	250,000
WISCONSIN ALUMNI RESEARCH FOUNDATION P.O BOX 7365 MADISON, WI 53707-7365	NONE PUBLIC CHARITY	WISCONSIN INSTITUTES FOR DISCOVERY GRAND OPENING SPONSORSHIP	25,000.
PALO ALTO MEDICAL FOUNDATION 795 EL CAMINO REAL PALO ALTO, CA 94301	NONE PUBLIC CHARITY	DR. RICHARD BABB ENDOWMENT FUND FOR EXCELLENCE IN DIAGNOSTIC BREAST CARE	100,000.

TOTAL CONTRIBUTIONS PAID 1,905,000.

FORM 990FF, PART XV - CONTRIBUTIONS APPROVED FOR FUTURE PAYMENTATTACHMENT 11

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
GEORGE W. BUSH FOUNDATION P.O. BOX 600610 DALLAS, TX 75206	NONE PUBLIC CHARITY	WOMEN'S INITIATIVE ADVISORY COUNCIL	500,000
STANFORD UNIVERSITY LELAND STANFORD JUNIOR UNIVERSITY 326 GALVEZ STREET STANFORD, CA 94305	NONE PUBLIC CHARITY	FOOTBALL COACHING SUPPORT FUND	250,000
STANFORD UNIVERSITY LELAND STANFORD JUNIOR UNIVERSITY 326 GALVEZ STREET STANFORD, CA 94305	NONE PUBLIC CHARITY	BASKETBALL COACHING SUPPORT FUND	250,000
DUKE UNIVERSITY EDMUND T. PRATT JR. SCHOOL OF ENGINEERING DURHAM, NC 27708	NONE PUBLIC CHARITY	UNDERGRADUATE EDUCATION CHALLENGE FUND	800,000.
PALO ALTO MEDICAL FOUNDATION 795 EL CAMINO REAL PALO ALTO, CA 94301	NONE PUBLIC CHARITY	DR. RICHARD BABB FUND FOR EXCELLENCE IN DIAGNOSTIC BREAST CARE.	400,000.

TOTAL CONTRIBUTIONS APPROVED

2,200,000.

**SCHEDULE D  
(Form 1041)**

Department of the Treasury  
Internal Revenue Service

# Capital Gains and Losses

► 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).

OMB No 1545-0092

**2010**

Name of estate or trust

CHAMBERS FAMILY FOUNDATION

Employer identification number

77-0443168

**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)
<b>1a</b>					

<b>b</b> Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b . . . . .	<b>1b</b>	8,950,864.
<b>2</b> Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824 . . . . .	<b>2</b>	
<b>3</b> Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts . . . . .	<b>3</b>	
<b>4</b> Short-term capital loss carryover Enter the amount, if any, from line 9 of the 2009 Capital Loss Carryover Worksheet . . . . .	<b>4</b>	( )
<b>5</b> <b>Net short-term gain or (loss).</b> Combine lines 1a through 4 in column (f) Enter here and on line 13, column (3) on the back . . . . . ►	<b>5</b>	8,950,864.

**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)
<b>6a</b>					

<b>b</b> Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b . . . . .	<b>6b</b>	24,829.
<b>7</b> Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824 . . . . .	<b>7</b>	
<b>8</b> Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts . . . . .	<b>8</b>	
<b>9</b> Capital gain distributions . . . . .	<b>9</b>	
<b>10</b> Gain from Form 4797, Part I . . . . .	<b>10</b>	
<b>11</b> Long-term capital loss carryover Enter the amount, if any, from line 14 of the 2009 Capital Loss Carryover Worksheet . . . . .	<b>11</b>	( )
<b>12</b> <b>Net long-term gain or (loss).</b> Combine lines 6a through 11 in column (f) Enter here and on line 14a, column (3) on the back . . . . . ►	<b>12</b>	24,829.

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

Schedule D (Form 1041) 2010

**Part III Summary of Parts I and II****Caution:** Read the instructions before completing this part.

		(1) Beneficiaries' (see instr)	(2) Estate's or trust's	(3) Total
13	Net short-term gain or (loss)	13		8,950,864.
14	Net long-term gain or (loss):			
a	Total for year	14a		24,829.
b	Unrecaptured section 1250 gain (see line 18 of the wrkst)	14b		
c	28% rate gain	14c		
15	Total net gain or (loss). Combine lines 13 and 14a	15		8,975,693.

**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**

16	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	16	( )
a	The loss on line 15, column (3) or b \$3,000		

**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.

17	Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34)	17	
18	Enter the smaller of line 14a or 15 in column (2) but not less than zero	18	
19	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)	19	
20	Add lines 18 and 19	20	
21	If the estate or trust is filing Form 4952, enter the amount from line 4g, otherwise, enter -0-	21	
22	Subtract line 21 from line 20. If zero or less, enter -0-	22	
23	Subtract line 22 from line 17. If zero or less, enter -0-	23	
24	Enter the smaller of the amount on line 17 or \$2,300	24	
25	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. <input type="checkbox"/> No. Enter the amount from line 23.	25	
26	Subtract line 25 from line 24.	26	
27	Are the amounts on lines 22 and 26 the same? <input type="checkbox"/> Yes. Skip lines 27 thru 30, go to line 31. <input type="checkbox"/> No. Enter the smaller of line 17 or line 22.	27	
28	Enter the amount from line 26 (If line 26 is blank, enter -0-)	28	
29	Subtract line 28 from line 27	29	
30	Multiply line 29 by 15% ( 15 )	30	
31	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).	31	
32	Add lines 30 and 31	32	
33	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).	33	
34	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).	34	

Schedule D (Form 1041) 2010



**Continuation Sheet for Schedule D  
(Form 1041)**

OMB No 1545-0092

2010

► See instructions for Schedule D (Form 1041).

► Attach to Schedule D to list additional transactions for lines 1a and 6a.

Name of estate or trust

CHAMBERS FAMILY FOUNDATION

Employer identification number

77-0443168

## Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

[illegible]

<b>1b Total.</b> Combine the amounts in column (f) Enter here and on Schedule D, line 1b . . . . .	8,950,864.
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For Paperwork Reduction Act Notice, see the Instructions for Form 1041.

Schedule D-1 (Form 1041) 2010

Employer identification number

[illegible]

<b>6b Total.</b> Combine the amounts in column (f) Enter here and on Schedule D, line 6b . . . . .	24,829.
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Chambers Family Foundation  
Realized Gains and Losses  
\* Prepared for Tax Year 2010

Date Acquired	Date Sold	Shares	ST/LT	Security	TAX Cost	BOOK Cost	Proceeds	Realized Gain (Loss)	
								TAX	BOOK
VAR	05/07/2010	17,408	LT	ISTA PHARM	34,776	67,891	59,605	24,829	(8,286)
LONG TERM					<u>34,776</u>	<u>67,891</u>	<u>59,605</u>	<u>24,829</u>	<u>(8,286)</u>
VAR	VAR	187,000	ST	BAIDU	6,404,570	6,404,570	14,106,010	7,701,440	7,701,440
VAR	VAR	381,500	ST	DDM	15,600,441	15,600,441	16,849,865	1,249,424	1,249,424
SHORT TERM					<u>22,005,011</u>	<u>22,005,011</u>	<u>30,955,875</u>	<u>8,950,864</u>	<u>8,950,864</u>
TOTAL					22,039,787	22,072,902	31,015,480	8,975,693	8,942,578

**DESIGNATION OF DIRECTORS  
FOR  
THE CHAMBERS FAMILY FOUNDATION**  
A California Nonprofit Public Benefit Corporation

WHEREAS, The Chambers Family Foundation (the "Foundation") is a California Nonprofit Public Benefit corporation founded by John T. Chambers and Constance E. Chambers on November 27, 1996;


WHEREAS, Article Four, Section 4.3.1 of the Foundation's Bylaws provides that John T. Chambers, in his capacity as Designator, has the power to appoint the all of directors of the Foundation;

WHEREAS, the Designator desires to fill such vacancies on the board of directors by appointing the directors of the Foundation.

NOW THEREFORE, Pursuant to Article Four, Section 4.3.2 of the Bylaws of The Chambers Family Foundation, the undersigned, John T. Chambers, in his capacity as Designator, hereby appoints the following two (2) individuals to serve as directors for a term of six (6) years, or until their successors are appointed:

- (i) JOHN T. CHAMBERS; and
- (ii) CONSTANCE E. CHAMBERS.

IN WITNESS WHEREOF, this appointment is made at on this 19<sup>th</sup> day of August, 2010, to be effective as of January 1, 2010.

  
JOHN T. CHAMBERS,  
Designator

ACCEPTANCE OF APPOINTMENT

Each of the undersigned hereby accepts his or her appointment as a director of The Chambers Family Foundation, as set forth above, all to be effective as of January 1, 2010.

  
JOHN T. CHAMBERS

Dated: 8/19/10

  
CONSTANCE E. CHAMBERS

Dated: 8/25/10

**UNANIMOUS WRITTEN CONSENT  
OF THE  
BOARD OF TRUSTEES  
OF  
THE CHAMBERS FAMILY FOUNDATION  
A California Nonprofit Public Benefit Corporation**

The undersigned, representing all of the currently serving trustees of The Chambers Family Foundation, a California Nonprofit Public Benefit Corporation, (the "Foundation") hereby unanimously adopt the following Recitals and Resolutions in lieu of holding the 2010 annual meeting of the Board of Trustees pursuant to the provisions of §5211(b) of the California Nonprofit Corporation Law:

**I.     Election of Officers.**

WHEREAS, the first matter before the Trustees is the election of officers for the period of January 1, 2010 through December 31, 2010, or until the next annual meeting of the Board of Trustees.

NOW, THEREFORE, IT IS RESOLVED, that the following persons are elected as officers of the Foundation to serve at the discretion of the Board until the next annual meeting of the Board of Trustees of the Foundation, or until their successors are duly elected and qualified:

President/ Chief Executive Officer:	JOHN T. CHAMBERS
Treasurer/Chief Financial Officer:	CONSTANCE E. CHAMBERS
Secretary:	CONSTANCE E. CHAMBERS
Assistant Secretary:	HARVEY L. ARMSTRONG

**II.    Restatement of Bylaws.**

WHEREAS, John T. Chambers and Constance E. Chambers (hereafter individually a "Founder" and jointly the "Founders"), established the Foundation on November 27, 1996 as a means of facilitating their charitable and philanthropic goals including the education of their children with regard to such goals;

WHEREAS, the Founders gave the Foundation its initial endowment and have been its sole source of subsequent donations,

WHEREAS, the Foundation has no members and its Founders are currently serving its Trustees;

WHEREAS, Article VII of the Bylaws of the Foundation provides for the election of the Foundation's Trustees by its Trustees;

WHEREAS, California Corporations Code Section 5520(e) provides in part:

"If a corporation has not issued memberships, and (1) all the directors [trustees] resign, die or become incompetent...the superior court of any county may appoint directors of the corporation upon application by any party in interest.";

WHEREAS, California Corporations Code Section 5520(d) provides that all or any portion of the trustees/directors authorized in the articles or bylaws of a corporation may hold office by virtue of designation or selection as provided by the articles or bylaws rather than by election;

WHEREAS, California Corporations Code Section 5238 provides that nonprofit public benefit corporations may indemnify their officers, directors and other agents from liability arising for their acts or inactions taken in good faith and reasonably believed to be in the best interests of the entity and may also advance funds to such agents for expenses incurred in defending against such liability; and

WHEREAS, the Founders desire to provide for the continuity of management of the Foundation in the event of their deaths, so as to avoid a vacancy on the Board thereby triggering California Corporations Code Section 5220(e) and to provide for the contingent designation of directors as well as provide maximum indemnity protection of its officers and directors by repealing the Foundation's current Bylaws and adopting completely new Bylaws of the Foundation.

NOW THEREFORE, the following resolutions are hereby adopted:


RESOLVED, that the existing Bylaws of this Foundation are hereby repealed;

RESOLVED FURTHER, that the Bylaws, consisting of fourteen (14) pages, attached hereto as Exhibit A are hereby adopted as and for the Bylaws of this Foundation; and

RESOLVED FURTHER, that the Secretary of this Foundation is hereby authorized and directed to certify copies of the new Bylaws, to insert one certified copy in the corporation's minute book, and to keep one certified copy at the Foundation's principal executive office where it shall be open to inspection by the directors at all reasonable times during office hours.

IN WITNESS WHEREOF, the undersigned have executed this Unanimous Written Consent on the date(s) indicated next to their respective signatures, all to be effective as of January 1, 2010.

Dated: 8/19/10

  
JOHN T. CHAMBERS, Trustee

Dated: 8/25/10

  
CONSTANCE E. CHAMBERS, Trustee

**BYLAWS  
OF  
THE CHAMBERS FAMILY FOUNDATION**  
A California Nonprofit Public Benefit Corporation

The name of this corporation is The Chambers Family Foundation (the "Corporation").

**ARTICLE ONE**  
**OFFICES OF THE CORPORATION**

1.1. **Principal Office.** The principal office for the transaction of the activities and affairs of the Corporation (the "Principal Office") shall be located in Santa Clara County, California. The board of directors (the "Board") may change the Principal Office from one location to another. Any change of location of the Principal Office shall be noted by the Secretary on these Bylaws opposite this Section, or this Section may be amended to state the new location.

1.2. **Other Offices.** The Board may at any time establish branch or subordinate offices at any place or places where the Corporation is qualified to conduct its activities.

**ARTICLE TWO**  
**PURPOSES AND LIMITATIONS**

2.1. **General Purposes.** The Corporation is organized exclusively for charitable, scientific and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States internal revenue law. Notwithstanding any other provision of these articles, the Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of the Corporation, and the Corporation shall not carry on any other activities not permitted to be carried on (a) by a Corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States internal revenue law, or (b) by a Corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States internal revenue law. The Corporation is a nonprofit public benefit Corporation and is not organized for the private gain of any person. It is organized under the California Non Profit Public Benefit Corporation Law for charitable purposes.

No substantial part of the activities of the Corporation shall consist of lobbying or propaganda, or otherwise attempting to influence legislation, except as provided in section 501(h) of the Internal Revenue Code of 1986 ("IRC"), and the Corporation shall not participate in or intervene in (including publishing or distributing statements) any political campaign on behalf of or in opposition to any candidate for public office.

2.2. Specific Purposes. Within the context of the general purposes stated above, the Corporation shall accept funds from its officers and directors for the purpose of making grants to organizations involved in activities consistent with the general purposes of the Corporation.

2.3. Private Foundation Restrictions. This Corporation shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by IRC section 4942, shall not engage in any act of self-dealing as defined in IRC section 4941(d), shall not retain any excess business holdings as defined in IRC section 4943(c), shall not make any investments in a manner as to subject it to tax under IRC section 4944, and shall not make any taxable expenditures as defined in IRC section 4945(d).

2.4. Limitations. Except as provided in Section 2.3 above, there are no limitations other than those appearing in the Articles of Incorporation.

### ARTICLE THREE MEMBERS

3.1 No Members. The Corporation shall have no members.

### ARTICLE FOUR DIRECTORS

4.1. Powers.

4.1.1. General Corporate Powers. Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, and subject to any limitations of the Articles of Incorporation or Bylaws, the Corporation's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board.

4.1.2. Specific Powers. Without prejudice to the general powers set forth in Article Three, Section 3.3.1 of these Bylaws, but subject to the same limitations, the directors shall have the power to:

(a) Appoint and remove, at the pleasure of the Board, all the Corporation's officers, agents, and employees; prescribe powers and duties for them that are consistent with law, with the Articles of Incorporation, and with these Bylaws; and fix their compensation and require from them security for the faithful performance of their duties.

(b) Change the Principal Office or the principal business office in California from one location to another; cause the Corporation to be qualified to conduct its activities in any other state, territory, dependency, or country and conduct its activities within or outside California; and designate any place within or outside California for holding any meeting of the Board.



(c) Borrow money and incur indebtedness on behalf of the Corporation and cause to be executed and delivered for the Corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations and other evidences of debt and securities.

4.2. Number and Qualification of Directors.

4.2.1. Authorized Number and Qualifications. The Board shall consist of at least one (1) but no more than nine (9) directors until changed by amendment to these Bylaws. The exact number of directors shall be fixed, within those limits, by a resolution adopted by the Board. The qualifications for directors are: priority consideration shall be given to those adult members of the extended family of John Chambers and Constance E. Chambers, who have demonstrated an interest in furthering of the purposes of the Foundation, and additional consideration shall be given to other adult individuals who have demonstrated an interest and/or ability to further the purposes of the Foundation.

4.2.2. Restriction on Interested Persons as Directors. No more than forty-nine percent (49%) of the persons serving on the Board may be interested persons. An interested person is (a) any person compensated by the Corporation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director as director; and (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of such person. However, any violation of the provisions of this paragraph shall not affect the validity or enforceability of any transaction entered into by the Corporation.

4.3. Designation of Directors and Term of Office

4.3.1. The Designator. All directors shall be appointed by John Chambers who shall be referred to in these Bylaws as the Designator, until his death, incapacity, or resignation from the office of Designator.

4.3.2. Appointments by the Designator. Except as otherwise provided herein, the Designator may select and designate himself to serve as a director and any one or more individuals qualified to serve as a director in accordance with Article Four, Section 4.2 of these Bylaws.

4.3.3. Director's Term of Office. Each director shall hold office for a maximum of six years, or shorter period as determined by the Board, and until a successor has been designated and qualified.

4.3.4. Successor Designator. Upon the death, incapacity, or resignation of the Designator, all powers exercised by the Designator shall be exercised by Constance E. Chambers. In the event neither John Chambers nor Constance E. Chambers is able or willing to serve as Designator, then all powers exercised by the Designator shall be exercised by Harvey L. Armstrong. In the event none of the foregoing are able or willing to serve as Designator, then by a majority vote of the then acting directors, the Board

shall either (i) name a successor Designator, or (ii) amend the Bylaws to provide for the election of directors by the Board.

#### 4.4. Vacancies on Board.

4.4.1. Events Causing Vacancy. A vacancy or vacancies on the Board shall exist on the occurrence of the following: (a) the death, removal or resignation of any director; (b) the declaration by resolution of the Board of a vacancy in the office of a director who has been declared of unsound mind by an order of court, convicted of a felony, or found by final order or judgment of any court to have breached a duty under Article 3 of Chapter 2 of the California Nonprofit Public Benefit Corporation Law; (c) the vote of a majority of all directors to remove the stated later effective date of a director's resignation; or (d) the increase in the authorized number of directors.

4.4.2. Resignation of Directors. Except as provided below, any director may resign by giving written notice to the Chairman of the Board, if any, or to the President or the Secretary of the Corporation. The resignation shall be effective when the notice is given, unless a later effective date is specified in the resignation. If a director's resignation is effective at a later time, the Designator may appoint a successor to take office as of the date when the resignation becomes effective. Except on notice to the Attorney General of California, no director may resign if the Corporation would be left without a duly designated or elected director or directors in charge of its affairs.

4.4.3. Removal by Designator. The Designator, whether or not serving as a director, may remove any director, with or without cause at any time and appoint such removed director's successor.

4.4.4. No Vacancy on Reduction of Number of Directors. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

4.4.5. Filling Vacancies. Except for vacancies created by the removal of a director by the Designator, vacancies on the Board may be filled by approval of the Board, or if the number of directors then in office is less than a quorum, by (1) the unanimous written consent of the directors then in office, (2) the affirmative vote of a majority of the directors then in office at a meeting held according to notice or waivers of notice complying with California Corporations Code Section 5211, or (3) the sole remaining director. The Designator may fill any vacancy not filled by the directors, including, but not limited to vacancies caused by the removal of a director by the Designator.

#### 4.5. Directors' Meetings.

4.5.1. Place of Meetings. Meetings of the Board shall be held at any place within or outside of California that has been designated by resolution of the Board or in the notice of the meeting or, if not so designated, at the Principal Office of the Corporation.

4.5.2. Meetings by Telephone. Any meeting may be held by conference telephone or similar communication equipment, so long as all directors participating in the meeting can hear each other. All such directors shall be deemed to be present in person at such a meeting.

4.5.3. Annual Meeting. An meeting of the Board shall be held at least once a year for purposes of organization, election of officers, and transaction of other business. Notice of this meeting shall be pursuant to Article Four, Section 4.5.5.

4.5.4. Other Regular Meetings. Other regular meetings of the Board may be held without notice at such time and place as the Board may fix from time to time.

4.5.5. Special Meetings.

(a) Authority to Call. Special meetings of the Board for any purpose may be called at any time by the Chairman of the Board, if any, the President or any Vice President, or the Secretary or any two directors.

(b) Notice.

(1) Manner of Giving Notice. Notice of the time and place of special meetings shall be given to each director by one of the following methods: (a) by personal delivery of written notice; (b) by first-class mail, postage prepaid; (c) by telephone, including a voice messaging system or technology designed to record and communicate messages, either directly to the director or to a person at the director's office who would reasonably be expected to communicate that notice promptly to the director; (d) facsimile; electronic mail; or other electronic means. All such notices shall be given or sent to the director's address or telephone number as shown on the records of the Corporation.

(2) Time Requirements. Notices sent by first-class mail shall be deposited in the United States mails at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, or electronic mail shall be delivered, telephoned, or sent, respectively, at least 48 hours before the time set for the meeting.

(3) Notice Contents. The notice shall state the time of the meeting, and the place if the place is other than the Principal Office of the Corporation. It need not specify the purpose of the meeting.

4.5.6. Quorum. A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn. Every action taken or decision made by a majority of the directors present at a duly held meeting at which a quorum is present shall be the act of the Board, subject to the more stringent provisions of the California Nonprofit Public Benefit Corporation Law, including, without limitation, those provisions relating to (a) approval of contracts or transactions in which a director has a direct or indirect material financial interest, (b) approval of certain

transactions between corporations having common directorships, (c) creation of and appointments to committees of the Board, and (d) indemnification of directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

4.5.7. Waiver of Notice. Notice of a meeting need not be given to any director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any director who attends the meeting and does not protest, before or at the commencement of the meeting, the lack of notice to him or her.

4.5.8. Adjournment. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place.

4.5.9. Notice of Adjourned Meeting. Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than 24 hours. If the original meeting is adjourned for more than 24 hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the directors who were not present at the time of the adjournment.

4.6. Action Without a Meeting. Any action that the Board is required or permitted to take may be taken without a meeting if all members of the Board consent in writing to the action; provided, however, that the consent of any director who has a material financial interest in a transaction to which the Corporation is a party and who is an "interested director" as defined in section 5233 of the California Corporations Code shall not be required for approval of that transaction. Such action by written consent shall have the same force and effect as any other validly approved action of the Board. All such consents shall be filed with the minutes of the proceedings of the Board.

4.7. Compensation and Reimbursement. Directors and members of committees shall not be compensated for their services as directors or officers, however, directors shall be entitled to any out-of-pocket expenses reasonably incurred in connection with their duties as a director, as the Board may determine by resolution to be just and reasonable.

4.8. Committees.

4.8.1. Committees of the Board. The Board, by resolution adopted by a majority of the directors then in office, provided a quorum is present, may create one or more committees each consisting of two or more directors, and no persons who are not directors, to serve at the pleasure of the Board. Appointments to committees of the Board shall be by majority vote of the directors then in office. The Board may appoint one or more directors as alternate members of any such committee, who may replace any absent member at any meeting. Any such committee, to the extent provided in the Board

resolution, shall have all the authority of the Board, except that no committee, regardless of Board resolution, may:

- (i) Fill vacancies on the Board or on any committee that has the authority of the Board;
- (ii) Fix compensation of the directors for serving on the Board or on any committee;
- (iii) Amend or repeal Bylaws or adopt new Bylaws;
- (iv) Amend or repeal any resolution of the Board that by its express terms is not so amendable or repealable;
- (v) Create any other committees of the Board or appoint the members of committees of the Board;
- (vi) Expend corporate funds to support a nominee for director after more people have been nominated for director than can be elected;
- (vii) Approve any contract or transaction to which the Corporation is a party and in which one or more of its directors has a material financial interest, except as special approval is provided for in Section 5233(d)(3) of the California Corporations Code; or
- (viii) Take any final action on any matter that, under California law applicable to Nonprofit Public Benefit Corporations, also requires approval of the Board.

4.8.2. Meetings and Actions of Committees. Meetings and actions of committees of the Board shall be governed by, held, and taken in accordance with, the provisions of these Bylaws concerning meetings and other Board actions, except that the time for regular meetings of such committees and the calling of special meetings of such committees may be determined either by Board resolution or, if there is none, by resolution of the committee of the Board. Minutes of each meeting of any committee of the Board shall be kept and shall be filed with the corporate records. The Board may adopt rules for the government of any committee, provided they are consistent with these Bylaws or, in the absence of rules adopted by the Board, the committee may adopt such rules.

## ARTICLE FIVE OFFICERS

5.1. Officers of the Corporation. The officers of the Corporation shall be a President, a Secretary, an Assistant Secretary, and a Chief Financial Officer. The Corporation may also have, at the Board's discretion, a Chairman of the Board, one or more vice presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be

appointed in accordance with these Bylaws. Any number of offices may be held by the same person, except that neither the Secretary nor the Chief Financial Officer may serve concurrently as either the President or as Chairman of the Board.

5.2. Election of Officers. The officers of the Corporation shall be chosen annually by the Board and shall serve at the pleasure of the Board, subject to the rights, if any, of any officer under any contract of employment.

5.3. Other Officers. The Board may appoint and may authorize the Chairman of the Board, the President, or other officer, to appoint any other officers that the Corporation may require. Each officer so appointed shall have the title, hold office for the period, have the authority, and perform the duties specified in the Bylaws or determined by the Board.

5.4. Removal of Officers. Without prejudice to any rights of an officer under any contract of employment, any officer may be removed with or without cause by the Board and also, if the officer was not chosen by the Board, by any officer on whom the Board may confer the power of removal.

5.5. Resignation of Officers. Any officer may resign at any time by giving written notice to the Corporation. The resignation shall take effect as of the date the notice is received or at any later time specified in the notice and, unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

5.6. Vacancies in Office. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to that office, provided, however, that vacancies need not be filled on an annual basis.

5.7. Responsibilities of Officers.

5.7.1. Chairman of the Board. If a Chairman of the Board is elected, he or she shall preside at meetings of the Board and shall exercise and perform such other powers and duties as the Board may assign from time to time. If there is no President, the Chairman of the Board shall also be the chief executive officer and shall have the powers and duties of the president of the Corporation prescribed by these Bylaws.

5.7.2. President. Subject to such supervisory powers as the Board may give to the Chairman of the Board, if any, and subject to the control of the Board, the president shall be the general manager of the Corporation and shall supervise, direct, and control the Corporation's activities, affairs, and officers. The president shall preside at all members' meetings and, in the absence of the Chairman of the Board, or if there is none, at all Board meetings. The president shall have such other powers and duties as the Board or the Bylaws may prescribe.

5.7.3. Vice Presidents. If the president is absent or disabled, the vice presidents, if any, in order of their rank as fixed by the Board, or, if not ranked, a vice president designated by the Board, shall perform all duties of the president. When so acting, a vice

president shall have all powers of and be subject to all restrictions on the president. The vice presidents shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

5.7.4. Secretary and Assistant Secretary.

(a) Book of Minutes. The Secretary shall keep or cause to be kept, at the Corporation's Principal Office or such other place as the Board may direct, a book of minutes of all meetings, proceedings, and actions of the Board, of committees of the Board, and of members' meetings. The minutes of meetings shall include the time and place that the meeting was held, whether the meeting was annual, regular, or special, and, if special, how authorized, the notice given, the names of those present at Board and committee meetings, and the number of members present or represented at members' meetings. The Secretary shall keep or cause to be kept, at the Principal Office in California, a copy of the Articles of Incorporation and Bylaws, as amended to date.

(b) Notices, Seal, and Other Duties. The Secretary shall give, or cause to be given, notice of all meetings of members, of the Board and of committees of the Board required by these Bylaws to be given. The Secretary shall keep the corporate seal in safe custody and shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

5.7.5. Chief Financial Officer

(a) Books of Account. The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the Corporation's properties and transactions. The Chief Financial Officer shall send or cause to be given to the members and directors such financial statements and reports as are required to be given by law, by these Bylaws, or by the Board. The books of account shall be open to inspection by any director at all reasonable times.

(b) Deposit and Disbursement of Money and Valuables. The Chief Financial Officer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Corporation with such depositories as the Board may designate, shall disburse the Corporation's funds as the Board may order, shall render to the president, Chairman of the Board, if any, and the Board, when requested, an account of all transactions as Chief Financial Officer and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

(c) Bond. If required by the Board, the Chief Financial Officer shall give the Corporation a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of the office and for restoration to the Corporation of all of its books, papers, vouchers, money, and other property of every kind in the possession or under the control of the Chief

Financial Officer on his or her death, resignation, retirement, or removal from office.

## ARTICLE SIX INDEMNIFICATION

6.1. Right of Indemnity. To the fullest extent permitted by California law and IRC section 4958, the Corporation shall indemnify its directors, officers, employees, and other persons described in section 5238(a) of the California Corporations Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that section, and including an action by or in the right of the Corporation, by reason of the fact that the person is or was a person described in that section. The term "expenses", as used in this bylaw, shall have the same meaning as in section 5238(a) of the California Corporations Code, including reasonable attorneys fees.

6.2. Approval of Indemnity. On written request to the Board by any person seeking indemnification under section 5238(b) or section 5238(c) of the California Corporations Code, the Board shall promptly determine under section 5238(e) of the California Corporations Code whether the applicable standard of conduct set forth in section 5238(b) or section 5238(c) has been met and, if so, the Board shall authorize indemnification. If the Board cannot authorize indemnification because the number of directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of directors who are not parties to that proceeding, the Corporation may provide such indemnification only pursuant to an order of a court of competent jurisdiction in accordance with section 5238(e) of the California Corporations Code,

6.3. Advancement of Expenses. To the fullest extent permitted by section 5238 of the California Corporations Code and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under Article Six, Sections 6.1 and 6.2 of these Bylaws in defending any proceeding covered by those Sections shall be advanced by the Corporation before final disposition of the proceeding, on receipt by the Corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Corporation for those expenses.

## ARTICLE SEVEN INSURANCE

7.1 Insurance. The Corporation shall have the right to purchase and maintain insurance to the fullest extent permitted by law on behalf of its officers, directors, employees, and other agents, against any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising out of the officer's, director's, employee's, or agent's status as such.



ARTICLE EIGHT  
RECORDS AND REPORTS

8.1. Maintenance of Corporate Records. The Corporation shall keep the following: (i) adequate and correct books and records of account; and (ii) written minutes of the proceedings of its Board, and committees of the Board.

8.2. Maintenance and Inspection of Articles and Bylaws. The Corporation shall keep at its Principal Office, or if its Principal Office is not in California, at its principal business office in this state, the original or a copy of the Articles of Incorporation and Bylaws, as amended to date, which shall be open to inspection by the members at all reasonable times during office hours. If the Principal Office of the Corporation is outside California and the Corporation has no principal business office in this state, the Secretary shall, on the written request of any member, furnish to that member a copy of the Articles of Incorporation and Bylaws, as amended to date.

8.3. Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect the Corporation's books, records, documents of every kind, physical properties, and the records of each of its subsidiaries, if any. The inspection may be made in person or by the director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents.

8.4. Annual Report. The Board shall cause an annual report to be sent to the directors within 120 days after the end of the Corporation's fiscal year. That report shall contain the following information, in appropriate detail, for the fiscal year:

- (i) The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year.
- (ii) The principal changes in assets and liabilities, including trust funds.
- (iii) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes.
- (iv) The expenses or disbursements of the Corporation for both general and restricted purposes.
- (v) Any information required by Article Eight, Section 8.5 of these Bylaws.

The annual report shall be accompanied by any report on it of independent accountants or, if there is no such report, by the certificate of an authorized officer of the Corporation that such statements were prepared without audit from the Corporation's books and records.

This requirement of an annual report shall not apply if the Corporation receives less than \$25,000 in gross receipts during the fiscal year, provided, however, that the information specified above for inclusion in an annual report must be furnished annually to all directors who requests it in writing.

8.5. Annual Statement of Certain Transactions and Indemnifications. As part of the annual report, or as a separate document if no annual report is issued, the Corporation shall annually prepare and furnish to each director a statement of any transaction or indemnification of the following kind within 120 days after the end of the Corporation's fiscal year:

(a) Any transaction (i) in which the Corporation, its parent, or its subsidiary was a party, (ii) in which an "interested person" had a direct or indirect material financial interest, and (iii) which involved more than \$50,000, or was one of a number of transactions with the same interested person involving, in the aggregate, more than \$50,000. For this purpose, an "interested person" is either of the following:

(1) Any director or officer of the Corporation, its parent, or subsidiary (but mere common directorship shall not be considered such an interest); or

(2) Any holder of more than 10 percent of the voting power of the Corporation, its parent, or its subsidiary.

(b) Any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any officer or director of the Corporation under Article Six, Sections 6.1 through 6.3, of these Bylaws, unless that indemnification has already been approved by the members under section 5238(e) (2) of the California Corporations Code.

The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the Corporation, the nature of their interest in the transaction and, if practicable, the amount of that interest, provided that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated.

## ARTICLE NINE CONSTRUCTION AND DEFINITIONS

9.1. Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, the plural includes the singular, and the term "person" includes both a legal entity and a natural person.

## ARTICLE TEN AMENDMENTS

### 10.1. Amendment by Board.

10.1.1. In General. Any provision of these Bylaws providing for the designation or selection, rather than election, of any director or directors may be adopted, amended, or repealed only by approval of a majority of the person or persons entitled to designate or select such directors.

10.1.2. High Vote Requirement. If any provision of these Bylaws requires the vote of a larger proportion of the Board than is otherwise required by law, that provision may not be altered, amended, or repealed except by that greater vote.

[Balance of page intentionally left blank.]

CERTIFICATE OF SECRETARY OF ADOPTION OF BYLAWS  
OF  
THE CHAMBERS FAMILY FOUNDATION  
A California Nonprofit Public Benefit Corporation

I hereby certify that I am the duly elected and acting Secretary of The Chambers Family Foundation, a California nonprofit public benefit Corporation; that these Bylaws, consisting of fourteen (14) pages, including this Certificate, constitute the Bylaws of said Corporation as adopted by the Board of Directors effective as of January 1, 2010, and that these Bylaws have not been amended or modified since that date.

Dated: 8/25/10, 2010

By: Constance E. Chambers  
Constance E. Chambers,  
Secretary

**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		Gain or (loss)	
30955875.		SEE STATEMENT A 22005011.					VAR 8,950,864.	VAR
59,605.		17,408 SHS ISTA PHARMA (STMT A) 34,776.					VAR 24,829.	05/07/2010
TOTAL GAIN (LOSS) .....							<u>8,975,693.</u>	

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box ☒ **X**
- Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868
- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1)

**Part II Additional (Not Automatic) 3-Month Extension of Time.** Only file the original (no copies needed).

<b>Type or print</b> File by the extended due date for filing your return See instructions	Name of exempt organization <b>CHAMBERS FAMILY FOUNDATION</b>	Employer identification number <b>77-0443168</b>
	Number, street, and room or suite no. If a P.O. box, see instructions <b>P.O. BOX 10195 DEPT. 12</b>	
	City, town or post office, state, and ZIP code For a foreign address, see instructions <b>PALO ALTO, CA 94303</b>	

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

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
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

**STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.**

- The books are in the care of **HARRIS MYCFO, INC.**  
Telephone No **650 210-5000** 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

- 4 I request an additional 3-month extension of time until **11/15, 2011**
- 5 For calendar year **2010**, or other tax year beginning , 20 , and ending , 20
- 6 If the tax year entered in line 5 is for less than 12 months, check reason ☐ Initial return ☐ Final return ☐ Change in accounting period
- 7 State in detail why you need the extension **TAXPAYER IS WAITING FOR INFORMATION FROM THIRD PARTIES AND ADDITIONAL TIME IS NEEDED IN ORDER TO FILE A COMPLETE AND ACCURATE TAX RETURN**

<b>8a</b> 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	<b>8a</b>	\$ <b>90,424.</b>
<b>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 and any amount paid previously with Form 8868	<b>8b</b>	\$ <b>193,031.</b>
<b>c Balance Due.</b> Subtract line 8b from line 8a Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions	<b>8c</b>	\$ <b>0.</b>

**Signature and Verification**

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature Title Date Form **8868** (Rev 1-2011)