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

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

2012

Open to public inspection

For calendar year 2012 or tax year beginning

, and ending

Name of foundation

HENRY T. NICHOLAS, III FOUNDATION

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

15 ENTERPRISE

Room/suite

550

A Employer identification number

20-7201390

B Telephone number

949-448-4300

City or town, state, and ZIP code

ALISO VIEJO, CA 92656

G Check all that apply:

☐

Initial return

☐

Initial return of a former public charity

☐

Final return

☐

Amended return

☐

Address change

☐

Name change

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 ☐

H Check type of organization:

☒

Section 501(c)(3) exempt private foundation

☐ Section 4947(a)(1) nonexempt charitable trust☐

Other taxable private foundation

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 ☐

I Fair market value of all assets at end of year (from Part II, col (c), line 16)

J Accounting method:

☐

Cash

☒

Accrual

☐ Other (specify)

\$ 4,714,143. (Part I, column (d) must be on cash basis.)

Part I

Analysis of Revenue and Expenses

(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))

(a) Revenue and expenses per books

(b) Net investment income

(c) Adjusted net income

(d) Disbursements for charitable purposes (cash basis only)

Revenue	1	Contributions, gifts, grants, etc., received				N/A	
	2	Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B					
	3	Interest on savings and temporary cash investments	28,123.	28,123.			STATEMENT 1
	4	Dividends and interest from securities	7,531.	7,531.			STATEMENT 2
	5a	Gross rents					
	b	Net rental income or (loss)					
	6a	Net gain or (loss) from sale of assets not on line 10	71,791.				
	b	Gross sales price for all assets on line 6a	71,791.				
	7	Capital gain net income (from Part IV, line 2)		71,791.			
	8	Net short-term capital gain					
Operating and Administrative Expenses	9	Income modifications					
	10a	Gross sales less returns and allowances					
	b	Less: Cost of goods sold					
	c	Gross profit or (loss)					
	11	Other income	-1,066.	-1,066.			STATEMENT 3
	12	Total. Add lines 1 through 11	106,379.	106,379.			
	13	Compensation of officers, directors, trustees, etc.	0.	0.			0.
	14	Other employee salaries and wages					
	15	Pension plans, employee benefits					
	16a	Legal fees					
	b	Accounting fees STMT 4	8,000.	4,000.			4,000.
	c	Other professional fees STMT 5	14,540.	14,540.			0.
	17	Interest					
	18	Taxes STMT 6	1,148.	1,148.			0.
	19	Depreciation and depletion	112.	112.			
	20	Occupancy					
	21	Travel, conferences, and meetings					
	22	Printing and publications					
	23	Other expenses STMT 7	1,649.	1,639.			10.
	24	Total operating and administrative expenses. Add lines 13 through 23	25,449.	21,439.			4,010.
	25	Contributions, gifts, grants paid	1,533,266.				1,533,266.
	26	Total expenses and disbursements. Add lines 24 and 25	1,558,715.	21,439.			1,537,276.
	27	Subtract line 26 from line 12:					
	a	Excess of revenue over expenses and disbursements	-1,452,336.				
	b	Net investment income (if negative, enter -0-)		84,940.			
	c	Adjusted net income (if negative, enter -0-)			N/A		

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Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	5,335,735.	4,133,840.	4,133,840.
	3 Accounts receivable ▶ 56.			
	Less: allowance for doubtful accounts ▶	44.	56.	56.
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges	26,743.	27,932.	27,932.
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock			
	c Investments - corporate bonds			
Liabilities	11 Investments - land, buildings, and equipment basis ▶			
	Less: accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 8	558,347.	552,315.	552,315.
	14 Land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers)	5,920,869.	4,714,143.	4,714,143.
	17 Accounts payable and accrued expenses		8,000.	
	18 Grants payable			
Net Assets or Fund Balances	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	0.	8,000.	
Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/>			
	27 Capital stock, trust principal, or current funds	15,882,006.	15,882,006.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	-9,961,137.	-11,175,863.	
30 Total net assets or fund balances	5,920,869.	4,706,143.		
31 Total liabilities and net assets/fund balances	5,920,869.	4,714,143.		

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	5,920,869.
2 Enter amount from Part I, line 27a	2	-1,452,336.
3 Other increases not included in line 2 (itemize) ▶ TRANSFER OF ASSETS	3	252,246.
4 Add lines 1, 2, and 3	4	4,720,779.
5 Decreases not included in line 2 (itemize) ▶ BOOK TO TAX ADJUSTMENT	5	14,636.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	4,706,143.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a			
b SEE ATTACHED STATEMENT			
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 71,791.			71,791.

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			71,791.

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	71,791.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8 }	3	N/A

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

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

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

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

☐ Yes ☒ No

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

1 Enter the appropriate amount in each column for each year; see 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))
2011	1,383,736.	8,073,463.	.171393
2010	883,507.	8,946,771.	.098751
2009	1,694,036.	10,773,769.	.157237
2008	7,978,587.	14,663,359.	.544117
2007	3,269,104.	18,210,842.	.179514

2 Total of line 1, column (d)	2	1.151012
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	.230202
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	5,212,833.
5 Multiply line 4 by line 3	5	1,200,005.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	849.
7 Add lines 5 and 6	7	1,200,854.
8 Enter qualifying distributions from Part XII, line 4	8	1,537,276.

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

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

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)		1	849.
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		2	0.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		3	849.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
3 Add lines 1 and 2		5	849.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-			
6 Credits/Payments:			
a 2012 estimated tax payments and 2011 overpayment credited to 2012	6a	25,932.	
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	25,932.	
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	25,083.	
11 Enter the amount of line 10 to be: Credited to 2013 estimated tax <input checked="" type="checkbox"/> Refunded <input type="checkbox"/>	11	0.	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
1c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. <input checked="" type="checkbox"/> \$ 0. (2) On foundation managers. <input checked="" type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input checked="" type="checkbox"/> \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	X	
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input checked="" type="checkbox"/> 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 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► WWW.HTNFUNDATION.ORG	13	X	
14	The books are in care of ► GOSHA ZANDT Telephone no. ► (949) 448-4300 Located at ► 15 ENTERPRISE, SUITE 550, ALISO VIEJO, CA ZIP+4 ► 92656			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year ► 15 N/A			
16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ►	16	Yes	No X

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <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 checked="" type="checkbox"/> Yes <input 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 instructions)? Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>	1b	X
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 2012?	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 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? <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 instructions.) N/A	2b	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► _____, _____, _____		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If "Yes," did it have excess business holdings in 2012 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 2012.) N/A	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?	4b	X

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

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

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

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

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

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

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

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

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
HENRY T. NICHOLAS III 15 ENTERPRISE, SUITE 550 ALISO VIEJO, CA 92656	TRUSTEE - HRS	DEVOTED	AS NEEDED	
	0.00	0.	0.	0.

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

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

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

0

Form 990-PF (2012)

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	108,895.
b	Average of monthly cash balances	1b	4,718,638.
c	Fair market value of all other assets	1c	464,683.
d	Total (add lines 1a, b, and c)	1d	5,292,216.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	5,292,216.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	79,383.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	5,212,833.
6	Minimum investment return. Enter 5% of line 5	6	260,642.

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

1	Minimum investment return from Part X, line 6	1	260,642.
2a	Tax on investment income for 2012 from Part VI, line 5	2a	849.
b	Income tax for 2012. (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	849.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	259,793.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	259,793.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	259,793.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	1,537,276.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	1,537,276.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	849.
6	Adjusted qualifying distributions Subtract line 5 from line 4	6	1,536,427.

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

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				259,793.
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2012:				
a From 2007	1,447,431.			
b From 2008	7,343,660.			
c From 2009	1,205,026.			
d From 2010	492,948.			
e From 2011	1,046,550.			
f Total of lines 3a through e	11,535,615.			
4 Qualifying distributions for 2012 from Part XII, line 4: ► \$ 1,537,276.				
a Applied to 2011, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2012 distributable amount				259,793.
e Remaining amount distributed out of corpus	1,277,483.			
5 Excess distributions carryover applied to 2012 (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	12,813,098.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2011. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2007 not applied on line 5 or line 7	1,447,431.			
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	11,365,667.			
10 Analysis of line 9:				
a Excess from 2008	7,343,660.			
b Excess from 2009	1,205,026.			
c Excess from 2010	492,948.			
d Excess from 2011	1,046,550.			
e Excess from 2012	1,277,483.			

N/A

- b** Check box to indicate whether the foundation is a private operating foundation described in section

☐ 4942(i)(3) or ☐ 4942(i)(5)

- 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 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).)

HENRY T. NICHOLAS III

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

NONE

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

Check here ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

- a** The name, address, and telephone number or e-mail of the person to whom applications should be addressed:

SEE STATEMENT 9

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

- c Any submission deadlines:**

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

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
EPISCOPAL HOUSING ALLIANCE EPISCOPAL ECONOMIC DEVELOPMENT 45 N. SAN GABRIEL BLVD PASADENA, CA 91107	NONE	PUBLIC CHARITY	ASSIST INDIVIDUALS IN ACQUIRING SKILLS TO OBTAIN EMPLOYMENT	50,000.
HENRY T. NICHOLAS EDUCATIONAL FOUNDATION 412 W. 4TH STREET, 1ST FLOOR SANTA ANA, CA 92701	NONE	PRIVATE OPERATING FOUNDATION	YOUTH EDUCATION PROGRAMS ADVANCING STUDENT ACADEMICS	1,483,266.
Total				1,533,266.
b Approved for future payment				
NONE				
Total				0.

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

		Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		
a	Transfers from the reporting foundation to a noncharitable exempt organization of:		
	(1) Cash	1a(1)	X
	(2) Other assets	1a(2)	X
b	Other transactions:		
	(1) Sales of assets to a noncharitable exempt organization	1b(1)	X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)	X
	(3) Rental of facilities, equipment, or other assets	1b(3)	X
	(4) Reimbursement arrangements	1b(4)	X
	(5) Loans or loan guarantees	1b(5)	X
	(6) Performance of services or membership or fundraising solicitations	1b(6)	X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c	X

[illegible]


2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule.		
(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer or trustee [Signature] Date 11/15/13 Title _____

May the IRS discuss this return with the preparer shown below (see instr.)?
☒ Yes ☐ No

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	KURT L BRUNE		11/5/13		P00131652
	Firm's name ▶ WTAS LLC			Firm's EIN ▶ 33-1197384	
	Firm's address ▶ 400 SOUTH HOPE STREET, SUITE 2000 LOS ANGELES, CA 90071			Phone no. 213-593-2300	

HENRY T. NICHOLAS, III FOUNDATION

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	RCP FUND III, LP	P	VARIOUS	12/31/12
b	RCP FUND III, LP	P	VARIOUS	12/31/12
c	RCP FUND IV, LP	P	VARIOUS	12/31/12
d	RCP FUND IV, LP	P	VARIOUS	12/31/12
e	GS MEZZANINE	P	VARIOUS	12/31/12
f	NT #26-90549 CAPITAL GAIN	P	VARIOUS	12/31/12
g	NT #26-90549 CAPITAL GAIN DISTRIBUTIONS	P	VARIOUS	12/31/12
h				
i				
j				
k				
l				
m				
n				
o				

(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 11.			11.
b 17,153.			17,153.
c -977.			-977.
d 34,222.			34,222.
e -20,361.			-20,361.
f 41,599.			41,599.
g 144.			144.
h			
i			
j			
k			
l			
m			
n			
o			

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) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			11.
b			17,153.
c			-977.
d			34,222.
e			-20,361.
f			41,599.
g			144.
h			
i			
j			
k			
l			
m			
n			
o			

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	71,791.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter "-0-" in Part I, line 8 }	3	N/A

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
NORTHERN TRUST MONEY MARKET ACCOUNTS	28,123.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	28,123.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
NORTHERN TRUST STOCK DIVIDENDS	7,531.	0.	7,531.
TOTAL TO FM 990-PF, PART I, LN 4	7,531.	0.	7,531.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
OPERATING INCOME FROM ALTERNATIVE INVESTMENTS	-1,066.	-1,066.	
TOTAL TO FORM 990-PF, PART I, LINE 11	-1,066.	-1,066.	

FORM 990-PF ACCOUNTING FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TAX COMPLIANCE FEES	8,000.	4,000.		4,000.
TO FORM 990-PF, PG 1, LN 16B	8,000.	4,000.		4,000.

FORM 990-PF	OTHER PROFESSIONAL FEES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
MISC PROF FEES FROM K-1 (RCP FUND III, LP)	1,821.	1,821.		0.	
MISC PROF FEES FROM K-1 (RCP FUND IV, LP)	6,702.	6,702.		0.	
MISC PROF FEES FROM K-1 (MARATHON INDIA REAL ESTATE FUND, LP)	3,292.	3,292.		0.	
MISC PROF FEES FROM K-1 (GS MEZZ)	2,725.	2,725.		0.	
TO FORM 990-PF, PG 1, LN 16C	14,540.	14,540.		0.	

FORM 990-PF	TAXES			STATEMENT	6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
FOREIGN TAXES	1,142.	1,142.		0.	
STATE WITHHOLDINGS FROM K-1S	6.	6.		0.	
TO FORM 990-PF, PG 1, LN 18	1,148.	1,148.		0.	

FORM 990-PF	OTHER EXPENSES			STATEMENT	7
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
INVESTMENT CUSTODY FEES	1,625.	1,625.		0.	
CHARITABLE CONTRIBUTIONS - FROM K-1	14.	14.		0.	
TAXES AND LICENSES	10.	0.		10.	
TO FORM 990-PF, PG 1, LN 23	1,649.	1,639.		10.	

FORM 990-PF

OTHER INVESTMENTS

STATEMENT 8

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
GS MEZZANINE PARTNERS 2006	FMV	115,564.	115,564.
RCP FUND III, L.P.	FMV	106,992.	106,992.
RCP FUND IV, L.P.	FMV	280,127.	280,127.
MARATHON INDIA REAL ESTATE, L.P.	FMV	49,632.	49,632.
TOTAL TO FORM 990-PF, PART II, LINE 13		552,315.	552,315.

FORM 990-PF

GRANT APPLICATION SUBMISSION INFORMATION
PART XV, LINES 2A THROUGH 2D

STATEMENT 9

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

HENRY T. NICHOLAS, III FOUNDATION
15 ENTERPRISE, SUITE 550
ALISO VIEJO, CA 92656

TELEPHONE NUMBER

949-448-4480

FORM AND CONTENT OF APPLICATIONS

SEE GRANT APPLICATION ATTACHED

ANY SUBMISSION DEADLINES

NONE

RESTRICTIONS AND LIMITATIONS ON AWARDS

THE HENRY T. NICHOLAS, III FOUNDATION FOCUSES ITS GRANTS IN AREAS OF
EDUCATION, YOUTH SPORTS, TECHNOLOGY, SCIENCE, MEDICAL RESEARCH, VICTIM'S
RIGHTS, AND NATIONAL DEFENSE.

FORM 990-PF

STATEMENT TO BE ATTACHED TO FORM 990-PF REGARDING
TRANSFER OF ASSETS FROM NICHOLAS FOUNDATION

STATEMENT 10

DURING 2012, THE NICHOLAS FOUNDATION TERMINATED PURSUANT TO REVENUE RULING 2002-28 AND TRANSFERRED 50% OF ITS ASSETS TO THE HENRY T. NICHOLAS, III FOUNDATION. BELOW IS A SCHEDULE OF THE ASSETS TRANSFERRED:

TRANSFEROR NAME AND ADDRESS	ASSETS TRANSFERRED	DATE OF TRANSFER	FAIR MARKET VALUE OF TRANSFER
NICHOLAS FOUNDATION 15 ENTERPRISE, SUITE 550 ALISO VIEJO, CA 92656	STOCK - 2,196 SHS OF CALPINE CORP (CPN)	4/30/2012	40,187
NICHOLAS FOUNDATION 15 ENTERPRISE, SUITE 550 ALISO VIEJO, CA 92656	CASH	5/7/2012	252,246

FORM 990-PF

STATEMENT TO BE ATTACHED TO FORM 990-PF REGARDING
TRANSFER OF ASSETS FROM NICHOLAS FOUNDATION

STATEMENT 11

PURSUANT TO REVENUE RULING 2002-28 AND IRC SECTION 4942, ADJUSTED QUALIFYING DISTRIBUTIONS AND NET VALUE OF NONCHARITABLE-USE ASSETS FROM THE NICHOLAS FOUNDATION WILL BE ASSUMED PROPORTIONATELY BY HENRY T. NICHOLAS, III FOUNDATION IN THE FOLLOWING AMOUNTS:

ADJUSTED QUALIFYING DISTRIBUTIONS

YEAR	NICHOLAS FOUNDATION (100%)	APPORTIONMENT TO HENRY T. NICHOLAS, III FOUNDATION (50%)	ADJUSTED QUALIFYING DISTRIBUTIONS PRIOR TO APPORTIONMENT	HENRY T. NICHOLAS, III FOUNDATION (50%) (TO FORM 990-PF, PG 3, LN 1(b))
2011	18,130	9,065	1,374,671	1,383,736
2010	37,235	18,618	864,889	883,507
2009	47,206	23,603	1,670,433	1,694,036
2008	1,418,533	709,267	7,269,320	7,978,587
2007	898,650	449,325	2,819,779	3,269,104

NET VALUE OF NONCHARITABLE-USE ASSETS

YEAR	NICHOLAS FOUNDATION (100%)	APPORTIONMENT TO HENRY T. NICHOLAS, III FOUNDATION (50%)	NET VALUE OF NONCHARITABLE-USE ASSETS PRIOR TO APPORTIONMENT	HENRY T. NICHOLAS, III FOUNDATION (50%) (TO FORM 990-PF, PG 3, LN 1(c))
2011	2,989,635	1,494,818	6,578,645	8,073,463
2010	2,990,818	1,495,409	7,451,362	8,946,771
2009	2,931,244	1,465,622	9,308,147	10,773,769
2008	17,053,394	8,526,697	6,136,662	14,663,359
2007	31,424,786	15,712,393	2,498,449	18,210,842

FORM 990-PF

STATEMENT TO BE ATTACHED TO FORM 990-PF REGARDING
TRANSFER OF ASSETS FROM NICHOLAS FOUNDATION

STATEMENT 12

PURSUANT TO REVENUE RULING 2002-28 AND IRC SECTION 4942, EXCESS QUALIFYING DISTRIBUTIONS FROM THE NICHOLAS FOUNDATION WILL BE ASSUMED PROPORTIONATELY BY HENRY T. NICHOLAS, III FOUNDATION IN THE FOLLOWING AMOUNTS:

YEAR	NICHOLAS FOUNDATION (100%)	HENRY T. NICHOLAS, III FOUNDATION (50%)	2011 EXCESS DISTRIBUTIONS CARRYOVERS	TOTAL 2012 EXCESS DISTRIBUTIONS CARRYOVER
2007			1,447,431	1,447,431
2008	651,301	325,651	7,018,009	7,343,660
2009			1,205,026	1,205,026
2010			492,948	492,948
2011			1,046,550	1,046,550
TO FORM 990-PF, PG 9, LN 3F				11,535,615

THE 2012 EXCESS QUALIFYING DISTRIBUTIONS CARRYOVER FROM THE NICHOLAS FOUNDATION TO THE HENRY T. NICHOLAS, III FOUNDATION WILL BE ADJUSTED IN 2013 AS FOLLOWS:

2012 EXCESS DISTRIBUTION CARRYOVER TO 2013 FROM NICHOLAS FOUNDATION	2,459,573
PRO RATA ALLOCATION OF EXCESS DISTRIBUTIONS TO HENRY T. NICHOLAS, III FOUNDATION	50%
2012 EXCESS DISTRIBUTION CARRYOVER TO 2013 (TO 2013 FORM 990-PF, PG 9, LN 3E)	<u>1,229,787</u>

FURTHER INFORMATION IS AVAILABLE UPON REQUEST.

ATTACHMENT TO FORM 990-PF
PART VII-B, QUESTION 5C ON PAGE 6

EXPENDITURE RESPONSIBILITY REPORT
TO BE ATTACHED TO FORM 990-PF
FOR THE TAXABLE YEAR ENDED 12/31/12

PURSUANT TO IRC REGULATION SECTION 53.4945-5(d)(2), THE HENRY T. NICHOLAS, III FOUNDATION PROVIDES THE FOLLOWING INFORMATION:

GRANTEE: HENRY T. NICHOLAS EDUCATION FOUNDATION, INC.

GRANTEE ADDRESS: 412 W. 4TH STREET, SANTA ANA, CA 92701

DATE OF GRANT(S): SEE BREAKDOWN OF GRANTS ATTACHED

TOTAL AMOUNT OF GRANT(S): SEE BREAKDOWN OF GRANTS ATTACHED

PURPOSE OF THE GRANT: (A) WORK STUDY AWARDS FOR STUDENTS

(B) TO ASSIST STUDENTS DEVELOP THE NECESSARY ACADEMIC SKILLS THAT INCREASE THE QUALITY OF THEIR ACADEMIC PERFORMANCE WITH THE NICHOLAS ACADEMIC CENTER I AND NICHOLAS ACADEMIC CENTER II

AMOUNT SPENT BY GRANTEE: \$1,483,266

PURPOSE OF FUNDS: TO THE KNOWLEDGE OF THE GRANTOR, THE GRANTEE HAS NOT DIVERTED ANY PORTION OF THE FUNDS FROM THE PURPOSE OF THE GRANT

DATE OF ANNUAL REPORT RECEIVED FROM GRANTEE: 10/22/2013

Breakdown of Grants to Henry T. Nicholas Foundation

Date	NAC I & II	Work Study	Other	Total
1/5/2012	118,124			118,124
2/7/2012	98,717			98,717
3/5/2012	88,533			88,533
3/30/2012	100,925			100,925
5/1/2012	87,011			87,011
5/31/2012	133,396		75,600	208,996
7/2/2012	90,798			90,798
7/27/2012	86,648	171,170		257,818
8/31/2012	100,889	32,941		133,830
10/2/2012	84,624			84,624
11/1/2012	87,295		12,000	99,295
12/5/2012	95,151		19,444	114,595
				-
	1,172,111	204,111	107,044	1,483,266

THE
HENRY T. NICHOLAS, III
FOUNDATION

Grant Application Form

The Henry T. Nicholas, III Foundation is a California charitable trust organized and operated exclusively for charitable, scientific or education purposes within the meaning of Internal Revenue Code section IRC § 501(c)(3).

Important Notes for this Application:

1. This form must be completed in its entirety and must accompany the grant proposal. Applications for funding are only considered complete if they include this form, a grant proposal, and a copy of your IRS tax exemption letter and grant supporting documents.
2. Your grant proposal must use the format outlined on page 5. Please only submit proposals that strategically relate to the Henry T. Nicholas, III Foundation's mission.

GRANT REQUEST

Amount Requested: \$ _____

This request is for: ☐ General operating support ☐ Capital

☐ Program/project title _____

Organizational Information:

Organization's Name: _____

Address, city, state & zip code: _____

Organization's URL: _____

Applicant Contact Name & Title: _____

Applicant's Phone: _____ Email _____

Total Organizational Budget for current year \$: _____ Year of
Incorporation _____

Staff Composition in Numbers

Paid Full-time _____ Paid Part-time _____ Volunteer _____

Intern _____ Board of Directors _____ Other _____

Organizational Information *(continued)*

Is your organization exempt under the Section 501(c)(3) of the Internal Revenue Code?

☐ Yes Date of Exemption Ruling: _____ (Include copy of exemption letter)

☐ No *Note: The Foundation cannot fund any organization that is NOT a 501(c)(3)*

Is your organization a public charity by virtue of its being an organization described in Section 509(a) of the Internal Revenue Code?

☐ Yes

- Classification: ☐ IRC § 509(a)(1) ☐ IRC § 509(a)(2) ☐ IRC § 509(a)(3)

- If your organization is an IRC § 509(a)(1) or a IRC § 509(a)(2), will the amount of funds requested in this application adversely affect your organization's status as a publically supported organization? ☐ Yes ☐ No

- Please estimate the percentage of total qualifying public support that your organization has received over its past two fiscal years from:

- ☐ Contributions from the general public: _____ %
- ☐ Grants from governmental units: _____ %
- ☐ Grants from other charities: _____ %
- ☐ Receipts from exempt function income _____ %
- ☐ Investment income _____ %

☐ No Classification is: _____

Primary service category of organization

- ☐ Arts & Culture ☐ Health & Human Services ☐ Military Services ☐ Education
- ☐ Civic/ economic development ☐ Sports & Recreation ☐ Other: _____

Geographic service areas:

- ☐ Orange County, CA ☐ Los Angeles County, CA ☐ Riverside County, CA
- ☐ Statewide California ☐ Outside California ☐ Nationwide ☐ International

Organizational Information (continued)

Summarize the organization's mission (2-3 sentences):

Funding Request:

Summarize the purpose of your request (1-5 sentences):

List other private and public funding sources for this request.

☐ There are no other funding sources for this request.

Funding Sources – to date

Amount

Date received

Funding Sources – to date

Amount

Anticipated receipt date

Funding Request (continued):

Does this grant qualify for matching funds with another organization?

☐ Yes

☐ No

Time Frame in which the funds will be used: From _____ to _____

Is this a multi-year grant request?

☐ Yes, for _____ years

☐ No

Note: The Foundation will consider multi-year grant requests but will not necessarily award multi-year funding.

Program/project budget \$ _____

Percent request represents: _____%

The information provided in this application and proposal is furnished in consideration of a proposed grant, and it is intended that it may be relied upon by the Henry T. Nicholas, III Foundation as of this date. The Henry T. Nicholas, III Foundation is under no obligation to fund this request at this time. By submitting this request, the applicant and the

organization agree to disclose information about the grant project as reasonably requested from the Foundation, including a possible pre-grant interview or site visit, as the Foundation considers the grant proposal. Due to the requirements of the Foundation for the due diligence process, failure to provide the requested information may result in rejection of the grant proposal. The applicant will notify the Henry T. Nicholas, III Foundation of any material change in the information provided herein.

Signed: _____

(Designated grant applicant)

Name: _____

Date: _____

**SEE NEXT PAGE FOR PROPOSAL GUIDELINES. A GRANT PROPOSAL MUST BE SUBMITTED
WITH THIS APPLICATION FORM AND A COPY OF YOUR ORGANIZATION'S TAX EXEMPT
LETTER.**

Grant Proposal Guidelines

✓

Proposal Narrative: Please provide the following information to the Henry T. Nicholas, III Foundation in this order. Do not use more than 4 single-spaced pages, exclusive of attachments. Please staple, do not bind your application.

A. Background

1. Organization's mission, history, overall goals and/or objectives
2. Description of current programs and activities, emphasizing major achievements of the past two years.
3. Description of any past work or relationships with the Henry T. Nicholas III, Foundation.

B. Purpose of Funding Request

1. Description of how the grant request relates to the mission of the Henry T. Nicholas III, Foundation.
2. If applying for a general operating support grant, briefly state how this grant could be used
3. If applying for a specific project or capital campaign, please provide the following information:
 - The needs or problems that this effort will address and the population that is will be served.
 - Description of how the project addresses the above identified needs.
 - Description of the goals and objectives and timetable for achieving these.
 - If for a program, explain the implementation, methodology and staffing of program.
 - Outline any collaboration with other organizations (include both funding, support and service partners) and include a description of their roles.
 - If for a program, explain if and how it can be supported beyond an initial grant.
 - Additional outcomes and benefits of funding the request, if any (i.e. matching funds or tax credits).
4. Any deadlines or conditions to funding this request.

C. Evaluation

1. Explain how you will measure the effectiveness of your activities.
2. Describe your criteria for success.
3. Describe the results you expect to have achieved by the end of the funding period.

✓

Required Attachments: *Please provide in the following order.*

A. Finances

1. Program budget (with narrative or description, if applicable) with line items, noting where requested funds would be used.
2. If a multi-year grant request, include multi-year program budget.
3. If a capital campaign, provide capital budget and list of campaign committee members.

B. Supporting Materials

1. Grantee Report (if program previously funded from other sources).
2. Latest annual report or summary of organization's prior year's activities
3. If the requested project is a collaboration with other organizations, include letters of agreement.
4. A timetable outlining project implementation and/or achieving goals of this request.

HENRY T. NICHOLAS, III FOUNDATION

December 21, 2011

VIA FIRST CLASS MAIL

Robert Magnuson
374 Flora Street
Laguna Beach, CA 92651

Re: Formal Notice of Removal as Special Trustee.

Dear Bob:

In the Second Amendment to the Henry T. Nicholas, III Foundation ("Foundation") trust agreement, you were appointed as a Special Trustee to the Foundation. This serves as written notice of the decision to remove you as a Special Trustee of the Foundation.

Sincerely,

A handwritten signature in black ink, appearing to be 'H. Nicholas, III', with a long horizontal flourish extending to the right.

Henry T. Nicholas, III

Trustee of the Henry T. Nicholas, III Foundation

ASSET TRANSFER AGREEMENT

This ASSET TRANSFER AGREEMENT (the "Agreement") is executed and made effective as of June 10, 2008 (the "Effective Date") by and between the NICHOLAS FOUNDATION, a California trust classified as a private foundation ("Transferor"), the HENRY T. NICHOLAS, III FOUNDATION, a California trust classified as a private foundation ("HTN"), and the OPUS FOUNDATION ("Opus"), a California non-profit public benefit corporation classified as a private foundation (each a "Transferee" and collectively the "Transferees").

RECITALS

A. **WHEREAS**, Transferor is currently a California trust, classified as a private foundation under Section 509(a) of the Internal Revenue Code (the "Code") and qualified as a tax-exempt organization under Section 501(c)(3) of the Code;

B. **WHEREAS**, Transferor desires to liquidate and transfer all of its assets to HTN and Opus, each a private foundation effectively controlled by one of the trustees who effectively controls Transferor;

C. **WHEREAS**, as of the Effective Date, Transferor owned the right, title and interest in and to all of the assets which are listed in Exhibit A attached hereto, free and clear of any and all liens, security interests or other encumbrances (collectively, the "Assets");

D. **WHEREAS**, Transferor now desires to contribute, transfer, assign, convey and deliver all of the Assets listed in Exhibit B to HTN and to contribute, transfer, assign, convey and deliver all of the Assets listed in Exhibit C to Opus (the "Transfers"); and

E. **WHEREAS**, each Transferee now desires to accept such contribution, transfer, assignment, conveyance and deliverance of the Assets by Transferor subject to the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Assignment and Transfers by Transferor Subject to the terms of this Agreement, Transferor hereby contributes, transfers, assigns, conveys and delivers to HTN all of Transferor's right, title and interest in and to the Assets listed in Exhibit B hereto and further contributes, transfers, assigns, conveys and delivers to Opus all of Transferor's right, title and interest in and to the Assets listed in Exhibit C hereto, each Transfer to be effective as of such date as is designated for such Transfer in each Transferee's respective Exhibit.

2. Acceptance by Transferees. Each Transferee hereby accepts the Assets transferred to said Transferee and assumes all of the right, title and interest of Transferor therein

and thereto, effective as of such date as is designated for such Transfer in each Transferee's respective Exhibit.

3. Reservation of Certain Assets. Transferor hereby reserves the right to retain such assets as, at the discretion of Transferor, are sufficient to satisfy Transferor's obligations with regard to any outstanding payroll, consulting, administrative, legal, accounting or other expenses or fees ("Outstanding Expenses") accrued but unpaid by Transferor as of the Effective Date. Any amounts reserved under this Section 3 that are not utilized by Transferor to pay such Outstanding Expenses shall be distributed to Transferees in accordance with Exhibits B and C hereto.

4. Continuing Obligations and Liabilities. Transferees hereby acknowledge and accept their continuing obligations and liabilities as follows:

a. Obligations as Successors. Each Transferee understands and acknowledges that, pursuant to Revenue Ruling 2002-28, beginning as of the Effective Date hereof, each Transferee shall be treated as though it is Transferor for purposes of Chapter 42 of the Code, including but not limited to determinations as to excess business holdings, penalties for undistributed income, and the assumption of all outstanding expenditure responsibility obligations of Transferor existing as of the Effective Date. HTN and Opus each covenant and agree that neither shall hold or attempt to hold Transferor or the other Transferee liable for any liabilities it may face as a result of its status under the Code pursuant to Revenue Ruling 2002-28, including but not limited to the obligations and liabilities set forth in this Section 4 a.

b. Tax Liability. Each Transferee further acknowledges that it may face potential liability for any excise tax due on the net investment income of Transferor in the event that Transferor is determined to have failed to pay such taxes any time prior to the Effective Date. Each Transferee hereby agrees that, in the event that any such liability for unpaid taxes shall arise, said Transferee shall be liable for one-half of such tax liability, and shall cooperate in good faith with the other Transferee to satisfy any and all reporting, filing and payment obligations that may be assessed against Transferees as successors of Transferor.

c. Expenditure Responsibility. Each Transferee hereby acknowledges and assumes responsibility for the payment obligations and continuing expenditure responsibility obligations, including any Code Section 4945 expenditure responsibility obligations, for any grants with regard to which any such obligations remain outstanding after the Effective Date, including responsibility for (i) making payment of any outstanding commitments, grants or grant installments, (ii) securing, if necessary, follow-up grantee reports from grantees, and (iii) preparing and filing, if applicable, all necessary expenditure responsibility reports for such grants, regardless of whether such obligations exist by operation of contract, any provision of the Code, or otherwise.

d. Possible Grant.

i. Each Transferee hereby confirms that it has been informed of a potential obligation of Transferor related to St. Margaret's Episcopal School Legacy Campaign in the potential donation amount of \$2,500,000.

ii. Each Transferee shall assume responsibility for one-half of this potential obligation or such other proportion as is jointly agreed upon in writing by both Transferees.

iii. HTN and Opus each hereby covenants that it shall cooperate in good faith to complete and satisfy all reporting and filing obligations outstanding under the Campaign, regardless of whether such obligations exist by operation of contract, any provision of the Code, or otherwise.

5. Representations and Warranties of Transferor. As of the Effective Date, Transferor represents and warrants to Transferees that:

a. Transferor possesses all ownership rights in and to the Assets and no other person has any rights therein or thereto.

b. Transferor has the full power and authority to enter into and to fulfill the terms of the Transfers and this Agreement and has not entered into any agreement or performed any activity that might interfere or conflict with the terms thereof.

c. The Transfers and this Agreement, and the consummation of the transactions contemplated thereby, were duly authorized by all requisite action on the part of Transferor as a trust organized under the laws of the State of California.

d. To Transferor's knowledge, Transferor has paid in full all taxes, levies and other assessments of any kind to which any of the Assets are subject

e. No consents, approvals, notices or filings pursuant to applicable law or otherwise are required as of the Effective Date to be made or to be obtained from any person not a party to any agreement in connection with the Transfers, this Agreement or any transactions contemplated thereby, except such consents, approvals, notices or filings as were already made or obtained on or prior to the Effective Date.

6. Representations and Warranties of HTN. HTN represents and warrants to Transferor that:

a. As of the Effective Date, HTN is a California trust classified as a private foundation under Section 509(a) of the Internal Revenue Code (the "Code"), seeking qualification as a tax-exempt organization under Section 501(c)(3) of the Code and using all commercially reasonable efforts to be so qualified within a reasonable amount of time.

b. HTN has the full power and authority to enter into and to fulfill the terms of the Transfer and this Agreement and has not entered into any agreement or performed any activity that interferes or conflicts with the terms thereof.

c. The Transfer and this Agreement, and the consummation of the transactions contemplated thereby, have been duly authorized by all requisite action on the part of HTN as a trust formed under the laws of the State of California.

7. Representations and Warranties of Opus. Opus represents and warrants to Transferor that.

a. As of the Effective Date, Opus is a California non-profit public benefit corporation classified as a private foundation under Section 509(a) of the Internal Revenue Code (the "Code") and qualified as a tax-exempt organization under Section 501(c)(3) of the Code.

b. Opus has the full power and authority to enter into and to fulfill the terms of the Transfer and this Agreement and has not entered into any agreement or performed any activity that interferes or conflicts with the terms thereof.

c. The Transfer and this Agreement, and the consummation of the transactions contemplated thereby, have been duly authorized by all requisite action on the part of Opus as a trust formed under the laws of the State of California.

7. Miscellaneous.

a. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes any prior understandings, agreements or representations by or between the parties, written or oral, to the extent they relate in any way to the subject matter hereof.

b. Notices. All notices and other communications required or permitted under this Agreement shall be deemed to have been duly given and made if in writing and if served either by personal delivery – which shall include delivery by Federal Express or similar nationally recognized service – or by facsimile (with confirmation of the transmission) to the party for whom intended or three (3) business days after being deposited, postage prepaid, certified or registered mail, return receipt requested, in the United States mail bearing the address shown in this Agreement for, or such other address as may be designated in writing hereafter by, such party:

If to HTN:

Henry T. Nicholas, III Foundation
c/o Robert Magnuson
15 Enterprise, Suite 550
Aliso Viejo, CA 92656

Telephone: (949) 448-4300
Facsimile: (949) 448-4330

If to Opus:

Opus Foundation
c/o James R. Parks
11601 Wilshire Blvd., Suite 23
Los Angeles, CA 90025
Telephone: (310) 268-2004
Facsimile: (310) 268-2001

Any party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other party notice in the manner herein set forth.

c. Amendments and Waivers; Severability. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by the parties hereto. No waiver of any provisions of this Agreement shall be valid unless the same shall be in writing and signed by the waiving party. The invalidity or unenforceability of any provision of this Agreement, or any terms hereof, shall not affect the validity or enforceability of any other provision or term of this Agreement. The parties further agree to replace any such void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of such void or unenforceable provision.

d. Governing Law. This Agreement shall be governed by, construed under and enforced in accordance with the laws of the State of California without regard to conflicts of laws principles thereof.

e. Binding Effect. This Agreement is binding upon, inures to the benefit of and is enforceable by the parties hereto and their respective successors and assigns.

f. Headings. The headings used in this Agreement have been inserted for convenience of reference only and do not define or limit the provisions hereof

g. Counterparts. This Agreement may be executed, including by facsimile signature, in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

TRANSFeree:

HENRY T. NICHOLAS III FOUNDATION,
a California trust

By: _____
Henry T. Nicholas III, Ph.D.
Trustee

TRANSFeree:

OPUS FOUNDATION,
a California non-profit public benefit corporation

By: _____
Stacey E. Nicholas
Director

By: _____
Robert Feller
Director

TRANSFEROR:

NICHOLAS FOUNDATION,
a California trust

By: _____
Henry T. Nicholas III, Ph.D.
Trustee

By: _____
Stacey E. Nicholas
Trustee

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

TRANSFeree:

HENRY T. NICHOLAS III FOUNDATION,
a California trust

By: _____
Henry T. Nicholas III, Ph.D.
Trustee

TRANSFeree:

OPUS FOUNDATION,
a California non-profit public benefit corporation

By: Stacey E. Nicholas
Stacey E. Nicholas
Director

By: _____
Robert Feller
Director

TRANSFEROR:

NICHOLAS FOUNDATION,
a California trust

By: _____
Henry T. Nicholas III, Ph.D.
Trustee

By: Stacey E. Nicholas
Stacey E. Nicholas
Trustee

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date

TRANSFeree:

HENRY T. NICHOLAS III FOUNDATION,
a California trust

By: 

Henry T. Nicholas III, Ph.D.
Trustee

TRANSFeree:

OPUS FOUNDATION,
a California non-profit public benefit corporation

By: _____

Stacey E. Nicholas
Director

By: _____

Robert Feller
Director

TRANSFEROR:

NICHOLAS FOUNDATION,
a California trust

By: 

Henry T. Nicholas III, Ph.D.
Trustee

By: _____

Stacey E. Nicholas
Trustee

EXHIBIT A
TO ASSET TRANSFER AGREEMENT

Assets Owned by the Nicholas Foundation

1. Category 1

- (a) Ironwood International, Ltd.
- (b) Topaz Institutional, Ltd.
- (c) Goldman Sachs Hedge Fund Portfolio plc

2. Category 2

- (a) GS Mezzanine Partners 2006 Offshore, LP
- (b) Marathon India Real Estate Fund, LP
- (c) RCP Fund III, LP
- (d) RCP Fund IV, LP

EXHIBIT B
TO ASSET TRANSFER AGREEMENT

Description of Assets to be Transferred to the Henry T. Nicholas, III Foundation

1. The Registered Trademark "NICHOLAS FOUNDATION" - U S Trademark Registration No. 3,233,099.
2. The Registered Trademark "NICHOLAS PRIZE" - U.S. Trademark Registration No. 3,366,671.
3. Subject to the potential reservation by Transferor of any funds necessary under Section 3 of this Agreement, cash in the approximate amount of \$11,821,521. received by the Transferor in liquidating of the assets listed on Schedule I hereto, to be transferred on or prior to June 30, 2008.
4. Subject to the potential reservation by Transferor of any funds necessary under Section 3 of this Agreement, cash in the amount of one-half of the initial amount received by the Transferor in liquidation of the assets listed in **Category 1** in Exhibit A hereto (after taking into consideration any amounts reserved by any entity or fund listed in such **Category 1** pending any applicable audit of such entity or fund), approximately \$2,600,000, to be transferred after July 1, 2008 and on or prior to August 31, 2008.
5. Such percentage of each asset listed in **Category 2** of Exhibit A as is mutually agreed upon in writing by the parties to this Agreement, to be transferred prior to September 30, 2008; provided, however, that the aggregate cash value of such assets or such percentage of such assets transferred to HTN hereunder shall be equal to one-half of the aggregate cash value of all assets listed in said **Category 2**.
6. Fifty percent of any and all assets (including cash) that are owned by the Transferor as of the Effective Date that were not previously distributed to either Transferee, including all assets and cash previously reserved by Transferor under Section 3 of this Agreement, to be transferred after all Outstanding Expenses are paid by Transferor and all other expenses and obligations of Transferor are paid or otherwise satisfied.

EXHIBIT C
TO ASSET TRANSFER AGREEMENT

Description of Assets to be Transferred to the Opus Foundation

1. Subject to the potential reservation by Transferor of any funds necessary under Section 3 of this Agreement, cash in the approximate amount of \$11,821,521, received by the Transferor in liquidating of the assets listed on Schedule 1 hereto, to be transferred on or prior to June 30, 2008.
2. Subject to the potential reservation by Transferor of any funds necessary under Section 3 of this Agreement, cash in the amount of one-half of the initial amount received by the Transferor in liquidation of the assets listed in **Category 1** in Exhibit A hereto (after taking into consideration any amounts reserved by any entity or fund listed in such **Category 1** pending any applicable audit of such entity or fund), approximately \$2,600,000, to be transferred after July 1, 2008 and on or prior to August 31, 2008.
3. Such percentage of each asset listed in **Category 2** of Exhibit A as is mutually agreed upon in writing by the parties to this Agreement, to be transferred prior to September 30, 2008; provided, however, that the aggregate cash value of such assets or such percentage of such assets transferred to Opus hereunder shall be equal to one-half of the aggregate cash value of all assets listed in said **Category 2**
4. Fifty percent of any and all assets (including cash) that are owned by the Transferor as of the Effective Date that were not previously distributed to either Transferee, including all assets and cash previously reserved by Transferor under Section 3 of this Agreement, to be transferred after all Outstanding Expenses are paid by Transferor and all other expenses and obligations of Transferor are paid or otherwise satisfied.

SCHEDULE 1
TO ASSET TRANSFER AGREEMENT

Assets Previously Liquidated by Transferor

- (a) Avenir
- (b) Alliance Bernstein Diversified Value
- (c) Gardner Lewis
- (d) Horizon Asset Management
- (e) Sage Advisory
- (f) NWQ International Value Equity

**ACTION BY WRITTEN CONSENT
OF
THE TRUSTEE
OF
HENRY T. NICHOLAS, III FOUNDATION**

The undersigned, being the Trustee (the "Trustee") of the Henry T. Nicholas, III Foundation (the "Foundation"), acting pursuant to the authority of the Trust Agreement of the Henry T. Nicholas, III Foundation, as amended by the Second Amendment to the HTN Foundation and the Third Amendment to the HTN Foundation Changing Its Name to the Henry T. Nicholas, III Foundation (collectively, the "Trust Agreement"), does hereby adopt, ratify and approve the following resolutions:

WHEREAS, the Foundation was organized exclusively for charitable, religious, scientific, literary, educational and other purposes within the meaning of Internal Revenue Code ("Code") §§ 501(c)(3) and 170 (c)(2);

WHEREAS, there has been presented to the Trustee a certain Asset Transfer Agreement (the "Asset Transfer Agreement") by and between the Nicholas Foundation, a California trust classified as a private foundation ("Transferor"), and the Foundation and the Opus Foundation ("Opus"), a California non-profit public benefit corporation classified as a private foundation (each a "Transferee" and collectively the "Transferees"), whereby Transferor proposes to transfer fifty percent of its assets to each of the Transferees subject to the terms of the Asset Transfer Agreement; and

WHEREAS, after due consideration, the Trustee has determined that it is in the best interests of the Foundation to accept the transfer of assets from Transferor subject to the terms and conditions set forth in the Asset Transfer Agreement, as such acceptance furthers the Foundation's charitable purposes.

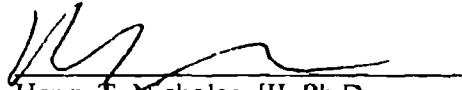
NOW THEREFORE, BE IT RESOLVED, that the Trustee hereby approves and adopts in all respects the form, terms and provisions of the Asset Transfer Agreement and further approves and accepts the transfer of assets from Transferor to the Foundation.

BE IT FURTHER RESOLVED, that the Trustee is hereby authorized and directed to execute the Asset Transfer Agreement at any time after the date of these resolutions, with such changes therein as the Trustee shall approve, and to cause the Foundation to perform its obligations thereunder and to consummate the transactions contemplated thereby.

BE IT FURTHER RESOLVED, that the Trustee be, and hereby is, authorized and empowered to execute and deliver any certificates, instruments and other documents, and to take such other actions, as he may deem necessary or appropriate to effectuate the purposes of the foregoing resolutions and to execute and carry out the terms of the Asset Transfer Agreement.

BE IT FURTHER RESOLVED, that all acts of the Trustee, which acts would have been authorized by the foregoing resolutions except that such acts were taken prior to the adoption of such resolutions, are hereby ratified, confirmed and adopted as acts in the name and on behalf of the Foundation.

IN WITNESS WHEREOF, the Trustee has executed this Action by Written Consent effective as of June 10, 2008.


Henry T. Nicholas, III, Ph.D.
Trustee

**ACTION BY WRITTEN CONSENT
OF
THE TRUSTEE
OF
HENRY T. NICHOLAS, III FOUNDATION**

The undersigned, being the Trustee (the "Trustee") of the Henry T. Nicholas, III Foundation (the "Foundation"), acting pursuant to the authority of the Trust Agreement of the Henry T. Nicholas, III Foundation, as amended by the Second Amendment to the HTN Foundation and the Third Amendment to the HTN Foundation Changing Its Name to the Henry T. Nicholas, III Foundation (collectively, the "Trust Agreement"), does hereby adopt, ratify and approve the following resolutions:

WHEREAS, the Foundation was organized exclusively for charitable, religious, scientific, literary, educational and other purposes within the meaning of Internal Revenue Code ("Code") §§ 501(c)(3) and 170 (c)(2);

WHEREAS, there has been presented to the Trustee a certain Asset Transfer Agreement (the "Asset Transfer Agreement") by and between the Nicholas Foundation, a California trust classified as a private foundation ("Transferor"), and the Foundation and the Opus Foundation ("Opus"), a California non-profit public benefit corporation classified as a private foundation (each a "Transferee" and collectively the "Transferees"), whereby Transferor proposes to transfer fifty percent of its assets to each of the Transferees subject to the terms of the Asset Transfer Agreement; and

WHEREAS, after due consideration, the Trustee has determined that it is in the best interests of the Foundation to accept the transfer of assets from Transferor subject to the terms and conditions set forth in the Asset Transfer Agreement, as such acceptance furthers the Foundation's charitable purposes.

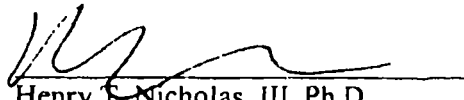
NOW THEREFORE, BE IT RESOLVED, that the Trustee hereby approves and adopts in all respects the form, terms and provisions of the Asset Transfer Agreement and further approves and accepts the transfer of assets from Transferor to the Foundation.

BE IT FURTHER RESOLVED, that the Trustee is hereby authorized and directed to execute the Asset Transfer Agreement at any time after the date of these resolutions, with such changes therein as the Trustee shall approve, and to cause the Foundation to perform its obligations thereunder and to consummate the transactions contemplated thereby.

BE IT FURTHER RESOLVED, that the Trustee be, and hereby is, authorized and empowered to execute and deliver any certificates, instruments and other documents, and to take such other actions, as he may deem necessary or appropriate to effectuate the purposes of the foregoing resolutions and to execute and carry out the terms of the Asset Transfer Agreement.

BE IT FURTHER RESOLVED, that all acts of the Trustee, which acts would have been authorized by the foregoing resolutions except that such acts were taken prior to the adoption of such resolutions, are hereby ratified, confirmed and adopted as acts in the name and on behalf of the Foundation.

IN WITNESS WHEREOF, the Trustee has executed this Action by Written Consent effective as of June 10, 2008.


Henry F. Nicholas, III, Ph.D.
Trustee