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Form **990-PF**

# Return of Private Foundation

## or Section 4947(a)(1) Nonexempt Charitable Trust

### Treated as a Private Foundation

OMB No 1545-0052

**2012**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

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

For calendar year 2012 or tax year beginning , 2012, and ending , 20

|                                                                                                                                                                                                                                                  |                                                                                                                                                 |                                                                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name of foundation THE ROBERT AND JANICE MCNAIR FOUNDATION                                                                                                                                                                                       |                                                                                                                                                 | A Employer identification number<br>76-6050185                                                                                                                                                                                    |
| D/B/A MCNAIR MEDICAL INSTITUTE                                                                                                                                                                                                                   |                                                                                                                                                 | B Telephone number (see instructions)<br>(713) 336-7800                                                                                                                                                                           |
| Number and street (or P O box number if mail is not delivered to street address)<br>109 N. POST OAK LANE                                                                                                                                         |                                                                                                                                                 | Room/suite<br>600                                                                                                                                                                                                                 |
| City or town, state, and ZIP code<br>HOUSTON, TX 77024                                                                                                                                                                                           |                                                                                                                                                 | C If exemption application is pending, check here <input type="checkbox"/>                                                                                                                                                        |
| G Check all that apply.                                                                                                                                                                                                                          | <input type="checkbox"/> Initial return<br><input type="checkbox"/> Final return<br><input type="checkbox"/> Address change                     | <input type="checkbox"/> Initial return of a former public charity<br><input type="checkbox"/> Amended return<br><input type="checkbox"/> Name change                                                                             |
| H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation<br><input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation |                                                                                                                                                 | D 1 Foreign organizations, check here <input type="checkbox"/><br>2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>                                                        |
| I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ \$ 65,391,752.                                                                                                                                               | J Accounting method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual<br><input type="checkbox"/> Other (specify) _____ | E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/><br>F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/> |

| Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions)) |  | (a) Revenue and expenses per books | (b) Net investment income | (c) Adjusted net income | (d) Disbursements for charitable purposes (cash basis only) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|------------------------------------|---------------------------|-------------------------|-------------------------------------------------------------|
| 1 Contributions, gifts, grants, etc., received (attach schedule)                                                                                                   |  | 46,323,235.                        |                           |                         |                                                             |
| 2 Check <input type="checkbox"/> if the foundation is not required to attach Sch B                                                                                 |  |                                    |                           |                         |                                                             |
| 3 Interest on savings and temporary cash investments                                                                                                               |  | 1,872.                             | 1,872.                    |                         | ATCH 1                                                      |
| 4 Dividends and interest from securities                                                                                                                           |  | 1,512,685.                         | 1,512,685.                |                         | ATCH 2                                                      |
| 5a Gross rents                                                                                                                                                     |  |                                    |                           |                         |                                                             |
| b Net rental income or (loss)                                                                                                                                      |  |                                    |                           |                         |                                                             |
| 6a Net gain or (loss) from sale of assets not on line 10                                                                                                           |  | 15,906,455.                        |                           |                         |                                                             |
| b Gross sales price for all assets on line 6a 26,256,708.                                                                                                          |  |                                    |                           |                         |                                                             |
| 7 Capital gain net income (from Part IV, line 2)                                                                                                                   |  |                                    | 15,906,455.               |                         |                                                             |
| 8 Net short-term capital gain                                                                                                                                      |  |                                    |                           |                         |                                                             |
| 9 Income modifications                                                                                                                                             |  |                                    |                           |                         |                                                             |
| 10a Gross sales less returns and allowances                                                                                                                        |  |                                    |                           |                         |                                                             |
| b Less Cost of goods sold                                                                                                                                          |  |                                    |                           |                         |                                                             |
| c Gross profit or (loss) (attach schedule)                                                                                                                         |  |                                    |                           |                         |                                                             |
| 11 Other income (attach schedule) ATCH 3.                                                                                                                          |  | 388.                               | 388.                      |                         |                                                             |
| 12 Total. Add lines 1 through 11                                                                                                                                   |  | 63,744,635.                        | 17,421,400.               |                         |                                                             |
| 13 Compensation of officers, directors, trustees, etc.                                                                                                             |  | 129,742.                           |                           |                         | 129,742.                                                    |
| 14 Other employee salaries and wages                                                                                                                               |  | 35,075.                            |                           |                         | 35,075.                                                     |
| 15 Pension plans, employee benefits                                                                                                                                |  | 4,065.                             |                           |                         | 4,065.                                                      |
| 16a Legal fees (attach schedule) ATCH 4.                                                                                                                           |  | 47,518.                            |                           |                         | 47,518.                                                     |
| b Accounting fees (attach schedule) ATCH 5.                                                                                                                        |  | 5,700.                             | 2,850.                    |                         | 2,850.                                                      |
| c Other professional fees (attach schedule) *                                                                                                                      |  | 97,924.                            | 97,924.                   |                         |                                                             |
| 17 Interest. ATCH 7.                                                                                                                                               |  | 53,135.                            |                           |                         |                                                             |
| 18 Taxes (attach schedule) (see instructions) ATCH 8.                                                                                                              |  | 360,165.                           | 8,631.                    |                         | 14,534.                                                     |
| 19 Depreciation (attach schedule) and depletion.                                                                                                                   |  |                                    |                           |                         |                                                             |
| 20 Occupancy                                                                                                                                                       |  |                                    |                           |                         |                                                             |
| 21 Travel, conferences, and meetings                                                                                                                               |  | 4,759.                             |                           |                         | 4,759.                                                      |
| 22 Printing and publications                                                                                                                                       |  | 1,841.                             |                           |                         | 1,841.                                                      |
| 23 Other expenses (attach schedule) ATCH 9.                                                                                                                        |  | 64,795.                            | 1,655.                    |                         | 63,140.                                                     |
| 24 Total operating and administrative expenses. Add lines 13 through 23                                                                                            |  | 804,719.                           | 111,060.                  |                         | 303,524.                                                    |
| 25 Contributions, gifts, grants paid                                                                                                                               |  | 12,310,604.                        |                           |                         | 12,310,604.                                                 |
| 26 Total expenses and disbursements. Add lines 24 and 25                                                                                                           |  | 13,115,323.                        | 111,060.                  | 0                       | 12,614,128.                                                 |
| 27 Subtract line 26 from line 12                                                                                                                                   |  |                                    |                           |                         |                                                             |
| a Excess of revenue over expenses and disbursements                                                                                                                |  | 50,629,312.                        |                           |                         |                                                             |
| b Net investment income (if negative, enter -0-)                                                                                                                   |  |                                    | 17,310,340.               |                         |                                                             |
| c Adjusted net income (if negative, enter -0-)                                                                                                                     |  |                                    |                           |                         |                                                             |

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| Part II Balance Sheets                                                                                                      |                                                                                                                           | Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)                |                                                                             | Beginning of year | End of year    |                       |  |
|-----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|-------------------|----------------|-----------------------|--|
|                                                                                                                             |                                                                                                                           |                                                                                                                                   |                                                                             | (a) Book Value    | (b) Book Value | (c) Fair Market Value |  |
| Assets                                                                                                                      | 1                                                                                                                         | Cash - non-interest-bearing . . . . .                                                                                             |                                                                             |                   |                |                       |  |
|                                                                                                                             | 2                                                                                                                         | Savings and temporary cash investments . . . . .                                                                                  |                                                                             | 434,735.          | 2,530,557.     | 2,530,557.            |  |
|                                                                                                                             | 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 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) ATCH 10 . . . . .                                                                 |                                                                             | -2,174,389.       | 1,741,411.     | 1,741,411.            |  |
|                                                                                                                             | c                                                                                                                         | Investments - corporate bonds (attach schedule) . . . . .                                                                         |                                                                             |                   |                |                       |  |
|                                                                                                                             | Liabilities                                                                                                               | 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 . . . . .                                                                                    |                                                                             | 6,043.            |                |                       |  |
|                                                                                                                             |                                                                                                                           | Less: accumulated depreciation (attach schedule) ▶ . . . . .                                                                      |                                                                             | 6,043.            |                |                       |  |
| 15                                                                                                                          |                                                                                                                           | Other assets (describe ▶ ATCH 11) . . . . .                                                                                       |                                                                             | 52,093,734.       | 61,119,784.    | 61,119,784.           |  |
| 16                                                                                                                          |                                                                                                                           | Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I) . . . . .                           |                                                                             | 50,354,080.       | 65,391,752.    | 65,391,752.           |  |
| 17                                                                                                                          |                                                                                                                           | Accounts payable and accrued expenses . . . . .                                                                                   |                                                                             | 15,691.           | 55,645.        |                       |  |
| 18                                                                                                                          |                                                                                                                           | Grants payable . . . . .                                                                                                          |                                                                             |                   |                |                       |  |
| Net Assets or Fund Balances                                                                                                 | 19                                                                                                                        | Deferred revenue . . . . .                                                                                                        |                                                                             |                   |                |                       |  |
|                                                                                                                             | 20                                                                                                                        | Loans from officers, directors, trustees, and other disqualified persons . . . . .                                                |                                                                             | 24,111,884.       |                |                       |  |
|                                                                                                                             | 21                                                                                                                        | Mortgages and other notes payable (attach schedule) . . . . .                                                                     |                                                                             |                   |                |                       |  |
|                                                                                                                             | 22                                                                                                                        | Other liabilities (describe ▶ ATCH 13) . . . . .                                                                                  |                                                                             |                   | 317,848.       |                       |  |
|                                                                                                                             | 23                                                                                                                        | Total liabilities (add lines 17 through 22) . . . . .                                                                             |                                                                             | 24,127,575.       | 373,493.       |                       |  |
| 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 . . . . .                  |                   | 1,628,435.     | 1,628,435.            |  |
|                                                                                                                             |                                                                                                                           | 28                                                                                                                                | Paid-in or capital surplus, or land, bldg, and equipment fund . . . . .     |                   |                |                       |  |
|                                                                                                                             |                                                                                                                           | 29                                                                                                                                | Retained earnings, accumulated income, endowment, or other funds . . . . .  |                   | 24,598,070.    | 63,389,824.           |  |
|                                                                                                                             |                                                                                                                           | 30                                                                                                                                | Total net assets or fund balances (see instructions) . . . . .              |                   | 26,226,505.    | 65,018,259.           |  |
|                                                                                                                             |                                                                                                                           | 31                                                                                                                                | Total liabilities and net assets/fund balances (see instructions) . . . . . |                   | 50,354,080.    | 65,391,752.           |  |

## 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 | 26,226,505. |
| 2 | Enter amount from Part I, line 27a . . . . .                                                                                                                         | 2 | 50,629,312. |
| 3 | Other increases not included in line 2 (itemize) ▶ ATCH 14 . . . . .                                                                                                 | 3 | 3,912,571.  |
| 4 | Add lines 1, 2, and 3 . . . . .                                                                                                                                      | 4 | 80,768,388. |
| 5 | Decreases not included in line 2 (itemize) ▶ ATCH 15 . . . . .                                                                                                       | 5 | 15,750,129. |
| 6 | Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30 . . . . .                                                      | 6 | 65,018,259. |

Form 990-PF (2012)

**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<br>P - Purchase<br>D - Donation                                                 | (c) Date acquired<br>(mo., day, yr.) | (d) Date sold<br>(mo., day, yr.) |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|-------------------------------------------------|--------------------------------------------------------------------------------------------------|--------------------------------------|----------------------------------|
| <b>1a</b> SEE PART IV SCHEDULE                                                                                                                                                                                                                 |                                            |                                                 |                                                                                                  |                                      |                                  |
| <b>b</b>                                                                                                                                                                                                                                       |                                            |                                                 |                                                                                                  |                                      |                                  |
| <b>c</b>                                                                                                                                                                                                                                       |                                            |                                                 |                                                                                                  |                                      |                                  |
| <b>d</b>                                                                                                                                                                                                                                       |                                            |                                                 |                                                                                                  |                                      |                                  |
| <b>e</b>                                                                                                                                                                                                                                       |                                            |                                                 |                                                                                                  |                                      |                                  |
| (e) Gross sales price                                                                                                                                                                                                                          | (f) Depreciation allowed<br>(or allowable) | (g) Cost or other basis<br>plus expense of sale | (h) Gain or (loss)<br>(e) plus (f) minus (g)                                                     |                                      |                                  |
| <b>a</b>                                                                                                                                                                                                                                       |                                            |                                                 |                                                                                                  |                                      |                                  |
| <b>b</b>                                                                                                                                                                                                                                       |                                            |                                                 |                                                                                                  |                                      |                                  |
| <b>c</b>                                                                                                                                                                                                                                       |                                            |                                                 |                                                                                                  |                                      |                                  |
| <b>d</b>                                                                                                                                                                                                                                       |                                            |                                                 |                                                                                                  |                                      |                                  |
| <b>e</b>                                                                                                                                                                                                                                       |                                            |                                                 |                                                                                                  |                                      |                                  |
| Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69                                                                                                                                                    |                                            |                                                 |                                                                                                  |                                      |                                  |
| (i) F M V as of 12/31/69                                                                                                                                                                                                                       | (j) Adjusted basis<br>as of 12/31/69       | (k) Excess of col. (i)<br>over col. (j), if any | (l) Gains (Col. (h) gain minus<br>col. (k), but not less than -0- ) or<br>Losses (from col. (h)) |                                      |                                  |
| <b>a</b>                                                                                                                                                                                                                                       |                                            |                                                 |                                                                                                  |                                      |                                  |
| <b>b</b>                                                                                                                                                                                                                                       |                                            |                                                 |                                                                                                  |                                      |                                  |
| <b>c</b>                                                                                                                                                                                                                                       |                                            |                                                 |                                                                                                  |                                      |                                  |
| <b>d</b>                                                                                                                                                                                                                                       |                                            |                                                 |                                                                                                  |                                      |                                  |
| <b>e</b>                                                                                                                                                                                                                                       |                                            |                                                 |                                                                                                  |                                      |                                  |
| <b>2</b> Capital gain net income or (net capital loss) <span style="float: right;">{ If gain, also enter in Part I, line 7<br/>If (loss), enter -0- in Part I, line 7 }</span>                                                                 |                                            |                                                 | <b>2</b>                                                                                         | 15,906,455.                          |                                  |
| <b>3</b> Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)<br>If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in<br>Part I, line 8 <span style="float: right;">{ }</span> |                                            |                                                 | <b>3</b>                                                                                         | 68,715.                              |                                  |

**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)<br>Base period years<br>Calendar year (or tax year beginning in)                                                                                                                                                       | (b)<br>Adjusted qualifying distributions | (c)<br>Net value of noncharitable-use assets | (d)<br>Distribution ratio<br>(col. (b) divided by col. (c)) |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|----------------------------------------------|-------------------------------------------------------------|
| 2011                                                                                                                                                                                                                       | 8,686,719.                               | 43,010,922.                                  | 0.201965                                                    |
| 2010                                                                                                                                                                                                                       | 6,319,431.                               | 30,205,614.                                  | 0.209214                                                    |
| 2009                                                                                                                                                                                                                       | 7,170,018.                               | 28,245,951.                                  | 0.253842                                                    |
| 2008                                                                                                                                                                                                                       | 7,401,384.                               | 40,323,725.                                  | 0.183549                                                    |
| 2007                                                                                                                                                                                                                       | 7,065,294.                               | 28,286,647.                                  | 0.249775                                                    |
| <b>2</b> Total of line 1, column (d)                                                                                                                                                                                       |                                          |                                              | <b>2</b> 1.098345                                           |
| <b>3</b> Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years                                      |                                          |                                              | <b>3</b> 0.219669                                           |
| <b>4</b> Enter the net value of noncharitable-use assets for 2012 from Part X, line 5                                                                                                                                      |                                          |                                              | <b>4</b> 58,451,973.                                        |
| <b>5</b> Multiply line 4 by line 3                                                                                                                                                                                         |                                          |                                              | <b>5</b> 12,840,086.                                        |
| <b>6</b> Enter 1% of net investment income (1% of Part I, line 27b)                                                                                                                                                        |                                          |                                              | <b>6</b> 173,103.                                           |
| <b>7</b> Add lines 5 and 6                                                                                                                                                                                                 |                                          |                                              | <b>7</b> 13,013,189.                                        |
| <b>8</b> Enter qualifying distributions from Part XII, line 4<br>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 |                                          |                                              | <b>8</b> 12,614,128.                                        |

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

|                                                                                                                                                             |    |          |          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|----|----------|----------|
| 1 a 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)                                                        |    |          |          |
| b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b . . . . . |    | 1        | 346,207. |
| c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b).                                   |    |          |          |
| 2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-) . . . . .                                        |    | 2        |          |
| 3 Add lines 1 and 2 . . . . .                                                                                                                               |    | 3        | 346,207. |
| 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        | 346,207. |
| 6 Credits/Payments                                                                                                                                          |    |          |          |
| a 2012 estimated tax payments and 2011 overpayment credited to 2012 . . . . .                                                                               | 6a | 369,799. |          |
| 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  | 369,799. |          |
| 8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached . . . . .                    | 8  | 2,948.   |          |
| 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 | 20,644.  |          |
| 11 Enter the amount of line 10 to be Credited to 2013 estimated tax <input type="checkbox"/> 20,644. Refunded <input type="checkbox"/> . . . . .            | 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 Instructions for the definition)? . . . . .<br>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<br>(1) On the foundation <input type="checkbox"/> \$ 0 (2) On foundation managers <input 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 type="checkbox"/> \$ 0                                                                                                                                                                                   |     |    |
| 2 Has the foundation engaged in any activities that have not previously been reported to the IRS? ATCH 16 . . . . .<br>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 . . . . . ATCH 17                                                                                                         | 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? . . . . .<br>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<br>• By language in the governing instrument, or<br>• By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument? . . . . .          | X   |    |
| 7 Did the foundation have at least \$5,000 in assets at any time during the year? 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 instructions) <input type="checkbox"/> TX, . . . . .                                                                                                                                                                                                          |     |    |
| b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation . . . . .                                                                                                                                | X   |    |
| 9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 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  |

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

|                                               |                                                                                                                                                                                                                                                                                                                                                |    |     |    |
|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|-----|----|
| 11                                            | At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions) . . . . .                                                                                                                                              | 11 |     | X  |
| 12                                            | Did the foundation 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? . . . . .                                                                                                                                                                                                                  | 13 | X   |    |
| Website address <b>▶</b> MCNAIRFOUNDATION.ORG |                                                                                                                                                                                                                                                                                                                                                |    |     |    |
| 14                                            | The books are in care of <b>▶</b> JAMES M. KENDRIGAN Telephone no <b>▶</b> 713-336-7833                                                                                                                                                                                                                                                        |    |     |    |
|                                               | Located at <b>▶</b> 109 N. POST OAK LANE, STE. 600 HOUSTON, TX ZIP+4 <b>▶</b> 77024                                                                                                                                                                                                                                                            |    |     |    |
| 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 . . . . . <b>▶</b> 15                                                                                                                            |    |     |    |
| 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 <b>▶</b> | 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                                                                                                                                                               |     |     |
| (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? . . . . . <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                                                                                                                                                                                   |     |     |
| (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? . . . . . <input 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 instructions)? . . . . . <b>▶</b> <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? . . . . . <b>▶</b> <input type="checkbox"/>                                                                                                                                                                                                                                                                      | 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>▶</b> _____                                                                                                                                                                                                                                  |     |     |
| 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) . . . . .                                                                                                                                                                                       | 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 <b>▶</b> _____                                                                                                                                                                                                                                                                                                                                                                           |     |     |
| 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) . . . . . | 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 2012? . . . . .                                                                                                                                                                                                                                                              | 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 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 ☒ Nob 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 ☒ NoOrganizations 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 ☒ Nob 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 ☒ Nob 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 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 |
|----------------------|-----------------------------------------------------------|-------------------------------------------|-----------------------------------------------------------------------|---------------------------------------|
| ATCH 19              |                                                           | 106,000.                                  | 19,558.                                                               | 4,184.                                |
|                      |                                                           |                                           |                                                                       |                                       |
|                      |                                                           |                                           |                                                                       |                                       |
|                      |                                                           |                                           |                                                                       |                                       |
|                      |                                                           |                                           |                                                                       |                                       |

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

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

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

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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 instructions). If none, enter "NONE."**

| (a) Name and address of each person paid more than \$50,000 | (b) Type of service | (c) Compensation |
|-------------------------------------------------------------|---------------------|------------------|
| ATCH 20                                                     |                     | 80,031.          |
|                                                             |                     |                  |
|                                                             |                     |                  |
|                                                             |                     |                  |
|                                                             |                     |                  |
|                                                             |                     |                  |

Total number of others receiving over \$50,000 for professional services . . . . . ▶

**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 instructions)**

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

Amount

|                                                        |  |
|--------------------------------------------------------|--|
| 1 N/A                                                  |  |
| 2                                                      |  |
| All other program-related investments See 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 instructions)

|          |                                                                                                             |           |             |
|----------|-------------------------------------------------------------------------------------------------------------|-----------|-------------|
| <b>1</b> | Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes: |           |             |
| <b>a</b> | Average monthly fair market value of securities                                                             | <b>1a</b> | 57,906,418. |
| <b>b</b> | Average of monthly cash balances                                                                            | <b>1b</b> | 1,435,687.  |
| <b>c</b> | Fair market value of all other assets (see instructions)                                                    | <b>1c</b> |             |
| <b>d</b> | <b>Total</b> (add lines 1a, b, and c)                                                                       | <b>1d</b> | 59,342,105. |
| <b>e</b> | Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)   | <b>1e</b> |             |
| <b>2</b> | Acquisition indebtedness applicable to line 1 assets                                                        | <b>2</b>  |             |
| <b>3</b> | Subtract line 2 from line 1d                                                                                | <b>3</b>  | 59,342,105. |
| <b>4</b> | Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions). | <b>4</b>  | 890,132.    |
| <b>5</b> | <b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4 | <b>5</b>  | 58,451,973. |
| <b>6</b> | <b>Minimum investment return.</b> Enter 5% of line 5                                                        | <b>6</b>  | 2,922,599.  |

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

|           |                                                                                                           |           |            |
|-----------|-----------------------------------------------------------------------------------------------------------|-----------|------------|
| <b>1</b>  | Minimum investment return from Part X, line 6                                                             | <b>1</b>  | 2,922,599. |
| <b>2a</b> | Tax on investment income for 2012 from Part VI, line 5                                                    | <b>2a</b> | 346,207.   |
| <b>b</b>  | Income tax for 2012. (This does not include the tax from Part VI)                                         | <b>2b</b> |            |
| <b>c</b>  | Add lines 2a and 2b                                                                                       | <b>2c</b> | 346,207.   |
| <b>3</b>  | Distributable amount before adjustments. Subtract line 2c from line 1                                     | <b>3</b>  | 2,576,392. |
| <b>4</b>  | Recoveries of amounts treated as qualifying distributions                                                 | <b>4</b>  |            |
| <b>5</b>  | Add lines 3 and 4                                                                                         | <b>5</b>  | 2,576,392. |
| <b>6</b>  | Deduction from distributable amount (see instructions)                                                    | <b>6</b>  |            |
| <b>7</b>  | <b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1 | <b>7</b>  | 2,576,392. |

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

|          |                                                                                                                                                      |           |             |
|----------|------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-------------|
| <b>1</b> | Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:                                                           |           |             |
| <b>a</b> | Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26                                                                        | <b>1a</b> | 12,614,128. |
| <b>b</b> | Program-related investments - total from Part IX-B                                                                                                   | <b>1b</b> |             |
| <b>2</b> | Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes                                            | <b>2</b>  |             |
| <b>3</b> | Amounts set aside for specific charitable projects that satisfy the:                                                                                 |           |             |
| <b>a</b> | Suitability test (prior IRS approval required)                                                                                                       | <b>3a</b> |             |
| <b>b</b> | Cash distribution test (attach the required schedule)                                                                                                | <b>3b</b> |             |
| <b>4</b> | <b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4                                    | <b>4</b>  | 12,614,128. |
| <b>5</b> | Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions) | <b>5</b>  | 0           |
| <b>6</b> | <b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4                                                                                | <b>6</b>  | 12,614,128. |

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

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

|                                                                                                                                                                                      | (a)<br>Corpus | (b)<br>Years prior to 2011 | (c)<br>2011 | (d)<br>2012 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|----------------------------|-------------|-------------|
| 1 Distributable amount for 2012 from Part XI, line 7 . . . . .                                                                                                                       |               |                            |             | 2,576,392.  |
| 2 Undistributed income, if any, as of the end of 2012                                                                                                                                |               |                            |             |             |
| a Enter amount for 2011 only . . . . .                                                                                                                                               |               |                            |             |             |
| b Total for prior years 20 10, 20 09, 20 08 . . . . .                                                                                                                                |               |                            |             |             |
| 3 Excess distributions carryover, if any, to 2012                                                                                                                                    |               |                            |             |             |
| a From 2007 . . . . .                                                                                                                                                                | 6,113,033.    |                            |             |             |
| b From 2008 . . . . .                                                                                                                                                                | 5,610,820.    |                            |             |             |
| c From 2009 . . . . .                                                                                                                                                                | 5,781,843.    |                            |             |             |
| d From 2010 . . . . .                                                                                                                                                                | 4,823,361.    |                            |             |             |
| e From 2011 . . . . .                                                                                                                                                                | 6,555,052.    |                            |             |             |
| f Total of lines 3a through e . . . . .                                                                                                                                              | 28,884,109.   |                            |             |             |
| 4 Qualifying distributions for 2012 from Part XII, line 4 ▶ \$ 12,614,128.                                                                                                           |               |                            |             |             |
| a Applied to 2011, but not more than line 2a . . . . .                                                                                                                               |               |                            |             |             |
| b Applied to undistributed income of prior years (Election required - see instructions) . . . . .                                                                                    |               |                            |             |             |
| c Treated as distributions out of corpus (Election required - see instructions) . . . . .                                                                                            |               |                            |             |             |
| d Applied to 2012 distributable amount . . . . .                                                                                                                                     |               |                            |             | 2,576,392.  |
| e Remaining amount distributed out of corpus . . . . .                                                                                                                               | 10,037,736.   |                            |             |             |
| 5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a) )                                                  |               |                            |             |             |
| 6 Enter the net total of each column as indicated below:                                                                                                                             |               |                            |             |             |
| a Corpus Add lines 3f, 4c, and 4e Subtract line 5 . . . . .                                                                                                                          | 38,921,845.   |                            |             |             |
| 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 instructions . . . . .                                                                                                          |               |                            |             |             |
| e Undistributed income for 2011 Subtract line 4a from line 2a Taxable amount - see instructions . . . . .                                                                            |               |                            |             |             |
| f Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013 . . . . .                                                                |               |                            |             |             |
| 7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions) . . . . .                                  |               |                            |             |             |
| 8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions) . . . . .                                                                              | 6,113,033.    |                            |             |             |
| 9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a . . . . .                                                                                              | 32,808,812.   |                            |             |             |
| 10 Analysis of line 9                                                                                                                                                                |               |                            |             |             |
| a Excess from 2008 . . . . .                                                                                                                                                         | 5,610,820.    |                            |             |             |
| b Excess from 2009 . . . . .                                                                                                                                                         | 5,781,843.    |                            |             |             |
| c Excess from 2010 . . . . .                                                                                                                                                         | 4,823,361.    |                            |             |             |
| d Excess from 2011 . . . . .                                                                                                                                                         | 6,555,052.    |                            |             |             |
| e Excess from 2012 . . . . .                                                                                                                                                         | 10,037,736.   |                            |             |             |

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**Part XIV Private Operating Foundations** (see 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 2012, 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)

**2a** Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed . . . . .

| Tax year                                                                                                                                                           | Prior 3 years |          |          |          | (e) Total |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|----------|----------|----------|-----------|
|                                                                                                                                                                    | (a) 2012      | (b) 2011 | (c) 2010 | (d) 2009 |           |
| <b>b</b> 85% of line 2a . . . . .                                                                                                                                  |               |          |          |          |           |
| <b>c</b> Qualifying distributions from Part XII, line 4 for each year listed . . . . .                                                                             |               |          |          |          |           |
| <b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities . . . . .                                                           |               |          |          |          |           |
| <b>e</b> Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c . . . . .                                   |               |          |          |          |           |
| <b>3</b> Complete 3a, b, or c for the alternative test relied upon . . . . .                                                                                       |               |          |          |          |           |
| <b>a</b> "Assets" alternative test - enter . . . . .                                                                                                               |               |          |          |          |           |
| <b>(1)</b> Value of all assets . . . . .                                                                                                                           |               |          |          |          |           |
| <b>(2)</b> Value of assets qualifying under section 4942(j)(3)(B)(i) . . . . .                                                                                     |               |          |          |          |           |
| <b>b</b> "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed . . . . .                              |               |          |          |          |           |
| <b>c</b> "Support" alternative test - enter . . . . .                                                                                                              |               |          |          |          |           |
| <b>(1)</b> Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties) . . . . . |               |          |          |          |           |
| <b>(2)</b> Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(ii) . . . . .                                       |               |          |          |          |           |
| <b>(3)</b> Largest amount of support from an exempt organization . . . . .                                                                                         |               |          |          |          |           |
| <b>(4)</b> 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) )

ROBERT &amp; JANICE MCNAIR

**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.

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

ONE PAGE SYNOPSIS OF PROGRAM GOALS AND GRANT REQUIREMENTS

**c** Any submission deadlines

NONE

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

ATCH 22

**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 Paid during the year</b><br><br>ATCH 23                        |                                                                                                           |                                |                                  |             |
| <b>Total</b> .....                                                  |                                                                                                           |                                | <b>3a</b>                        | 12,310,604. |
| <b>b Approved for future payment</b><br><br>ATCH 24                 |                                                                                                           |                                |                                  |             |
| <b>Total</b> .....                                                  |                                                                                                           |                                | <b>3b</b>                        | 16,612,500. |

Form 990-PF (2012)

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

Enter gross amounts unless otherwise indicated

| Enter gross amounts unless otherwise indicated                    |  | Unrelated business income |               | Excluded by section 512, 513, or 514 |               | (e)<br>Related or exempt<br>function income<br>(See instructions) |
|-------------------------------------------------------------------|--|---------------------------|---------------|--------------------------------------|---------------|-------------------------------------------------------------------|
|                                                                   |  | (a)<br>Business code      | (b)<br>Amount | (c)<br>Exclusion code                | (d)<br>Amount |                                                                   |
| <b>1</b> Program service revenue                                  |  |                           |               |                                      |               |                                                                   |
| a _____                                                           |  |                           |               |                                      |               |                                                                   |
| b _____                                                           |  |                           |               |                                      |               |                                                                   |
| c _____                                                           |  |                           |               |                                      |               |                                                                   |
| d _____                                                           |  |                           |               |                                      |               |                                                                   |
| e _____                                                           |  |                           |               |                                      |               |                                                                   |
| f _____                                                           |  |                           |               |                                      |               |                                                                   |
| g Fees and contracts from government agencies                     |  |                           |               |                                      |               |                                                                   |
| <b>2</b> Membership dues and assessments . . . . .                |  |                           |               |                                      |               |                                                                   |
| <b>3</b> Interest on savings and temporary cash investments       |  |                           |               | 14                                   | 1,872.        |                                                                   |
| <b>4</b> Dividends and interest from securities . . . . .         |  |                           |               | 14                                   | 1,512,685.    |                                                                   |
| <b>5</b> Net rental income or (loss) from real estate             |  |                           |               |                                      |               |                                                                   |
| a Debt-financed property . . . . .                                |  |                           |               |                                      |               |                                                                   |
| b Not debt-financed property . . . . .                            |  |                           |               |                                      |               |                                                                   |
| <b>6</b> Net rental income or (loss) from personal property .     |  |                           |               |                                      |               |                                                                   |
| <b>7</b> Other investment income . . . . .                        |  |                           |               |                                      |               |                                                                   |
| <b>8</b> Gain or (loss) from sales of assets other than inventory |  |                           |               | 18                                   | 15,906,455.   |                                                                   |
| <b>9</b> Net income or (loss) from special events . . . .         |  |                           |               |                                      |               |                                                                   |
| <b>10</b> Gross profit or (loss) from sales of inventory . .      |  |                           |               |                                      |               |                                                                   |
| <b>11</b> Other revenue a MISCELLANEOUS                           |  |                           |               | 01                                   | 388.          |                                                                   |
| b _____                                                           |  |                           |               |                                      |               |                                                                   |
| c _____                                                           |  |                           |               |                                      |               |                                                                   |
| d _____                                                           |  |                           |               |                                      |               |                                                                   |
| e _____                                                           |  |                           |               |                                      |               |                                                                   |
| <b>12</b> Subtotal. Add columns (b), (d), and (e) . . . .         |  |                           |               |                                      | 17,421,400.   |                                                                   |
| <b>13</b> Total. Add line 12, columns (b), (d), and (e) . . . . . |  |                           |               |                                      |               | 17,421,400.                                                       |

(See worksheet in line 13 instructions to verify calculations )

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

[illegible]

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

- |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                  |     |                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-------------------------------------------------------------------------|
| <p><b>1</b> 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?</p> <p><b>a</b> Transfers from the reporting foundation to a noncharitable exempt organization of:</p> <p>(1) Cash . . . . .</p> <p>(2) Other assets . . . . .</p> <p><b>b</b> Other transactions:</p> <p>(1) Sales of assets to a noncharitable exempt organization . . . . .</p> <p>(2) Purchases of assets from a noncharitable exempt organization . . . . .</p> <p>(3) Rental of facilities, equipment, or other assets . . . . .</p> <p>(4) Reimbursement arrangements . . . . .</p> <p>(5) Loans or loan guarantees . . . . .</p> <p>(6) Performance of services or membership or fundraising solicitations . . . . .</p> <p><b>c</b> Sharing of facilities, equipment, mailing lists, other assets, or paid employees . . . . .</p> <p><b>d</b> If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received</p> |                                                                                                                                                                                  | Yes | No                                                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <p><b>1a(1)</b></p> <p><b>1a(2)</b></p> <p><b>1b(1)</b></p> <p><b>1b(2)</b></p> <p><b>1b(3)</b></p> <p><b>1b(4)</b></p> <p><b>1b(5)</b></p> <p><b>1b(6)</b></p> <p><b>1c</b></p> |     | <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> |

[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 |
|--------------------------|--------------------------|---------------------------------|
|                          |                          |                                 |
|                          |                          |                                 |
|                          |                          |                                 |
|                          |                          |                                 |
|                          |                          |                                 |

**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 \_\_\_\_\_ Date \_\_\_\_\_ Title \_\_\_\_\_

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

|                                       |                                                                                    |                                                 |                           |                                                 |                          |
|---------------------------------------|------------------------------------------------------------------------------------|-------------------------------------------------|---------------------------|-------------------------------------------------|--------------------------|
| <b>Paid<br/>Preparer<br/>Use Only</b> | Print/Type preparer's name<br><b>Jennifer L Lynch</b>                              | Preparer's signature<br><i>Jennifer L Lynch</i> | Date<br><b>11/12/2013</b> | Check <input type="checkbox"/> if self-employed | PTIN<br><b>P01255855</b> |
|                                       | Firm's name ▶ <b>ERNST &amp; YOUNG U.S., LLP</b>                                   |                                                 |                           | Firm's EIN ▶ <b>34-6565596</b>                  |                          |
|                                       | Firm's address ▶ <b>111 MONUMENT CIRCLE, SUITE 2600<br/>INDIANAPOLIS, IN 46204</b> |                                                 |                           | Phone no <b>317-681-7000</b>                    |                          |

**Schedule of Contributors**

OMB No 1545-0047

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

**2012**

**Name of the organization**

THE ROBERT AND JANICE MCNAIR FOUNDATION  
D/B/A MCNAIR MEDICAL INSTITUTE

**Employer identification number**

76-6050185

**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, total 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 total 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 Part I, 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 THE ROBERT AND JANICE MCNAIR FOUNDATION  
D/B/A MCNAIR MEDICAL INSTITUTE

Employer identification number  
76-6050185

**Part I Contributors** (see instructions) Use duplicate copies of Part I if additional space is needed.

| (a)<br>No. | (b)<br>Name, address, and ZIP + 4                                       | (c)<br>Total contributions | (d)<br>Type of contribution                                                                                                                                                            |
|------------|-------------------------------------------------------------------------|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1          | ROBERT C. MCNAIR<br>109 N. POST OAK LANE, STE. 600<br>HOUSTON, TX 77024 | \$ 53,135.                 | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input checked="" type="checkbox"/><br>(Complete Part II if there is a noncash contribution) |
| 2          | ROBERT C. MCNAIR<br>109 N. POST OAK LANE, STE. 600<br>HOUSTON, TX 77024 | \$ 24,615,600.             | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input checked="" type="checkbox"/><br>(Complete Part II if there is a noncash contribution) |
| 3          | ROBERT C. MCNAIR<br>109 N. POST OAK LANE, STE. 600<br>HOUSTON, TX 77024 | \$ 21,654,500.             | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution)            |
|            |                                                                         | \$                         | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution)                       |
|            |                                                                         | \$                         | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution)                       |
|            |                                                                         | \$                         | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution)                       |



|                                |            |
|--------------------------------|------------|
| Employer identification number | 76-6050185 |
|--------------------------------|------------|

## Part II

| (a) No.<br>from<br>Part I | (b)<br>Description of noncash property given                                                                                                      | (c)<br>FMV (or estimate)<br>(see instructions) | (d)<br>Date received |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|----------------------|
| 1                         | UNDER IRC SEC. 7872, THE FOUNDATION IS DEEMED TO EARN \$53,135 AS A GRANT. THIS AMOUNT WAS OFF-SET BY AN EQUAL AMOUNT OF DEEMED INTEREST EXPENSE. | \$ 53,135.                                     | VARIOUS              |
| (a) No.<br>from<br>Part I | (b)<br>Description of noncash property given                                                                                                      | (c)<br>FMV (or estimate)<br>(see instructions) | (d)<br>Date received |
| 2                         | 730,000 SHARES OF KINDER MORGAN INC. ("KMI") WERE CONTRIBUTED TO THE FOUNDATION.                                                                  | \$ 24,615,600.                                 | 12/20/12             |
| (a) No.<br>from<br>Part I | (b)<br>Description of noncash property given                                                                                                      | (c)<br>FMV (or estimate)<br>(see instructions) | (d)<br>Date received |
|                           |                                                                                                                                                   | \$                                             |                      |
| (a) No.<br>from<br>Part I | (b)<br>Description of noncash property given                                                                                                      | (c)<br>FMV (or estimate)<br>(see instructions) | (d)<br>Date received |
|                           |                                                                                                                                                   | \$                                             |                      |
| (a) No.<br>from<br>Part I | (b)<br>Description of noncash property given                                                                                                      | (c)<br>FMV (or estimate)<br>(see instructions) | (d)<br>Date received |
|                           |                                                                                                                                                   | \$                                             |                      |
| (a) No.<br>from<br>Part I | (b)<br>Description of noncash property given                                                                                                      | (c)<br>FMV (or estimate)<br>(see instructions) | (d)<br>Date received |
|                           |                                                                                                                                                   | \$                                             |                      |
| (a) No.<br>from<br>Part I | (b)<br>Description of noncash property given                                                                                                      | (c)<br>FMV (or estimate)<br>(see instructions) | (d)<br>Date received |
|                           |                                                                                                                                                   | \$                                             |                      |

Name of organization THE ROBERT AND JANICE MCNAIR FOUNDATION  
D/B/A MCNAIR MEDICAL INSTITUTE

Employer identification number  
76-6050185

**Part III** Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry.

For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once. See instructions) ▶ \$ \_\_\_\_\_

Use duplicate copies of Part III if additional space is needed.

| (a) No.<br>from<br>Part I | (b) Purpose of gift                     | (c) Use of gift         | (d) Description of how gift is held      |
|---------------------------|-----------------------------------------|-------------------------|------------------------------------------|
| ---                       | -----<br>-----<br>-----                 | -----<br>-----<br>----- | -----<br>-----<br>-----                  |
|                           | (e) Transfer of gift                    |                         |                                          |
|                           | Transferee's name, address, and ZIP + 4 |                         | Relationship of transferor to transferee |
|                           | -----<br>-----<br>-----                 | -----<br>-----<br>----- |                                          |
| (a) No.<br>from<br>Part I | (b) Purpose of gift                     | (c) Use of gift         | (d) Description of how gift is held      |
| ---                       | -----<br>-----<br>-----                 | -----<br>-----<br>----- | -----<br>-----<br>-----                  |
|                           | (e) Transfer of gift                    |                         |                                          |
|                           | Transferee's name, address, and ZIP + 4 |                         | Relationship of transferor to transferee |
|                           | -----<br>-----<br>-----                 | -----<br>-----<br>----- |                                          |
| (a) No.<br>from<br>Part I | (b) Purpose of gift                     | (c) Use of gift         | (d) Description of how gift is held      |
| ---                       | -----<br>-----<br>-----                 | -----<br>-----<br>----- | -----<br>-----<br>-----                  |
|                           | (e) Transfer of gift                    |                         |                                          |
|                           | Transferee's name, address, and ZIP + 4 |                         | Relationship of transferor to transferee |
|                           | -----<br>-----<br>-----                 | -----<br>-----<br>----- |                                          |
| (a) No.<br>from<br>Part I | (b) Purpose of gift                     | (c) Use of gift         | (d) Description of how gift is held      |
| ---                       | -----<br>-----<br>-----                 | -----<br>-----<br>----- | -----<br>-----<br>-----                  |
|                           | (e) Transfer of gift                    |                         |                                          |
|                           | Transferee's name, address, and ZIP + 4 |                         | Relationship of transferor to transferee |
|                           | -----<br>-----<br>-----                 | -----<br>-----<br>----- |                                          |

FORM 990PF - GENERAL EXPLANATION ATTACHMENT

PART XI - RECONCILIATION OF FUND BALANCE  
PART XI - RECONCILIATION OF FUND BALANCE

ON DECEMBER 17TH THE FOUNDATION RECEIVED AS A GRANT 730,000 SHARES OF KINDER MORGAN INC ("KMI"). THE FMV OF THE KMI SHARES EXCEEDED THE TAX BASIS OF THE SHARES ON THE DATE OF GRANT BY \$15,750,129. THE KMI SHARES WERE IMMEDIATELY SOLD UPON RECEIPT.

ATTACHMENT 1FORM 990PF, PART I - INTEREST ON TEMPORARY CASH INVESTMENTS

| <u>DESCRIPTION</u>        | <u>REVENUE<br/>AND<br/>EXPENSES<br/>PER BOOKS</u> | <u>NET<br/>INVESTMENT<br/>INCOME</u> |
|---------------------------|---------------------------------------------------|--------------------------------------|
| GOLDMAN SACHS & CO        | 1,020.                                            | 1,020.                               |
| SNYDER CAPITAL MANAGEMENT | 852.                                              | 852.                                 |
| TOTAL                     | <u>1,872.</u>                                     | <u>1,872.</u>                        |

ATTACHMENT 2FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

| <u>DESCRIPTION</u>                   | <u>REVENUE<br/>AND<br/>EXPENSES<br/>PER BOOKS</u> | <u>NET<br/>INVESTMENT<br/>INCOME</u> |
|--------------------------------------|---------------------------------------------------|--------------------------------------|
| GOLDMAN SACHS & CO (SNYDER CAPITAL)  | 225,416.                                          | 225,416.                             |
| GOLDMAN SACHS & CO (FAYEZ SAROFIM)   | 233,486.                                          | 233,486.                             |
| PHILIP MORRIS INTERNATIONAL INC (GS) | 758,655.                                          | 758,655.                             |
| EXXONMOBIL CORP (GS)                 | 295,128.                                          | 295,128.                             |
| TOTAL                                | <u>1,512,685.</u>                                 | <u>1,512,685.</u>                    |

ATTACHMENT 3

FORM 990PF, PART I - OTHER INCOME

| DESCRIPTION                              | REVENUE<br>AND<br>EXPENSES<br>PER BOOKS | NET<br>INVESTMENT<br>INCOME |
|------------------------------------------|-----------------------------------------|-----------------------------|
| MISCELLANEOUS INCOME-SECURITY LITIGATION | 388.                                    | 388.                        |
| TOTALS                                   | 388.                                    | 388.                        |

ATTACHMENT 4FORM 990PF, PART I - LEGAL FEES

| <u>DESCRIPTION</u> | <u>REVENUE<br/>AND<br/>EXPENSES<br/>PER BOOKS</u> | <u>NET<br/>INVESTMENT<br/>INCOME</u> | <u>ADJUSTED<br/>NET<br/>INCOME</u> | <u>CHARITABLE<br/>PURPOSES</u> |
|--------------------|---------------------------------------------------|--------------------------------------|------------------------------------|--------------------------------|
| LEGAL              | 47,518.                                           |                                      |                                    | 47,518.                        |
| TOTALS             | <u>47,518.</u>                                    |                                      |                                    | <u>47,518.</u>                 |

ATTACHMENT 5FORM 990PF, PART I - ACCOUNTING FEES

| <u>DESCRIPTION</u> | <u>REVENUE<br/>AND<br/>EXPENSES<br/>PER BOOKS</u> | <u>NET<br/>INVESTMENT<br/>INCOME</u> | <u>ADJUSTED<br/>NET<br/>INCOME</u> | <u>CHARITABLE<br/>PURPOSES</u> |
|--------------------|---------------------------------------------------|--------------------------------------|------------------------------------|--------------------------------|
| ACCOUNTING FEES    | 5,700.                                            | 2,850.                               |                                    | 2,850.                         |
| TOTALS             | <u>5,700.</u>                                     | <u>2,850.</u>                        |                                    | <u>2,850.</u>                  |



ATTACHMENT 6FORM 990PF, PART I - OTHER PROFESSIONAL FEES

| <u>DESCRIPTION</u>         | <u>REVENUE<br/>AND<br/>EXPENSES<br/>PER BOOKS</u> | <u>NET<br/>INVESTMENT<br/>INCOME</u> |
|----------------------------|---------------------------------------------------|--------------------------------------|
| INVESTMENT CONSULTING FEES | 97,924.                                           | 97,924.                              |
| TOTALS                     | <u>97,924.</u>                                    | <u>97,924.</u>                       |

ATTACHMENT 7FORM 990PF, PART I - INTEREST EXPENSE

| <u>DESCRIPTION</u>                                                  | <u>REVENUE<br/>AND<br/>EXPENSES<br/>PER BOOKS</u> |
|---------------------------------------------------------------------|---------------------------------------------------|
| INTEREST EXPENSE - ROBERT C<br>MCNAIR IMPUTED UNDER IRC SEC<br>7872 | 53,135.                                           |
| TOTALS                                                              | <u>53,135.</u>                                    |

ATTACHMENT 8FORM 990PF, PART I - TAXES

| <u>DESCRIPTION</u>           | <u>REVENUE<br/>AND<br/>EXPENSES<br/>PER BOOKS</u> | <u>NET<br/>INVESTMENT<br/>INCOME</u> | <u>CHARITABLE<br/>PURPOSES</u> |
|------------------------------|---------------------------------------------------|--------------------------------------|--------------------------------|
| EXCISE TAX ON INVESTMENT INC | 337,000.                                          |                                      |                                |
| FOREIGN TAX WITHHELD         | 8,631.                                            | 8,631.                               |                                |
| PAYROLL TAXES                | 14,534.                                           |                                      | 14,534.                        |
| TOTALS                       | <u>360,165.</u>                                   | <u>8,631.</u>                        | <u>14,534.</u>                 |

ATTACHMENT 9FORM 990PF, PART I - OTHER EXPENSES

| DESCRIPTION           | REVENUE<br>AND<br>EXPENSES<br>PER BOOKS | NET<br>INVESTMENT<br>INCOME | CHARITABLE<br>PURPOSES |
|-----------------------|-----------------------------------------|-----------------------------|------------------------|
| MEALS & ENTERTAINMENT | 3,315.                                  |                             | 3,315.                 |
| OFFICE EXPENSE        | 3,310.                                  | 1,655.                      | 1,655.                 |
| MISCELLANEOUS         | 1,388.                                  |                             | 1,388.                 |
| BLACKBERRY USAGE      | 3,370.                                  |                             | 3,370.                 |
| INSURANCE             | 3,412.                                  |                             | 3,412.                 |
| EQUIPMENT LEASING     | 50,000.                                 |                             | 50,000.                |
| TOTALS                | <u>64,795.</u>                          | <u>1,655.</u>               | <u>63,140.</u>         |

ATTACHMENT 10FORM 990PF, PART II - CORPORATE STOCK

| <u>DESCRIPTION</u>            | <u>ENDING<br/>BOOK VALUE</u> | <u>ENDING<br/>FMV</u> |
|-------------------------------|------------------------------|-----------------------|
| FAYEZ SAROFIM EQUITIES        | 7,791,412.                   | 7,791,412.            |
| EXXONMOBIL CORPORATION        | 11,717,139.                  | 11,717,139.           |
| PHILIP MORRIS INTL INC        | 20,604,129.                  | 20,604,129.           |
| SNYDER CAPITAL EQUITIES       | 9,129,751.                   | 9,129,751.            |
| KINDER MORGAN MGMT LLC        | 4,674,294.                   | 4,674,294.            |
| WEATHERFORD INTERNATIONAL INC | 3,891,546.                   | 3,891,546.            |
| CONSOLIDATED GRAPHICS INC     | 5,052,924.                   | 5,052,924.            |
| RESERVE MCNAIR SCHOLARS PROGS | -61,119,784.                 | -61,119,784.          |
| TOTALS                        | <u>1,741,411.</u>            | <u>1,741,411.</u>     |

ATTACHMENT 11FORM 990PF, PART II - OTHER ASSETS

| <u>DESCRIPTION</u>             | <u>ENDING<br/>BOOK VALUE</u> | <u>ENDING<br/>FMV</u> |
|--------------------------------|------------------------------|-----------------------|
| BCM MCNAIR SCHOLARS PROGRAM    | 8,368,965.                   | 8,368,965.            |
| CC MCNAIR SCHOLARS PROGRAM     | 7,196,114.                   | 7,196,114.            |
| USC MCNAIR SCHOLARS PROGRAM    | 20,749,688.                  | 20,749,688.           |
| TEXAS HEART INST MCNAIR SCHOLS | 2,467,767.                   | 2,467,767.            |
| MD ANDERSON MCNAIR SCHOLARS PR | 2,467,767.                   | 2,467,767.            |
| MENNINGER CLINIC MCNAIR SCHOLS | 2,664,284.                   | 2,664,284.            |
| TEXAS CHILDREN'S MCNAIR SCHS   | 2,705,199.                   | 2,705,199.            |
| MCNAIR MEDICAL INSTITUTE BCM   | 14,500,000.                  | 14,500,000.           |
| EXCISE TAX RECEIVABLE          |                              |                       |
| TOTALS                         | <u>61,119,784.</u>           | <u>61,119,784.</u>    |

ATTACHMENT 12FORM 990PF, PART II - LOANS FROM OFFICERS, DIRECTORS, ETC.

LENDER: ROBERT C MCNAIR, TRUSTEE

ORIGINAL AMOUNT: 18,431,968.

INTEREST RATE:

DATE OF NOTE: 02/01/2002

REPAYMENT TERMS: NON-INTEREST BEARING DEMAND NOTE

SECURITY PROVIDED: NONE

PURPOSE OF LOAN: CAPITAL FOR FDN INVESTMENTS AND CHARITABLE GRANTS

DESCRIPTION AND FMV CASH

OF CONSIDERATION:

BEGINNING BALANCE DUE ..... 24,111,884.

ENDING BALANCE DUE ..... \_\_\_\_\_

TOTAL BEGINNING LOANS FROM OFFICERS, DIRECTORS, ETC. 24,111,884.

TOTAL ENDING LOANS FROM OFFICERS, DIRECTORS, ETC. \_\_\_\_\_

ATTACHMENT 13FORM 990PF, PART II - OTHER LIABILITIES

| <u>DESCRIPTION</u>         | <u>ENDING<br/>BOOK VALUE</u> |
|----------------------------|------------------------------|
| ACCRUED FEDERAL EXCISE TAX | 317,848.                     |
| TOTALS                     | <u>317,848.</u>              |



ATTACHMENT 14FORM 990PF, PART III - OTHER INCREASES IN NET WORTH OR FUND BALANCES

| <u>DESCRIPTION</u>                      | <u>AMOUNT</u>     |
|-----------------------------------------|-------------------|
| YTD UNREALIZED GAIN (LOSS) FMV EQUITIES | 3,912,571.        |
| TOTAL                                   | <u>3,912,571.</u> |

ATTACHMENT 15FORM 990PF, PART III - OTHER DECREASES IN NET WORTH OR FUND BALANCES

| <u>DESCRIPTION</u>                                                      | <u>AMOUNT</u>      |
|-------------------------------------------------------------------------|--------------------|
| FMV GREATER THAN TAX BASIS OF SH GRANT<br>(KMI SHARES IMMEDIATELY SOLD) | 15,750,129.        |
| TOTAL                                                                   | <u>15,750,129.</u> |

ATTACHMENT 16FORM 990PF, PART VII-A -ACTIVITIES NOT PREVIOUSLY REPORTED TO THE IRS

DURING 2012, THE FOUNDATION FORMED MCNAIR MEDICAL INSTITUTE ("MMI"), A SOLELY OWNED LIMITED LIABILITY COMPANY. MMI ENTERED INTO AN AGREEMENT DURING 2012 WITH LEXICON PHARMACEUTICALS, INC. ("LEXICON") TO FUND THE DEVELOPMENT FOR FINDING A CURE TO TYPE ONE DIABETES MELLITUS. SEE ATTACHMENT WHERE THE RELATIONSHIP BETWEEN MMI AND LEXICON IS MORE FULLY SET-FORTH AS REQUIRED FOR COMPLIANCE WITH THE INTERNAL REVENUE CODE SEC. 4945(H)(3) FOR EXPENDITURE RESPONSIBILITY.

ATTACHMENT 17FORM 990PF, PART VII-A, LINE 3 - CONFORMED COPY OF THE CHANGES

ON FEBRUARY 15, 2012 THE MCNAIR MEDICAL INSTITUTE ("MMI") WAS FORMED.  
THE CERTIFICATE OF FORMATION WAS FILED WITH THE STATE OF TEXAS.  
THE ROBERT AND JANICE MCNAIR FOUNDATION IS THE SOLE MEMBER OF MMI.  
COPIES OF THE CERTIFICATE OF FILING, THE CERTIFICATE OF FORMATION OF  
MCNAIR MEDICAL INSTITUTE, LLC (MMI) ARE ATTACHED.

ATTACHMENT 18FORM 990PF, PART VII-B, LINE 5C-EXPENDITURE RESPONSIBILITY STATEMENT

GRANTEE'S NAME: LEXICON PHARMACEUTICALS INC  
GRANTEE'S ADDRESS: 8800 TECHNOLOGY FOREST PLACE  
CITY, STATE & ZIP: THE WOODLANDS, TX 77381  
GRANT DATE: 05/02/2012  
GRANT AMOUNT: 1,702,000.  
GRANT PURPOSE: SEE REPORT STATEMENT ADDENDUM ATTACHED.  
AMOUNT EXPENDED: 1,554,500.  
ANY DIVERSION? NO  
DATES OF REPORTS:  
VERIFICATION DATE:  
RESULTS OF VERIFICATION:

THE ROBERT AND JANICE MCNAIR FOUNDATION

76-6050185

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

ATTACHMENT 19

| <u>NAME AND ADDRESS</u>                                                        | <u>TITLE AND AVERAGE HOURS PER<br/>WEEK DEVOTED TO POSITION</u> | <u>COMPENSATION</u> | <u>CONTRIBUTIONS<br/>TO EMPLOYEE<br/>BENEFIT PLANS</u> | <u>EXPENSE ACCT<br/>AND OTHER<br/>ALLOWANCES</u> |
|--------------------------------------------------------------------------------|-----------------------------------------------------------------|---------------------|--------------------------------------------------------|--------------------------------------------------|
| ROBERT C. MCNAIR<br>109 N. POST OAK LANE, STE. 600<br>HOUSTON, TX 77024        | TRUSTEE                                                         | 0                   | 0                                                      | 0                                                |
| JOANIE HALEY<br>109 N. POST OAK LANE, STE. 600<br>HOUSTON, TX 77024            | EXECUTIVE DIRECTOR<br>40.00                                     | 106,000.            | 19,558.                                                | 4,184.                                           |
| JANICE S. MCNAIR<br>109 N. POST OAK LANE, STE. 600<br>HOUSTON, TX 77024        | TRUSTEE                                                         | 0                   | 0                                                      | 0                                                |
| RUTH MCNAIR SMITH<br>109 N. POST OAK LANE, STE. 600<br>HOUSTON, TX 77024       | TRUSTEE                                                         | 0                   | 0                                                      | 0                                                |
| ROBERT CARY MCNAIR, JR.<br>109 N. POST OAK LANE, STE. 600<br>HOUSTON, TX 77024 | TRUSTEE                                                         | 0                   | 0                                                      | 0                                                |
| DANIEL CALHOUN MCNAIR<br>109 N. POST OAK LANE, STE. 600<br>HOUSTON, TX 77024   | TRUSTEE                                                         | 0                   | 0                                                      | 0                                                |

THE ROBERT AND JANICE MCNAIR FOUNDATION

76-6050185

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

ATTACHMENT 19 (CONT'D)

| <u>NAME AND ADDRESS</u>                                                               | <u>TITLE AND AVERAGE HOURS PER<br/>WEEK DEVOTED TO POSITION</u> | <u>COMPENSATION</u> | <u>CONTRIBUTIONS<br/>TO EMPLOYEE<br/>BENEFIT PLANS</u> | <u>EXPENSE ACCT<br/>AND OTHER<br/>ALLOWANCES</u> |
|---------------------------------------------------------------------------------------|-----------------------------------------------------------------|---------------------|--------------------------------------------------------|--------------------------------------------------|
| MELISSA EILEEN MCNAIR REICHERT<br>109 N. POST OAK LANE, STE. 600<br>HOUSTON, TX 77024 | TRUSTEE                                                         | 0                   | 0                                                      | 0                                                |
| GRAND TOTALS                                                                          |                                                                 | <u>106,000.</u>     | <u>19,558.</u>                                         | <u>4,184.</u>                                    |

990PF, PART VIII- COMPENSATION OF THE FIVE HIGHEST PAID PROFESSIONALSATTACHMENT 20

| <u>NAME AND ADDRESS</u>                                                                                                                                     | <u>TYPE OF SERVICE</u> | <u>COMPENSATION</u> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|---------------------|
| SNYDER CAPITAL MANAGEMENT LP<br>100 SPEAR STREET, SUITE 1400<br>SAN FRANCISCO, CA 94105<br>SNYDER CAPITAL IS A SMALL CAP EQUITY MANAGER FOR THE FOUNDATION. | INVESTMENT MANAGERS    | 80,031.             |
| TOTAL COMPENSATION                                                                                                                                          |                        | <u>80,031.</u>      |



ATTACHMENT 21

FORM 990PF, PART XV - NAME, ADDRESS AND PHONE FOR APPLICATIONS

MS. JOANIE HALEY  
109 N. POST OAK LANE, STE. 600  
HOUSTON, TX 77024  
713-336-7814

ATTACHMENT 22

990PF, PART XV - RESTRICTIONS OR LIMITATIONS ON AWARDS

LIMITED BY GEOGRAPHY IN GENERAL TO HOUSTON, TX AREA AND BY FIELD IN  
GENERAL TO EDUCATIONAL, MEDICAL, SCIENTIFIC & LITERARY APPLICATIONS

FORM 990PF, PART IV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 23

| RECIPIENT NAME AND ADDRESS                                                             | RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR<br>AND                    |                      | PURPOSE OF GRANT OR CONTRIBUTION                                                                                                                                                                      | AMOUNT   |
|----------------------------------------------------------------------------------------|-------------------------------------------------------------------|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
|                                                                                        | FOUNDATION STATUS OF RECIPIENT                                    |                      |                                                                                                                                                                                                       |          |
| A F P GREATER HOUSTON CHAPTER<br>P.O. BOX 59<br>BELLAIRE, TX 77402                     | NONE                                                              | 170 (B) (1) (A) (VI) | NON-PROFIT DEVELOPMENT AND LEADERSHIP PROGRAMS.                                                                                                                                                       | 1,000    |
| AMERICAN HERITAGE EDUCATIONAL FDN<br>3501 WEST ALABAMA, SUITE 200<br>HOUSTON, TX 77027 | NONE                                                              | 170 (B) (1) (A) (VI) | SUPPORT FOR LESSON PLANS THAT TEACH AMERICA'S<br>FOUNDING PRINCIPLES IN PUBLIC SCHOOLS.                                                                                                               | 25,000.  |
| ARROW MINISTRIES<br>2929 FM 2920 RD<br>SPRING, TX 77388                                | NONE                                                              | 170 (B) (1) (A) (VI) | SUPPORT FOR ADOPTION AND FOSTER PROGRAMS FOR<br>ABUSED CHILDREN.                                                                                                                                      | 1,000    |
| AUSTIN COMMUNITY FOUNDATION<br>4315 GUADALUPE ST, 300<br>AUSTIN, TX 78751              | NONE                                                              | 170 (B) (1) (A) (VI) | PROMOTES PHILANTHROPY IN CENTRAL TEXAS TO IMPROVE<br>THE QUALITY OF LIFE FOR ALL, FOR TODAY AND FOR<br>THE FUTURE.                                                                                    | 1,000.   |
| BAYLOR COLLEGE OF MEDICINE<br>ONE BAYLOR PLAZA-ROOM 171A<br>HOUSTON, TX 77031          | MR. ROBERT C. MCNAIR IS A TRUSTEE OF BCM.<br>170 (B) (1) (A) (II) |                      | MD PHD STUDENTS SCHOLARSHIPS (250,000), DR<br>KLOTMAN B OF D CHALLENGE (500,000), "I AM BCM"<br>CAMPAIGN (5,000), AND FUN RUN (1,000).<br>RIBBON EVENT.                                               | 756,000. |
| BAYOU BEND COLLECTION & GARDENS<br>6003 MEMORIAL DR<br>HOUSTON, TX 77007               | NONE                                                              | 170 (B) (1) (A) (VI) | AS A WING OF THE MUSEUM OF FINE ARTS HOUSTON, TO<br>ASSIST IN COLLECTING, EXHIBITING, PRESERVING, AND<br>CONSERVING ART DISPLAYED IN THE FORMER HOME OF<br>CIVIC LEADER AND PHILANTHROPIST, IMA HOGG. | 1,000.   |

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 23 (CONT'D)

| RECIPIENT NAME AND ADDRESS                                                                    | RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR<br>AND                           |  | PURPOSE OF GRANT OR CONTRIBUTION                                                                                                                                                                      | AMOUNT   |
|-----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
|                                                                                               | FOUNDATION STATUS OF RECIPIENT                                           |  |                                                                                                                                                                                                       |          |
| BCM - DR. ARENKIEL<br>BAYLOR COLLEGE OF MEDICINE<br>ONE BAYLOR PLAZA<br>HOUSTON, TX 77030     | MR. MCNAIR-TRUSTEE OF BAYLOR COLLEGE OF MEDICINE<br>170(B) (1) (A) (III) |  | DR. ARENKIEL, A BAYLOR COLLEGE OF MEDICINE<br>APPOINTED MCNAIR SCHOLAR, SPECIALIZES IN THE<br>AREAS OF NEUROSCIENCE AND GENETICS                                                                      | 500,000. |
| BCM - DR. JAKE KUSHNER<br>BAYLOR COLLEGE OF MEDICINE<br>ONE BAYLOR PLAZA<br>HOUSTON, TX 77030 | MR. MCNAIR-TRUSTEE OF BAYLOR COLLEGE OF MEDICINE<br>170(B) (1) (A) (III) |  | AS PART OF THE MCNAIR SCHOLARS PROGRAM AT BAYLOR<br>COLLEGE OF MEDICINE, DR. KUSHNER WAS NAMED THE<br>RECIPIENT OF A SCHOLARSHIP FOR RESEARCH IN THE<br>AREAS OF ENDOCRINOLOGY AND JUVENILE DIABETES. | 500,000. |
| BCM - DR. M. BONDY<br>BAYLOR COLLEGE OF MEDICINE<br>ONE BAYLOR PLAZA<br>HOUSTON, TX 77030     | MR. MCNAIR-TRUSTEE OF BAYLOR COLLEGE OF MEDICINE<br>170(B) (1) (A) (III) |  | FOR RESEARCH BY DR. BONDY IN THE AREA OF BREAST<br>CANCER.                                                                                                                                            | 100,000. |
| BCM - DR. M. BOROWIAK<br>BAYLOR COLLEGE OF MEDICINE<br>ONE BAYLOR PLAZA<br>HOUSTON, TX 77030  | MR MCNAIR-TRUSTEE OF BAYLOR COLLEGE OF MEDICINE<br>170(B) (1) (A) (III)  |  | DR. BOROWIAK, A DESIGNATED MCNAIR SCHOLAR AT<br>BAYLOR COLLEGE OF MEDICINE, IS PURSUING RESEARCH<br>IN THE AREA OF JUVENILE DIABETES                                                                  | 500,000. |
| BCM - DR. SHAN GUO<br>BAYLOR COLLEGE OF MEDICINE<br>ONE BAYLOR PLAZA<br>HOUSTON, TX 77030     | ROBERT C MCNAIR IS BOARD MEMBER OF BCM<br>170(B) (1) (A) (III)           |  | FOR RESEARCH TO DR SHAN GUO IN RESEARCHING BREAST<br>CANCER TREATMENT.                                                                                                                                | 33,259.  |
| BCM - DR. XIANG ZHANG<br>BAYLOR COLLEGE OF MEDICINE<br>ONE BAYLOR PLAZA<br>HOUSTON, TX 77030  | MR MCNAIR-TRUSTEE BAYLOR COLLEGE OF MEDICINE<br>170(B) (1) (A) (III)     |  | AS PART OF THE MCNAIR SCHOLARS PROGRAM AT BAYLOR<br>COLLEGE OF MEDICINE, DR. XIANG ZHANG WAS AWARDED<br>A SCHOLARSHIP FOR RESEARCH IN BREAST CANCER.                                                  | 300,000. |

FORM 990BF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 23 (CONT'D)

| <u>RECIPIENT NAME AND ADDRESS</u>                                           | <u>RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR<br/>AND<br/>FOUNDATION STATUS OF RECIPIENT</u> | <u>PURPOSE OF GRANT OR CONTRIBUTION</u>                                                                                                      | <u>AMOUNT</u> |
|-----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| BELLVILLE HOSPITAL FOUNDATION<br>44 NORTH CUMMINGS<br>BELLVILLE, TX 77418   | NONE<br>170 (B) (1) (A) (III)                                                             | TO PROVIDE THE COMMUNITY QUALITY HEALTHCARE.                                                                                                 | 10,000.       |
| BRIARWOOD SCHOOL<br>12207 WHITTINGTON DRIVE<br>HOUSTON, TX 77077            | NONE<br>170 (B) (1) (A) (II)                                                              | CAPITAL CAMPAIGN FOR BUILDING IMPROVEMENTS AND<br>EDUCATIONAL PROGRAMMING.                                                                   | 5,000.        |
| BROOKWOOD COMMUNITY VOLUNTEERS<br>1752 FM 1489 ROAD<br>BROOKSHIRE, TX 77423 | NONE<br>170 (B) (1) (A) (II)                                                              | PROGRAMS AND LIVING FACILITIES FOR ADULTS WITH<br>SPECIAL NEEDS.                                                                             | 10,000.       |
| C A S A DE ESPERANZA<br>2911 CORDER, BLDG A<br>HOUSTON, TX 77054            | NONE<br>509 (A) (3) TYPE I                                                                | TO PROVIDE A SAFE PLACE FOR CHILDREN IN CRISIS<br>DUE TO ABUSE, NEGLECT, OR THE EFFECTS OF THE HIV<br>VIRUS.                                 | 5,000.        |
| COLUMBIA COLLEGE<br>1301 COLUMBIA COLLEGE DRIVE<br>COLUMBIA, SC 29203       | NONE<br>170 (B) (1) (A) (II)                                                              | MCNAIR SCHOLARSHIP FUNDS FOR DESERVING STUDENTS,<br>LANDSCAPE PROJECT AND COLLEGE DORM RENOVATIONS.<br>THESE ARE THREE SEPARATE COMMITMENTS. | 850,000       |
| CRIME STOPPERS<br>PO BOX 541654<br>HOUSTON, TX 77254                        | NONE<br>170 (B) (1) (A) (VI)                                                              | TO SOLVE AND PREVENT SERIOUS CRIME IN THE GREATER<br>HOUSTON AREA IN PARTNERSHIP WITH CITIZENS, MEDIA<br>AND THE CRIMINAL JUSTICE SYSTEM.    | 5,000         |

FORM 990DPF, PART XV. -- GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 23 (CONT'D)

| RECIPIENT NAME AND ADDRESS                                                                      | RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR<br>AND |                      | PURPOSE OF GRANT OR CONTRIBUTION                                                                                   | AMOUNT  |
|-------------------------------------------------------------------------------------------------|------------------------------------------------|----------------------|--------------------------------------------------------------------------------------------------------------------|---------|
|                                                                                                 | FOUNDATION STATUS OF RECIPIENT                 |                      |                                                                                                                    |         |
| DISCOVERY GREEN CONSERVANCY<br>1500 MCKINNEY<br>HOUSTON, TX 77010                               | NONE                                           | 170 (B) (1) (A) (VI) | CONSTRUCTION OF JOGGING TRAIL AT DISCOVERY GREEN PARK.                                                             | 25,000. |
| EPILEPSY FOUNDATION OF TEXAS<br>2630 FOUNDATIN VIEW DR #210<br>PO BOX 7401<br>HOUSTON, TX 77057 | NONE                                           | 509 (A) (2)          | TO LEAD THE FIGHT TO STOP SEIZURES, FIND A CURE, AND OVERCOME THE CHALLENGES CREATED BY EPILEPSY.                  | 10,000. |
| EPISCOPAL HIGH SCHOOL<br>335 PINEY POINT<br>HOUSTON, TX 77024                                   | NONE                                           | 170 (B) (1) (A) (II) | CONSTRUCTION OF ACADEMIC AND SCIENCE BUILDING IN HONOR OF MR. JACK TROTTER. THREE-YEAR PROGRAM.                    | 30,000. |
| FAITH IN PRACTICE<br>1500 BEECHNUT ST.<br>HOUSTON, TX 77074                                     | NONE                                           | 170 (B) (1) (A) (VI) | SUPPORT FOR MISSION TRIP TO GUATEMALA.                                                                             | 10,000. |
| FIFTH WARD ENRICHMENT PROGRAM<br>4014 MARKET ST<br>HOUSTON, TX 77020                            | NONE                                           | 170 (B) (1) (A) (VI) | TO SPONSOR PROGRAMS DESIGNED TO EMPOWER BOYS TO BECOME MEN AND PRODUCTIVE MEMBERS OF THEIR FAMILIES AND COMMUNITY. | 5,000.  |
| GIRL SCOUTS OF SAN JACINTO<br>3110 SOUTHWEST FREEMWAY<br>HOUSTON, TX 77098                      | JANICE MCNAIR IS ON THE BOARD.                 | 170 (B) (1) (A) (VI) | FUNDING FOR HORSEBACK ARENA AND HERD MANAGER AS WELL AS CAMP MISTY MEADOWS MEDICAL BUILDING.                       | 75,000. |

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 23 (CONT'D)

| RECIPIENT NAME AND ADDRESS                                                                  | RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR<br>AND<br>FOUNDATION STATUS OF RECIPIENT | PURPOSE OF GRANT OR CONTRIBUTION                                                                                                                                                                                                                                                           | AMOUNT  |
|---------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| GOOD SAMARITAN FOUNDATION OF TEXAS INC.<br>5615 KIRBY DRIVE, SUITE 610<br>HOUSTON, TX 77005 | NONE<br>509 (A) (2)                                                              | PROGRAM SUPPORT FOR NURSING SCHOLARSHIPS.                                                                                                                                                                                                                                                  | 1,000.  |
| GOODWILL INDUSTRIES<br>1140 W LOOP NORTH<br>HOUSTON, TX 77055                               | NONE<br>170 (B) (1) (A) (VI)                                                     | TO PROVIDE EDUCATION, TRAINING AND JOB<br>OPPORTUNITIES TO PEOPLE WITH DISABILITIES AND<br>OTHER BARRIERS TO EMPLOYMENT, IMPROVING THE LIVES<br>OF INDIVIDUALS, FAMILIES, AND COMMUNITIES.                                                                                                 | 5,000.  |
| HARRIS COUNTY STREET OLYMPICS<br>2727 EL CAMINO<br>HOUSTON, TX 77048                        | NONE<br>170 (B) (1) (A) (VI)                                                     | TO ADDRESS HEALTH ISSUES FOR AREA YOUTH THROUGH<br>EDUCATION AND INTERVENTION.                                                                                                                                                                                                             | 20,000. |
| HEARTGIFT HOUSTON<br>8015 SHOAL CREEK BLVD, STE 207<br>AUSTIN, TX 78757                     | NONE<br>(170) (B) (1) (A) (VI)                                                   | TO PROVIDE LIFESAVING PEDIATRIC HEART SURGERY TO<br>CHILDREN LIVING IN DEVELOPING COUNTRIES WHERE<br>SPECIALIZED MEDICAL TREATMENT IS SCARCE OR<br>NONEXISTENT.                                                                                                                            | 1,000   |
| HELPING A HERO<br>P O. BOX 890786<br>HOUSTON, TX 77289                                      | NONE<br>509 (A) (2)                                                              | TO PROVIDE SUPPORT FOR MILITARY PERSONNEL<br>SEVERELY INJURED IN THE WAR ON TERROR,<br>SPECIFICALLY HOMES THAT ARE SPECIALLY ADAPTED FOR<br>QUALIFIED SERVICE MEMBERS AS WELL AS ENGAGING THE<br>COMMUNITY TO PROVIDE SERVICES AND RESOURCES FOR<br>OUR WOUNDED HEROES AND THEIR FAMILIES. | 10,000. |
| HERITAGE SOCIETY<br>1100 BAGBY<br>HOUSTON, TX 77002                                         | NONE<br>509 (A) (2)                                                              | EDUCATIONAL PROGRAM FOR THE STUDY OF HOUSTON'S<br>HERITAGE.                                                                                                                                                                                                                                | 10,000  |

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 23 (CONT'D)

| RECIPIENT NAME AND ADDRESS                                               | RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR<br>AND<br>FOUNDATION STATUS OF RECIPIENT | PURPOSE OF GRANT OR CONTRIBUTION                                                                                                                                                                                                                                                                  | AMOUNT  |
|--------------------------------------------------------------------------|----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| HOUSTON GALVESTON INSTITUTE<br>3316 MOUNT VERNON ST<br>HOUSTON, TX 77006 | NONE<br>509 (A) (2)                                                              | TO PROVIDE PROGRAM AND MANAGEMENT CONSULTATION<br>SERVICES TO BUSINESSES, ORGANIZATIONS, AND<br>EDUCATIONAL SYSTEMS.                                                                                                                                                                              | 35,000. |
| HOUSTON GRAND OPERA<br>510 PRESTON ST<br>HOUSTON, TX 77002               | NONE<br>509 (A) (2)                                                              | TO CONTRIBUTE TO THE CULTURAL ENRICHMENT OF<br>HOUSTON AND THE NATION BY PRODUCING AND<br>PERFORMING WORLD-CLASS OPERA; AND BY CREATING A<br>DIVERSE, INNOVATIVE, AND BALANCED PROGRAM OF<br>PERFORMANCES, EVENTS, AND COMMUNITY AND EDUCATION<br>PROJECTS THAT REACH THE WIDEST POSSIBLE PUBLIC. |         |
| HOUSTON HOSPICE<br>1905 HOLCOMBE BLVD<br>HOUSTON, TX 77030               | NONE<br>170 (B) (1) (A) (VI)                                                     | TO PROVIDE UNCOMPROMISING, COMPASSIONATE<br>END-OF-LIFE CARE TO PATIENTS AND FAMILIES IN THE<br>COMMUNITY.                                                                                                                                                                                        | 1,000.  |
| HOUSTON ZOO<br>6200 GOLF COURSE DR<br>HOUSTON, TX 77030                  | NONE<br>509 (A) (2)                                                              | FUNDS FOR MCNAIR ASIAN-AFRICAN ELEPHANT EXHIBIT.                                                                                                                                                                                                                                                  | 1,000.  |
| INSPIRE WOMEN<br>1415 S VOSS, STE 110-516<br>HOUSTON, TX 77057           | NONE<br>170 (B) (1) (A) (VI)                                                     | TO INSPIRE WOMEN OF ALL ETHNICITIES,<br>DENOMINATIONS AND ECONOMIC LEVELS TO SERVE AT<br>THEIR POTENTIAL WITH YEAR ROUND PROGRAMS TO<br>DEVELOP LEADERS FOR MISSIONS AND MINISTRY AND TO<br>FUND SCHOLARSHIPS AND MINISTRY GRANTS.                                                                | 5,000.  |
| INTERFAITH CARE PARTNERS<br>701 N POST OAK RD #330<br>HOUSTON, TX 77024  | NONE<br>170 (B) (1) (A) (VI)                                                     | TO BRING CARING VOLUNTEERS TOGETHER WITH FAMILIES<br>IN NEED OF SUPPORT-THOSE WITH DISABILITIES,<br>CHRONIC ILLNESS, THEIR CAREGIVERS.                                                                                                                                                            | 10,000. |



FORM 990DPF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 23 (CONT'D)

| RECIPIENT NAME AND ADDRESS                                                   | RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR<br>AND |                     | PURPOSE OF GRANT OR CONTRIBUTION                                                                                                                                                                                   | AMOUNT   |
|------------------------------------------------------------------------------|------------------------------------------------|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
|                                                                              | FOUNDATION                                     | STATUS OF RECIPIENT |                                                                                                                                                                                                                    |          |
| JOCKEY CLUB FOUNDATION<br>40 E. 52ND ST (FLR 15)<br>NEW YORK, NY 10022       | NONE<br>170(B)(1) (A) (VI)                     |                     | TO PROVIDE FINANCIAL RELIEF AND ASSISTANCE TO<br>NEEDY MEMBERS OF THE THOROUGHBRED INDUSTRY AND<br>THEIR FAMILIES.                                                                                                 | 1,000.   |
| K9S4COPS.ORG<br>1210 WEST CLAY ST UNIT 9<br>HOUSTON, TX 77019                | NONE<br>170(B) (1) (A) (VI)                    |                     | TO ENSURE THAT EVERY LAW ENFORCEMENT OFFICER IN<br>NEED OF A K-9 HAS ONE AND IS WELL TRAINED FOR<br>ACTION.                                                                                                        | 5,000.   |
| L O P E - LONESTAR OUTREACH<br>1551 HIGHWAY 21 WEST<br>CEDAR CREEK, TX 77030 | NONE<br>509(A) (1)                             |                     | PROGRAM SUPPORT FOR SAFE PLACE FOR EX-RACEHORSES.                                                                                                                                                                  | 5,000.   |
| LIVING WATER INTERNATIONAL<br>7802 JENSEN DR.<br>HOUSTON, TX 77093           | NONE<br>170(B) (1) (A) (VI)                    |                     | TO DEMONSTRATE THE LOVE OF GOD BY HELPING<br>COMMUNITIES ACQUIRE DESPERATELY NEEDED CLEAN<br>WATER AND EXPERIENCE THE LIVING WATER"OF THE"<br>GOSPEL OF JESUS CHRIST, WHICH ALONE SATISFIES THE<br>DEEPEST THIRST. | 10,000.  |
| LUIS PALAU ASSOCIATION<br>PO BOX 50<br>PORTLAND, TX 77235                    | NONE<br>170(B) (1) (A) (VI)                    |                     | MINISTRY OUTREACH PROGRAMS FOR THIRD WORLD<br>COUNTRIES.                                                                                                                                                           | 10,000.  |
| MD ANDERSON CANCER CENTER<br>1515 HOLCOMBE BLVD.<br>HOUSTON, TX 77030        | NONE<br>170(B) (1) (A) (V)                     |                     | RESEARCH GRANT FOR MD ANDERSEN MCNAIR SCHOLAR<br>NAMED DR.SUSHOVAN GUHA WHOSE SPECIALITY IS<br>PANCREATIC CANCER.                                                                                                  | 125,000. |

FORM 990PE, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 23 (CONT'D)

| <u>RECIPIENT NAME AND ADDRESS</u>                                            | <u>RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR<br/>AND<br/>FOUNDATION STATUS OF RECIPIENT</u> |  | <u>PURPOSE OF GRANT OR CONTRIBUTION</u>                                                                                                                                                                                      | <u>AMOUNT</u> |
|------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
|                                                                              |                                                                                           |  |                                                                                                                                                                                                                              |               |
| MEMORIAL ASSISTANCE MINISTRIES<br>1625 BLALOCK RD<br>HOUSTON, TX 77030       | NONE<br>509 (A) (2)                                                                       |  | TO PROVIDE EMERGENCY FINANCIAL ASSISTANCE AND<br>OTHER SERVICES FOR FAMILIES AND INDIVIDUALS WHO<br>FIND THEMSELVES IN TEMPORARY CRISIS AND IN NEED<br>OF ASSISTANCE TO MAINTAIN SELF-SUFFICIENCY AND<br>AVOID HOMELESSNESS. | 5,000.        |
| MENNINGER CLINIC - MCNAIR SCHOLAR<br>2801 GESSNER DRIVE<br>HOUSTON, TX 77080 | NONE<br>170 (B) (1) (A) (III)                                                             |  | RESEARCH GRANT FOR MENNINGER CLINIC MCNAIR<br>APPOINTED MCNAIR SCHOLAR IN THE AREAS OF<br>PSYCHIATRIC AND MENTAL HEALTH.                                                                                                     | 200,000.      |
| MERCURY BAROQUE<br>2311 CANAL ST, STE 202<br>HOUSTON, TX 77003               | NONE<br>170 (B) (1) (A) (VI)                                                              |  | TO DEVELOP/ENHANCE FINE ARTS PROGRAMMING AT YES<br>PREP SCHOOLS.                                                                                                                                                             | 5,000.        |
| MOBILE LOAVES & FISHES<br>903 SOUTH CAPITAL OF TEXAS HWY<br>AUSTIN, TX 77030 | NONE<br>509 (A) (2)                                                                       |  | TO PROVIDE FOOD, CLOTHING, AND PROMOTE DIGNITY TO<br>HOMELESS.                                                                                                                                                               | 10,000.       |
| MONTREAT CONFERENCE CENTER<br>PO BOX 969<br>MONTREAT, TX 78746               | NONE<br>509 (A) (3) TYPE I                                                                |  | \$20,000 PER YEAR FOR FIVE YEARS FOR MONTREAT'S<br>CAPITAL CAMPAIGN.                                                                                                                                                         | 20,000.       |
| MUSEUM OF FINE ARTS HOUSTON<br>1001 BISSONNET<br>HOUSTON, NC 28757           | NONE<br>170 (B) (1) (A) (VI)                                                              |  | SUPPORT FOR SUMMER EXHIBIT AT THE MUSEUM &<br>VISITOR CENTER AT BAYOU BEND.                                                                                                                                                  | 10,000.       |

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 23 (CONT'D)

| RECIPIENT NAME AND ADDRESS                                                  | RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR<br>AND |                      | PURPOSE OF GRANT OR CONTRIBUTION                                                                                                                                               | AMOUNT  |
|-----------------------------------------------------------------------------|------------------------------------------------|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
|                                                                             | FOUNDATION STATUS OF RECIPIENT                 |                      |                                                                                                                                                                                |         |
| MUSEUM OF NATURAL SCIENCE<br>HERMANN PARK DRIVE<br>HOUSTON, TX 77005        | NONE                                           | 170 (B) (1) (A) (VI) | TO EDUCATE A NEW GENERATION OF SCIENTISTS AND<br>LEADERS AND BRING THE LATEST AND FASCINATING<br>EXHIBITS TO HOUSTON.                                                          | 5,000.  |
| NEUHAUS EDUCATION CENTER<br>4433 BISSONNET<br>BELLAIRE, TX 77401            | NONE                                           | 170 (B) (1) (A) (II) | SUPPORT FOR TEACHER EDUCATION PROGRAMS THAT<br>IMPROVE LITERACY.                                                                                                               | 20,000. |
| PATHWAYS FOR LITTLE FEET<br>8 GREENWAY PLAZA, STE 1000<br>HOUSTON, TX 77046 | NONE                                           | 170 (B) (1) (A) (VI) | TO HELP ORPHANS BECOME PERMANENT MEMBERS OF<br>LOVING FAMILIES BY ASSISTING FAMILIES ADOPT THESE<br>CHILDREN THROUGH INTEREST FREE LOANS.                                      | 5,000.  |
| PHI BETA KAPPA ALUMNI<br>PO BOX 25283<br>HOUSTON, TX 77265                  | NONE                                           | 509 (A) (2)          | SCHOLARSHIPS FOR DESERVING HIGH SCHOOL STUDENTS.                                                                                                                               | 5,000.  |
| RECIPE FOR SUCCESS<br>P.O. BOX 56405<br>HOUSTON, TX 77256                   | NONE                                           | 509 (A) (2)          | TO FIGHT CHILDHOOD OBESITY BY EDUCATING AND<br>MOBILIZING THE COMMUNITY TO PROVIDE HEALTHIER<br>DIETS FOR CHILDREN.                                                            | 1,000.  |
| RONALD McDONALD HOUSE<br>1907 HOLCOMBE BLVD<br>HOUSTON, TX 77030            | NONE                                           | 170 (B) (1) (A) (VI) | TO OFFER A HOME AWAY FROM HOME PROVIDING CARE,<br>COMPASSION AND HOPE TO FAMILIES WITH SERIOUSLY<br>ILL CHILDREN BEING TREATED IN TEXAS MEDICAL<br>CENTER MEMBER INSTITUTIONS. | 1,000.  |

FORM 990DE, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 23 (CONT'D)

| RECIPIENT NAME AND ADDRESS                                                            | RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR<br>AND<br>FOUNDATION STATUS OF RECIPIENT | PURPOSE OF GRANT OR CONTRIBUTION                                                                                                                                                                        | AMOUNT   |
|---------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| SALVATION ARMY<br>1500 AUSTIN ST<br>HOUSTON, TX 77002                                 | NONE<br>170 (B) (1) (A) (I)                                                      | TO PREACH THE GOSPEL OF JESUS CHRIST AND TO MEET<br>HUMAN NEEDS IN HIS NAME WITHOUT DISCRIMINATION.                                                                                                     | 33,145.  |
| SAM HOUSTON AREA BOY SCOUT<br>P.O. BOX 52786<br>HOUSTON, TX 77052-2786                | NONE<br>170 (B) (1) (A) (VI)                                                     | FUNDS FOR CUB ADVENTURE WORLD AND INNER-CITY<br>TROOP EXPENSES.                                                                                                                                         | 15,000.  |
| SIGMA CHI FOUNDATION<br>C/O FRANK RAYMOND<br>1714 HINMAN AVENUE<br>EVANSTON, IL 60201 | NONE<br>170 (B) (1) (A) (VI)                                                     | PROGRAM SUPPORT OF THE HORIZONS PROGRAM, A<br>LEADERSHIP PROGRAM FOR COLLEGE SOPHOMORES.                                                                                                                | 100,000. |
| SIRE<br>24161 SPRING DRIVE<br>HOCKLEY, TX 77447                                       | NONE<br>170 (B) (1) (A) (VI)                                                     | THERAPEUTIC HORSEBACK RIDING LESSONS FOR CHILDREN<br>AND ADULTS WITH DISABILITIES.                                                                                                                      | 7,600.   |
| SMALL STEPS NURTURING CENTER<br>1709 DEPELCHIN<br>HOUSTON, TX 77007                   | NONE<br>170 (B) (1) (A) (VI)                                                     | TO PROVIDE AN EXEMPLARY EARLY CHILDHOOD PROGRAM<br>TO INSTILL AND FOSTER THE SOCIAL, EMOTIONAL,<br>PHYSICAL, INTELLECTUAL, AND SPIRITUAL GROWTH OF<br>ECONOMICALLY AT-RISK CHILDREN AND THEIR FAMILIES. | 10,500.  |
| SOUPER BOWL OF CARING<br>302 BERKSHIRE DRIVE<br>COLUMBIA, SC 29223                    | NONE<br>170 (B) (1) (A) (VI)                                                     | LEADERSHIP PROGRAM FOR TEENAGERS TO ADDRESS<br>HOMELESSNESS AND NUTRITIONAL CARE OF SENIORS.                                                                                                            | 15,000.  |

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 23 (CONT'D)

| <u>RECIPIENT NAME AND ADDRESS</u>                                                                  | <u>RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR<br/>AND<br/>FOUNDATION STATUS OF RECIPIENT</u> |  | <u>PURPOSE OF GRANT OR CONTRIBUTION</u>                                                                                                                                    | <u>AMOUNT</u> |
|----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
|                                                                                                    |                                                                                           |  |                                                                                                                                                                            |               |
| SPOLETO FESTIVAL<br>14 GEORGE STREET<br>CHARLESTON, SC 29401                                       | NONE<br>509(A) (2)                                                                        |  | SUPPORT TO RENOVATE AND RESTORE COMMUNITY THEATER<br>BUILDING.                                                                                                             | 50,000.       |
| SPRINT FOR LIFE<br>M D ANDERSON<br>1515 HOLCOMBE BLVD.<br>HOUSTON, TX 77255                        | NONE<br>170(B) (1) (A) (V)                                                                |  | TO RAISE FUNDS FOR RESEARCH AND TO INCREASE<br>AWARENESS ABOUT OVARIAN CANCER AND ITS SYMPTOMS                                                                             | 1,000.        |
| STAR OF HOPE MISSION<br>6897 ARDMORE STREET<br>HOUSTON, TX 77054                                   | NONE<br>170(B) (1) (A) (VI)                                                               |  | TO MEET THE NEEDS OF HOMELESS MEN, WOMEN, AND<br>THEIR CHILDREN                                                                                                            | 5,000.        |
| T A P E TEXAS ASSOC. OF PARTNERS IN EDUCATION<br>406 E 11TH ST<br>AUSTIN, TX 78701                 | NONE<br>509(A) (2)                                                                        |  | TO SHARE INNOVATIVE IDEAS ON EDUCATION<br>PARTNERSHIPS, AS WELL AS THE HOW TO'S OF BUILDING<br>AND SUSTAINING EFFECTIVE EDUCATION PARTNERSHIPS.                            | 600.          |
| TEACH FOR AMERICA<br>4669 SOUTHWEST FRWY<br>SUITE 600<br>HOUSTON, TX 77027                         | NONE<br>170(B) (1) (A) (VI)                                                               |  | SUPPORT FOR PLACING TOP LEVEL TEACHERS AT<br>LOW-INCOME, UNDER-PERFORMING SCHOOLS.                                                                                         | 25,000.       |
| TEXAS HEART INSTITUTE - MCNAIR SCHOLAR<br>6770 BERTNER (MC3-116<br>ROOM C550J<br>HOUSTON, TX 77005 | HONORARY ADVISORY BOARD MEMBER OF THI<br>170(B) (1) (A) (III)                             |  | RESEARCH GRANT FOR TEXAS HEART INSTITUTE MCNAIR<br>SCHOLAR, DR. ED YEH, IN AREAS OF CARDIOVASCULAR<br>DISEASE AND STEM CELL RESEARCH. OTHER 5,000 IS<br>FOR MISCELLANEOUS. | 125,000.      |

FORM 990-EF, PART XV -- GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 23 (CONT'D)

| RECIPIENT NAME AND ADDRESS                                                                                                        | RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR<br>AND<br>FOUNDATION STATUS OF RECIPIENT | PURPOSE OF GRANT OR CONTRIBUTION                                                                                             | AMOUNT     |
|-----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|------------|
| THE PRAYER INSTITUTE<br>6011 W OREM<br>HOUSTON, CO 77085                                                                          | NONE<br>170 (B) (1) (A) (I)                                                      | DEDICATED TO THE PRACTICE AND EDUCATION OF<br>PRAYER. TO HELP SUPPORT PRAYER LINE (WINDSOR<br>UNITED METHODIST CHURCH).      | 25,000.    |
| TREES OF HOPE<br>C/O STAR OF HOPE<br>3300 AUDLEY, STE 100<br>HOUSTON, TX 77098                                                    | NONE<br>170 (B) (1) (A) (VI)                                                     | TO CONDUCT FUNDRAISING ACTIVITIES FOR THE<br>EXCLUSIVE BENEFIT OF STAR OF HOPE, HOUSTON'S<br>LARGEST AGENCY FOR THE HOMELESS | 5,000.     |
| UNIVERSITY OF SOUTH CAROLINA<br>DIRECTOR OF PLANNED GIVING-USC DEV OFFICE<br>1600 HAMPTON STREET, ROOM 7381<br>COLUMBIA, SC 29208 | NONE<br>170 (B) (1) (A) (II)                                                     | MCNAIR SCHOLARS PROGRAM FOR HONOR STUDENTS AT<br>USC.                                                                        | 1,500,000. |
| UT LAW SCHOOL FOUNDATION<br>727 E. DEAN KEETON STREET<br>AUSTIN, TX 78705                                                         | NONE<br>170 (B) (1) (A) (II)                                                     | SUPPORT OF ENDOWED FACULTY CHAIR AT UNIVERSITY OF<br>TEXAS LAW SCHOOL.                                                       | 20,000.    |
| WOMEN'S HOME<br>607 WESTHEIMER<br>HOUSTON, TX 77006                                                                               | NONE<br>170 (B) (1) (A) (VI)                                                     | PROGRAMS THAT HELP WOMEN OVERCOME ADDICTION,<br>MENTAL ILLNESS, AND ABUSE.                                                   | 5,000.     |
| YMCA OF GREATER HOUSTON<br>PO BOX 3007<br>HOUSTON, TX 77253                                                                       | NONE<br>509 (A) (2)                                                              | CONSTRUCTION OF TEXANS YMCA FOR UNDERSERVED YOUTH<br>IN HOUSTON'S THIRD WARD.                                                | 200,000.   |

FORM 990DE, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 23 (CONT'D)

| RECIPIENT NAME AND ADDRESS                                                     | RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR<br>AND<br>FOUNDATION STATUS OF RECIPIENT | PURPOSE OF GRANT OR CONTRIBUTION                                                                                                                                          | AMOUNT   |
|--------------------------------------------------------------------------------|----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| YOUNG AUDIENCES OF HOUSTON<br>1800 ST JAMES PLACE<br>#303<br>HOUSTON, TX 77056 | NONE<br>170 (B) (1) (A) (VI)                                                     | PROGRAM SUPPORT FOR FINE ARTS INITIATIVES AT YES<br>PREPARATORY, KIPP SCHOOLS, HISD, AND GRACE<br>PRESBYTERIAN SCHOOL.                                                    | 11,000.  |
| A D PLAYERS<br>2710 WEST ALABAMA<br>HOUSTON, TX 77098                          | NONE<br>170 (B) (1) (A) (VI)                                                     | \$400,000 IS THE FIRST OF FIVE PAYMENTS FOR \$2<br>MILLION TO SUPPORT THE CAPITAL CAMPAIGN. THE<br>REMAINING \$5,000 IS TO ASSIST WITH CURRENT<br>OPERATIONS.             | 405,000. |
| RICE GALLERY<br>P O BOX 1892<br>HOUSTON, TX 77256                              | NONE<br>170 (B) (1) (A) (II)                                                     | TO SUPPORT ART EXPERIENCES FOR STUDENTS, AS WELL<br>AS OPPORTUNITIES TO HEAR AND INTERACT DIRECTLY<br>WITH CREATIVE INDIVIDUALS FROM A VARIETY OF<br>DISCIPLINES.         | 250.     |
| RIENZI GARDEN ENDOWMENT FUND<br>PO BOX 6826<br>HOUSTON, TX 77265               | NONE<br>170 (B) (1) (A) (VI)                                                     | TO SUPPORT THE MAINTENANCE OF ONE OF HOUSTON'S<br>GARDENS OPEN TO THE PUBLIC WHICH INCLUDES AN<br>EDUCATIONAL DEMONSTRATION AREA FOR LILIES AND<br>BULBS                  | 1,000.   |
| THEATRE UNDER THE STARS<br>800 BAGBY ST., SUITE 200<br>HOUSTON, TX 77002       | NONE<br>170 (B) (1) (A) (VI)                                                     | SUPPORT TO POSITIVELY IMPACT LIVES THROUGH<br>QUALITY MUSICAL THEATER AS WELL AS EDUCATION AND<br>COMMUNITY OUTREACH PROGRAMS.                                            | 1,000.   |
| CAMP FOR ALL<br>10500 NW FRWY, STE 220<br>HOUSTON, TX 77253                    | NONE<br>170 (B) (1) (A) (VI)                                                     | TO ENRICH THE LIVES OF CHILDREN AND ADULTS WITH<br>CHALLENGING ILLNESSES OR SPECIAL NEEDS AND THEIR<br>FAMILIES BY PROVIDING A UNIQUE, BARRIER FREE CAMP<br>FOR THE KIDS. | 1,000.   |

FORM 990-E, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 23 (CONT'D)

| RECIPIENT NAME AND ADDRESS                                                       | RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR<br>AND | PURPOSE OF GRANT OR CONTRIBUTION                                                                                                                                                                                          | AMOUNT  |
|----------------------------------------------------------------------------------|------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| CENTER FOR HOUSTON'S FUTURE<br>1200 SMITH ST , STE 1150<br>HOUSTON, TX 77002     | NONE<br>170(B) (1) (A) (VI)                    | TO FURTHER THE HOUSTON REGION AS A TOP GLOBAL<br>COMMUNITY IN WHICH TO WORK AND LIVE BY ENGAGING<br>DIVERSE LEADERS, PROVIDING RESEARCH, AND DEFINING<br>ACTIONABLE STRATEGIES TO SOLVE THE REGIONS<br>TOUGHEST PROBLEMS. | 2,500.  |
| CENTER FOR TEXAS CULTURAL HERITAGE<br>77253<br>HOUSTON, TX                       | NONE<br>170(B) (1) (A) (IV)                    | SUPPORT OF THE EDUCATION ABOUT THE HISTORY AND<br>CULTURE OF TEXAS.                                                                                                                                                       | 20,000. |
| CITIZEN GENERATION<br>2525 WALLINGWOOD DR.<br>STE 202 BLDG 1<br>AUSTIN, TX 78746 | NONE<br>509(A) (2)                             | TO CREATE THE HABIT OF GIVING THROUGH<br>PHILANTHROPIC EXPERIENCES AND COMMUNITY PROGRAMS.                                                                                                                                | 1,000.  |
| CITIZEN SCHOOLS<br>2700 SW FWY, STE B<br>HOUSTON, TX 77098                       | NONE<br>170(B) (1) (A) (VI)                    | TO SUPPORT EXPANDING THE LEARNING DAY FOR<br>CHILDREN IN LOW INCOME COMMUNITIES IN ORDER TO<br>BETTER PREPARE CHILDREN FOR EDUCATIONAL<br>OPPORTUNITIES.                                                                  | 10,000. |
| COLLEGE OF BIBLICAL STUDIES<br>700 REGENCY SQUARE<br>HOUSTON, TX 77036           | NONE<br>170(B) (1) (A) (II)                    | TO SUPPORT EQUIPPING STUDENTS WITH A BIBLICAL<br>WORLD VIEW FOR CHRISTIAN SERVICE TO THE CHURCH<br>AND THE WORLD.                                                                                                         | 10,000. |
| COUNCIL ON ALCOHOL AND DRUG ABUSE<br>PO BOX 2768<br>HOUSTON, TX 77252            | NONE<br>170(B) (1) (A) (VI)                    | TO HELP PROVIDE SUPPORT AND SERVICES TO ALL WHO<br>MAY BE ADVERSELY AFFECTED BY ALCOHOL AND DRUGS.                                                                                                                        | 5,000.  |



FORM 990EF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 23 (CONT'D)

| <u>RECIPIENT NAME AND ADDRESS</u>                                                 | <u>RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR<br/>AND<br/>FOUNDATION STATUS OF RECIPIENT</u> | <u>PURPOSE OF GRANT OR CONTRIBUTION</u>                                                                                                                                                                                       | <u>AMOUNT</u> |
|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| EDUCATION FOUNDATION OF HARRIS COUNTY<br>6300 IRVINGTON<br>HOUSTON, TX 77002      | NONE<br>170 (B) (1) (A) (VI)                                                              | SUPPORT OF INNOVATIVE EDUCATIONAL PROGRAMS FOR<br>800,000+ K-12 PUBLIC EDUCATION STUDENTS IN THE<br>GREATER HOUSTON/HARRIS COUNTY REGION.                                                                                     | 10,000.       |
| FAMILIES EMPOWERED<br>3900 ESSEX LN<br>HOUSTON, TX 77027                          | NONE<br>170 (B) (1) (A) (VI)                                                              | TO HELP ENSURE THAT PARENTS HAVE ACCESS TO FREE,<br>CREDIBLE, 3RD PARTY INFORMATION ABOUT ALL SCHOOL<br>OPTIONS, AS WELL AS THE SUPPORT THEY NEED TO LOOK<br>FOR AND SUCCEED IN THE SCHOOL OF THEIR CHOICE.                   | 5,000.        |
| FIRST TEE OF GREATER HOUSTON<br>5810 WILSON RD., STE. 112<br>HUMBLE, TX 77396     | NONE<br>509 (A) (2)                                                                       | TO SUPPORT INSTILLING LIFE-ENHANCING VALUES AND<br>PROMOTE HEALTHY CHOICES THROUGH THE GAME OF GOLF.                                                                                                                          | 5,000.        |
| FRIENDS OF A U OF AFGHANISTAN<br>1901 PENNSYLVANIA AVE NW<br>WASHINGTON, DC 20006 | NONE<br>509 (A) (2)                                                                       | TO SUPPORT HIGHER EDUCATION IN AFGHANISTAN THRU<br>ENTITIES SUCH AS AMERICAN UNIVERSITY OF<br>AFGHANISTAN, AFGHANISTAN'S ONLY INDEPENDENT,<br>PRIVATE, NOT FOR PROFIT, NON-SECTARIAN, COED<br>INSTITUTION OF HIGHER LEARNING. | 5,000.        |
| GLOBAL MEDIA OUTREACH<br>11757 KATY FWY.<br>HOUSTON, TX 77079                     | NONE<br>170 (B) (1) (A) (VI)                                                              | TO SUPPORT RELATIONSHIP BUILDING - HIGHLY<br>PERSONAL MINISTRY WITH PEOPLE FROM ALL COUNTRIES<br>THROUGH THOUSANDS OF GLOBAL MISSION OUTREACH<br>TRAINED ONLINE MISSIONARIES.                                                 | 10,000.       |
| H I S D FOUNDATION<br>4400 WEST 18TH ST.<br>HOUSTON, TX 77092                     | NONE<br>170 (B) (1) (A) (VI)                                                              | TO PROVIDE RESOURCES TO ADVANCE THE CORE<br>INITIATIVES OF THE DISTRICT'S STRATEGIC DIRECTION                                                                                                                                 | 1,500.        |

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 23 (CONT'D)

| RECIPIENT NAME AND ADDRESS                                                        | RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR<br>AND |  | FOUNDATION STATUS OF RECIPIENT | PURPOSE OF GRANT OR CONTRIBUTION                                                                                                                                                                                      | AMOUNT  |
|-----------------------------------------------------------------------------------|------------------------------------------------|--|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
|                                                                                   |                                                |  |                                |                                                                                                                                                                                                                       |         |
| HOLOCAUST MUSEUM HOUSTON<br>5401 CAROLINE ST.<br>HOUSTON, TX 77004                | NONE                                           |  | 170(B) (1) (A) (VI)            | TO SUPPORT THE EDUCATION OF PEOPLE ABOUT THE<br>HOLOCAUST, REMEMBERING THE VICTIMS AND HONORING<br>THE LEGACY AND TEACHING ABOUT THE DANGERS OF<br>HATRED, PREJUDICE, AND APATHY.                                     | 1,000.  |
| HOUSTON CENTER FOR LITERACY<br>2401 PORTSMOUTH #230<br>HOUSTON, TX 77098          | NONE                                           |  | 170(B) (1) (A) (VI)            | TO SUPPORT THE MOBILIZATION OF A COALITION OF<br>LITERACY PROVIDERS AND RESOURCES TO IMPROVE THE<br>LITERACY LANDSCAPE OF HOUSTON.                                                                                    | 5,000.  |
| HOUSTON CHRISTIAN HIGH SCHOOL<br>2700 W SAM HOUSTON PKWY N<br>HOUSTON, TX 77043   | NONE                                           |  | 509(A) (3) TYPE 1              | TO PROVIDE SUPPORT TO THIS COLLEGE PREP SCHOOL<br>DEDICATED TO HIGH STANDARDS FOR THE DEVELOPMENT<br>OF MORAL CHARACTER, THE ENRICHMENT OF SPIRITUAL<br>LIVES, AND THE PERPETUATION OF GROWTH IN<br>CHRISTIAN IDEALS. | 5,000.  |
| I H F C EARTH'S ANGELS CONFERENCE<br>PO BOX 1739<br>FRIENDSWOOD, TX 77549         | NONE                                           |  | 170(B) (1) (A) (I)             | TO ENCOURAGE MENTORING AND LEADERSHIP DEVELOPMENT<br>FOR TEEN GIRLS AND YOUNG ADULT WOMEN AGES 11-35.                                                                                                                 | 1,000.  |
| INSTITUTE FOR HUMANE STUDIES<br>3301 N FAIRFAX DR, STE 440<br>ARLINGTON, VA 22201 | NONE                                           |  | 170(B) (1) (A) (VI)            | SUPPORT OF ADVANCING A FREER SOCIETY BY<br>DISCOVERING AND FACILITATING THE DEVELOPMENT OF<br>TALENTED, PRODUCTIVE STUDENTS, SCHOLARS, AND<br>OTHER INTELLECTUALS WHO SHARE AN INTEREST IN<br>LIBERTY.                | 30,000. |
| JUNIOR LEAGUE OF HOUSTON<br>1811 BRIAR OAKS LN<br>HOUSTON, TX 77027               | NONE                                           |  | 509(A) (3) TYPE 1              | TO SUPPORT AN ORGANIZATION OF WOMEN COMMITTED TO<br>PROMOTING VOLUNTEERISM, DEVELOPING THE POTENTIAL<br>OF WOMEN AND IMPROVING COMMUNITIES THRU THE<br>EFFECTIVE ACTION AND LEADERSHIP OF TRAINED<br>VOLUNTEERS.      | 1,000   |

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 23 (CONT'D)

| RECIPIENT NAME AND ADDRESS                                                                                          | RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR<br>AND<br>FOUNDATION STATUS OF RECIPIENT | PURPOSE OF GRANT OR CONTRIBUTION                                                                                                                                                                                             | AMOUNT  |
|---------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| KIPP HOUSTON<br>10711 KIPP WAY<br>HOUSTON, TX 77099                                                                 | NONE<br>170 (B) (1) (A) (II)                                                     | SUPPORT OF DEVELOPMENT IN UNDER-SERVED STUDENTS<br>THE ACADEMIC SKILLS, INTELLECTUAL HABITS, AND<br>QUALITIES OF CHARACTER NECESSARY TO SUCCEED IN<br>ALL GRADE SCHOOL LEVELS, COLLEGE, AND THE<br>COMPETITIVE WORLD BEYOND. | 5,000.  |
| MARINE CORPS SCHOLARSHIP FOUNDATION INC.<br>909 N WASHINGTON STE 400<br>ALEXANDRIA, VA 22314                        | NONE<br>170 (B) (1) (A) (VI)                                                     | SUPPORT TO PROVIDING EDUCATION TO CHILDREN OF THE<br>MARINE CORPS.                                                                                                                                                           | 10,000. |
| MILTON FRIEDMAN PRIZE FOR ADVANCING LIBERTY<br>CATO INSTITUTE<br>1000 MASSACHUSETTS AVE. NW<br>WASHINGTON, DC 20001 | NONE<br>170 (B) (1) (A) (VI)                                                     | SUPPORT OF PRIZE ANNUALLY GIVEN TO AN INDIVIDUAL<br>WHO HAS MADE A SIGNIFICANT CONTRIBUTION TO THE<br>ADVANCEMENT OF FREEDOM.                                                                                                | 5,000.  |
| ONESTAR FOUNDATION INC.<br>9011 MOUNTAIN RIDGE DRIVE STE 100<br>AUSTIN, TX 78759                                    | NONE<br>170 (B) (1) (A) (VI)                                                     | SUPPORT OF CONNECTING FAITH-BASED AND COMMUNITY<br>ORGANIZATIONS, BUSINESSES, GOVERNMENT, AND<br>FOUNDATIONS TO RESOURCES AND INFORMATION ABOUT<br>THE NONPROFIT SECTOR.                                                     | 10,000. |
| REASONING MIND<br>2000 BERING DR STE 300<br>HOUSTON, TX 77057                                                       | NONE<br>170 (B) (1) (A) (VI)                                                     | SUPPORT OF DEVELOPING ONLINE MATH CURRICULA AND<br>SUPPORT FOR SCHOOLS, TEACHERS, AND PARENTS<br>IMPLEMENTING ITS PROGRAMS                                                                                                   | 10,000. |
| RICE SUMMER BUSINESS INSTITUTE<br>RICE UNIVERSITY<br>PO BOX 2932<br>HOUSTON, TX 77252                               | NONE<br>170 (B) (1) (A) (II)                                                     | TO INTRODUCE A GROUP OF HIGH SCHOOL STUDENTS FROM<br>LOW & MODERATE INCOME COMMUNITIES TO THE WORLD OF<br>BUSINESS, BROADENING THEIR EXPECTATIONS OF CAREER<br>PATHS THAT ARE POSSIBLE FOR THEM.                             | 10,000. |

FORM 990DP, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 23 (CONT'D)

| RECIPIENT NAME AND ADDRESS                                                                  | RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR<br>AND<br>FOUNDATION STATUS OF RECIPIENT | PURPOSE OF GRANT OR CONTRIBUTION                                                                                                                                                                      | AMOUNT  |
|---------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| TEXAS EXECUTIVE WOMEN<br>PO BOX 22593<br>HOUSTON, TX 77227                                  | NONE<br>509(A) (2)                                                               | SUPPORT OF A COMMUNITY OF PROFESSIONAL FEMALE<br>EXECUTIVES THAT COME TOGETHER TO NETWORK, SHARE<br>EXPERIENCES AND PROFESSIONAL RESOURCES, AND ARE<br>ACTIVELY INVOLVED IN THE COMMUNITY.            | 1,000.  |
| JOHN P MCGOVERN MUSEUM OF HEALTH & MEDICAL SCIENCE<br>1515 HERMANN DR.<br>HOUSTON, TX 77004 | NONE<br>170(B) (1) (A) (VI)                                                      | TO FOSTER THE WONDER AND CURIOSITY ABOUT HEALTH,<br>MEDICAL SCIENCE, AND THE HUMAN BODY.                                                                                                              | 10,000. |
| THE RONALD W. REAGAN SOCIETY<br>300 E. COLLEGE AVE.<br>EUREKA, IL 61530                     | NONE<br>170(B) (1) (A)(II)                                                       | TO DEVELOP YOUNG LEADERS WITH A FOUNDATION OF<br>REAGAN VALUES.                                                                                                                                       | 5,000.  |
| TULSA COMMUNITY FOUNDATION<br>7030 S YALE AVENUE, STE. 600<br>TULSA, OK 74136               | NONE<br>170(B) (1) (A) (VI)                                                      | PROGRAM SUPPORT OF THE LEMONADE DAY PROGRAM, A<br>PROGRAM THAT EMPOWERS CHILDREN WITH THE LIFE<br>SKILLS, MENTORSHIP AND REAL-WORLD EXPERIENCE<br>NEEDED TO ACHIEVE THEIR OWN AMERICAN DREAM.         | 2,500.  |
| UNIVERSITY OF HOUSTON<br>4543 POST OAK PLACE, SUITE 250<br>HOUSTON, TX 77027                | NONE<br>170(B) (1) (A) (IV)                                                      | SUPPORT OF OFFERING NATIONALLY COMPETITIVE AND<br>INTERNATIONALLY RECOGNIZED OPPORTUNITIES FOR<br>LEARNING, DISCOVERY AND ENGAGEMENT TO A DIVERSE<br>POPOULATION OF STUDENTS IN A REAL WORLD SETTING. | 15,000. |
| WESTERN ACADEMY<br>1511 BUTLERCREST<br>HOUSTON, TX 77080                                    | NONE<br>170(B) (1) (A) (II)                                                      | SUPPORT OF A PRIVATE, INDEPENDENT LIBERAL ARTS<br>ACADEMY FOR BOYS IN NEED TO BE ADVOCATES FOR<br>THEIR HEALTH.                                                                                       | 20,000. |

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 23 (CONT'D)

| <u>RECIPIENT NAME AND ADDRESS</u>                                                   | <u>RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR<br/>AND<br/>FOUNDATION STATUS OF RECIPIENT</u> |  | <u>PURPOSE OF GRANT OR CONTRIBUTION</u>                                                                                                                                                                       | <u>AMOUNT</u> |
|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
|                                                                                     |                                                                                           |  |                                                                                                                                                                                                               |               |
| WOMEN'S FUND<br>5353 W ALABAMA SUITE 615<br>HOUSTON, TX 77056                       | NONE<br>170 (B) (1) (A) (VI)                                                              |  | TO SUPPORT PROVIDING HOUSTON AREA WOMEN AND GIRLS<br>WITH THE TOOLS THEY NEED TO BE ADVOCATES FOR<br>THEIR HEALTH.                                                                                            | 15,000.       |
| BUFFALO BAYOU PARTNERSHIP<br>1113 VINE ST. STE 200<br>HOUSTON, TX 77002             | NONE<br>170 (B) (1) (A) (VI)                                                              |  | SUPPORT OF REVITALIZING AND TRANSFORMING BUFFALO<br>BAYOU IN HOUSTON.                                                                                                                                         | 5,000.        |
| RIVER OAKS GARDEN CLUB<br>2503 WESTHEIMER RD.<br>HOUSTON, TX 77098                  | NONE<br>509 (A) (2)                                                                       |  | SUPPORT OF STIMULATING THE KNOWLEDGE AND LOVE OF<br>GARDENING BY MEANS OF EDUCATIONAL MEETINGS,<br>CONFERENCES, CORRESPONDENCE, AND PUBLICATIONS.                                                             | 1,000.        |
| HERMANN PARK CONSERVANCY<br>6201 A HERMANN PARK DRIVE<br>HOUSTON, TX 77030          | NONE<br>170 (B) (1) (A) (VI)                                                              |  | DEDICATED TO THE STEWARDSHIP AND IMPROVEMENT OF<br>HERMANN PARK - TODAY AND FOR GENERATIONS TO COME.                                                                                                          | 20,000.       |
| GLENWOOD CEMETARY HISTORICAL SOCIETY<br>2525 WASHINGTON AVENUE<br>HOUSTON, TX 77007 | NONE<br>170 (B) (1) (A) (VI)                                                              |  | PRESERVATION AND RESTORATION OF HISTORIC<br>CEMETARY.                                                                                                                                                         | 35,000.       |
| KEEP HOUSTON BEAUTIFUL<br>3000 RICHMOND AVE.<br>HOUSTON, TX 77098                   | NONE<br>170 (B) (1) (A) (VI)                                                              |  | TO EDUCATE AND EMPOWER INDIVIDUALS TO TAKE<br>GREATER RESPONSIBILITY FOR BEAUTIFYING AND<br>ENHANCING HOUSTON'S ENVIRONMENTS THROUGH A FOCUS<br>ON LITTER PREVENTION, WASTE REDUCTION, AND<br>BEAUTIFICATION. | 2,500.        |

EOBM 990DE, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 23 (CONT'D)

| <u>RECIPIENT NAME AND ADDRESS</u>                                                   | <u>RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR<br/>AND<br/>FOUNDATION STATUS OF RECIPIENT</u> | <u>PURPOSE OF GRANT OR CONTRIBUTION</u>                                                                                                                       | <u>AMOUNT</u> |
|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| KIAWAH CONSERVANCY<br>80 KESTREL CT.<br>KIAWAH ISLAND, SC 29455                     | NONE<br>170(B) (1) (A) (VI)                                                               | TO PROVIDE THE VISION, LEADERSHIP AND RESOURCES<br>NECESSARY TO PRESERVE AND ENHANCE KIAWAH ISLAND'S<br>UNIQUE BALANCE OF NATURE AND DEVELOPMENT.             | 1,000.        |
| NATURE CONSERVANCY OF TEXAS<br>4245 N. FAIRFAX DR. SUITE 100<br>ARLINGTON, VA 22203 | NONE<br>170(B) (1) (A) (VI)                                                               | TO PROTECT NATURE FOR PEOPLE TODAY AND FUTURE<br>GENERATIONS.                                                                                                 | 1,000.        |
| AMERICAN EAGLE FOUNDATION<br>PO BOX 333<br>PIGEON FORGE, TN 37868                   | NONE<br>170(B) (1) (A) (IV)                                                               | TO CONTINUE THE CARING, RESTORATION, AND<br>PROTECTION OF THE BALD EAGLE AND OTHER ENDANGERED<br>BIRD SPECIES AND TO EDUCATE THE PUBLIC ABOUT<br>THESE BIRDS. | 10,000.       |
| BRIDGES TO LIFE<br>PO BOX 570895<br>HOUSTON, TX 77257                               | NONE<br>170(B) (1) (A) (VI)                                                               | SUPPORT OF CONNECTING COMMUNITIES TO PRISONS IN<br>AN EFFORT TO REDUCE THE RATES OF RECIDIVISM AND<br>CRIMES, CRIME VICTIMS, AND ENHANCE PUBLIC SAFETY.       | 10,000.       |
| CAMPUS CRUSADE FOR CHRIST<br>100 LAKE HART DRIVE 200<br>ORLANDO, FL 32832           | NONE<br>170(B) (1) (A) (I)                                                                | TO EQUIP PEOPLE AS ACTIVE CHRISTIANS BY PROVIDING<br>THEM WITH PROVEN AND EFFECTIVE RESOURCES THAT<br>HELP THEM ADVANCE THE GREAT COMMISSION                  | 5,000.        |
| ECCLESIA CHURCH<br>P.O. BOX 590324<br>HOUSTON, TX 77259                             | NONE<br>170(B) (1) (A) (I)                                                                | TO SUPPORT FINDING WAYS TO INTRODUCE THE KINGDOM<br>OF GOD TO OTHERS IN OUR COMMUNITY THROUGH<br>SERVING.                                                     | 10,000.       |

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 23 (CONT'D)

| RECIPIENT NAME AND ADDRESS                                                                  | RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR<br>AND<br>FOUNDATION STATUS OF RECIPIENT | PURPOSE OF GRANT OR CONTRIBUTION                                                                                                                                                                                                            | AMOUNT  |
|---------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| FELLOWSHIP OF CHRISTIAN ATHLETES<br>8701 LEEDS ROAD<br>KANSAS CITY, MO 64129                | NONE<br>170(B) (1) (A) (VI)                                                      | TO PRESENT TO COACHES AND ATHLETES THE CHALLENGE AND ADVENTURE OF RECEIVING JESUS CHRIST AS SAVIOR AND LORD, SERVING HIM IN THEIR RELATIONSHIPS AND IN THE FELLOWSHIP OF THE CHURCH                                                         | 3,000.  |
| GREATER HOUSTON F C A<br>1 RIVERWAY, SUITE 900<br>HOUSTON, TX 77056                         | NONE<br>170(B) (1) (A) (VI)                                                      | TO PRESENT TO COACHES AND ATHLETES THE CHALLENGE AND ADVENTURE OF RECEIVING JESUS CHRIST AS SAVIOUR AND LORD, SEVING HIM IN THEIR RELATIONSHIPS AND IN THE FELLOWSHIP OF THE CHURCH.                                                        | 10,000. |
| HOUSTON TEXANS FOUNDATION<br>109 N POST OAK LN, SUITE 600<br>HOUSTON, TX 77024              | COMMON TRUSTEE "OWNERSHIP"<br>170(B) (1) (A) (VI)                                | TO ENCOURAGE ALL YOUTH AND FAMILIES IN HARRIS COUNTY TO REACH THEIR FULL POTENTIAL AND TO ACHIEVE SUCCESS. TO ASSIST THROUGH EDUCATIONAL, FINANCIAL, VOLUNTEER AND COLLABORATIVE SUPPORT TO ADMINISTER PROGRAMS FOSTERING MINDS AND BODIES. | 1,250.  |
| INSTITUTE FOR SPIRITUALITY AND HEALTH<br>8100 GREENBRIAR ST. SUITE 220<br>HOUSTON, TX 77054 | NONE<br>170(B) (1) (A) (II)                                                      | TO INCREASE AWARENESS OF THE ROLE THAT SPIRITUALITY PLAYS IN HEALING, IN COPING WITH CHRONIC ILLNESS, AND IN THE MAINTENANCE OF OPTIMAL HEALTH.                                                                                             | 5,000.  |
| INTERFAITH MINISTRIES FOR GREATER HOUSTON<br>3217 MONTROSE BLVD.<br>HOUSTON, TX 77006       | NONE<br>170(B) (1) (A) (VI)                                                      | TO BRING PEOPLE OF DIVERSE FAITH TRADITIONS TOGETHER FOR DIALOGUE, COLLABORATION, AND SERVICE AS A DEMONSTRATION OF OUR SHARED BELIEFS.                                                                                                     | 20,000. |
| MALACHI DESTINY & PURPOSE<br>3701 CHARLESTON ST.<br>HOUSTON, TX 77021                       | NONE<br>170(B) (1) (A) (VI)                                                      | TO EQUIP AND TRAIN GENERATIONS OF INNER CITY YOUTH AND FAMILIES THROUGH EXPERIENCE AND EXPOSURE BY PROVIDING CONSISTENCY, PARTNERSHIP, TEACHING PERSONAL IMPROVEMENT, AND PROVIDING BUSINESS MODELS THAT STIMULATE THE LOCAL COMMUNITY      | 10,000. |

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 23 (CONT'D)

| RECIPIENT NAME AND ADDRESS                                                                       | RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR<br>AND | PURPOSE OF GRANT OR CONTRIBUTION                                                                                                                                                                                  | AMOUNT  |
|--------------------------------------------------------------------------------------------------|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| FOUNDATION STATUS OF RECIPIENT                                                                   |                                                |                                                                                                                                                                                                                   |         |
| MILITARY MINISTRY (DIV OF CAMPUS CRUSADE FOR CHRIST<br>P.O. BOX 120124<br>NEWPORT NEWS, VA 23612 | NONE<br>170 (B) (1) (A) (I)                    | SUPPORT OF WINNING, BUILDING, AND SENDING<br>CHRIST-CENTERED MULTIPLYING DISCIPLES WHO LAUNCH<br>SPIRITUAL MOVEMENTS IN THE GLOBAL MILITARY<br>COMMUNITY.                                                         | 10,000. |
| OIL OF JOY<br>10515 EVESBOROUGH DR.<br>HOUSTON, TX 77099                                         | NONE<br>170 (B) (1) (A) (VI)                   | TO PROMOTE THE JOY OF THE LORD BY PRESENTING A<br>MESSAGE OF ENCOURAGEMENT AND UNITY TO CHURCHES<br>AND MINISTRIES, AND, THEREFORE, TO THE ENTIRE<br>BODY                                                         | 1,000.  |
| VISION AMERICA<br>PO BOX 10<br>LUFKIN, TX 75902                                                  | NONE<br>170 (B) (1) (A) (VI)                   | TO INFORM, ENCOURAGE, AND MOBILIZE PASTORS AND<br>THEIR CONGREGATIONS TO BE PROACTIVE IN RESTORING<br>JUDEO-CHRISTIAN VALUES TO THE MORAL AND CIVIC<br>FRAMEWORK IN THEIR COMMUNITIES, STATES, AND OUR<br>NATION. | 5,000.  |
| WREATHS ACROSS AMERICA<br>PO BOX 249<br>COLUMBIA FALLS, ME 04623                                 | NONE<br>509 (A) (2)                            | TO REMEMBER, HONOR, AND TEACH BY COORDINATING<br>WREATH LAYING CEREMONIES REGARDING VETERANS.                                                                                                                     | 5,000.  |
| A A M A<br>6001 GULF FRWY, BLDG E<br>HOUSTON, TX 77023                                           | NONE<br>509 (A) (2)                            | TO EMPOWER LATINO MEN, WOMEN, AND CHILDREN TO<br>PURSUE THEIR DREAMS AND INSPIRE LEADERS IN THE<br>COMMUNITY.                                                                                                     | 1,000.  |
| ABOLITION INTERNATIONAL<br>PO BOX 50165<br>NASHVILLE, TN 37205                                   | NONE<br>170 (B) (1) (A) (VI)                   | TO PROVIDE HOPE AND FREEDOM FOR SURVIVORS OF SEX<br>SLAVERY.                                                                                                                                                      | 10,000. |



FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 23 (CONT'D)

| <u>RECIPIENT NAME AND ADDRESS</u>                                              | <u>RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR<br/>AND<br/>FOUNDATION STATUS OF RECIPIENT</u> |                      | <u>PURPOSE OF GRANT OR CONTRIBUTION</u>                                                                                                                                                                                                                   | <u>AMOUNT</u> |
|--------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
|                                                                                |                                                                                           |                      |                                                                                                                                                                                                                                                           |               |
| AMERICAN CANCER SOCIETY<br>250 WILLIAMS STREET<br>ATLANTA, GA 30303            | NONE                                                                                      | 170 (B) (1) (A) (VI) | SUPPORT OF A VOLUNTARY HEALTH ORGANIZATION<br>DEDICATED TO ELIMINATING CANCER AS A MAJOR<br>HEALTH PROBLEM BY PREVENTING CANCER, SAVING<br>LIVES, AND DIMINISHING SUFFERING FROM CANCER THRU<br>RESEARCH, EDUCATION, ADVOCACY, AND SERVICE.               | 200,000.      |
| C A S A OF TARRANT COUNTY<br>101 SUMMIT AVE. SUITE 505<br>FORT WORTH, TX 76102 | NONE                                                                                      | 170 (B) (1) (A) (VI) | SUPPORT OF TRAINING COURT-APPOINTED VOLUNTEERS TO<br>MAKE RECOMMENDATIONS FOR SAFE, PERMANENT HOMES<br>FOR ABUSED AND NEGLECTED CHILDREN.                                                                                                                 | 10,000.       |
| C A S A OF TRAVIS COUNTY<br>7701 N LAMAR BLVD, STE 301<br>AUSITN, TX 78752     | NONE                                                                                      | 170 (B) (1) (A) (VI) | SUPPORT OF PROMOTING AND PROTECTING THE BEST<br>INTEREST OF CHILDREN WHO HAVE BEEN ABUSED OR<br>NEGLECTED, BY TRAINING VOLUNTEERS TO ADVOCATE FOR<br>THEM IN COURTS, SCHOOLS, AND IN OUR COMMUNITY TO<br>HELP THEM FIND SAFE, PERMANENT AND LOVING HOMES. | 10,000.       |
| CANCER CARE SERVICES<br>623 S HENDERSON ST.<br>FORT WORTH, TX 76104            | NONE                                                                                      | 170 (B) (1) (A) (VI) | TO PROVIDE HELP AND HOPE TO CANCER PATIENTS AND<br>THEIR FAMILIES AND CAREGIVERS THROUGH DIRECT<br>FINANCIAL, EMOTIONAL, SPIRITUAL, AND SOCIAL<br>PROGRAMS, SERVICES AND ACTIVITIES.                                                                      | 10,000.       |
| CANCER FORWARD<br>PO BOX 1064<br>HOUSTON, TX 77251                             | NONE                                                                                      | 509 (A) (2)          | TO CONNECT EDUCATE, AND SHARE INFORMATION AMONG<br>CANCER SURVIVORS, EMPOWERING THEM TO MOVE FORWARD<br>WITH THEIR LIVES                                                                                                                                  | 1,000.        |
| CENTRAL CABARRUS FOOTBALL<br>505 HWY 49 X<br>CONCORD, NC 28025                 | NONE                                                                                      | 170 (B) (1) (A) (1)  | SUPPORT OF FOOTBALL PROGRAM AT CENTRAL CABARRUS<br>HIGH SCHOOL.                                                                                                                                                                                           | 12,000        |

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 23 (CONT'D)

| RECIPIENT NAME AND ADDRESS                                                                     | RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR<br>AND |                     | PURPOSE OF GRANT OR CONTRIBUTION                                                                                                                          | AMOUNT  |
|------------------------------------------------------------------------------------------------|------------------------------------------------|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
|                                                                                                | FOUNDATION STATUS OF RECIPIENT                 |                     |                                                                                                                                                           |         |
| CHILD ADVOCATES<br>2401 PORTSMOUTH ST #210<br>HOUSTON, TX 77098                                | NONE                                           | 170(B) (1) (A) (VI) | TO RECRUIT, TRAIN, & SUPERVISE VOLUNTEERS WHO<br>SERVE AS GUARDIANS AD LITEM FOR CHILDREN IN<br>FOSTER CARE.                                              | 15,000. |
| CHRISTIAN ALLIANCE FOR HUMANITARIAN AID<br>2339 COMMERCE ST.<br>HOUSTON, TX 77004              | NONE                                           | 170(B) (1) (A) (VI) | TO PROVIDE HUMANITARIAN AID (FOOD & SUPPLIES) IN<br>THE USA AND OTHER PARTS OF THE WORLD WHERE SUCH<br>AID IS NEEDED.                                     | 5,000.  |
| COVENANT HOUSE<br>1111 LOVETT BLVD<br>HOUSTON, TX 77006                                        | NONE                                           | 170(B) (1) (A) (VI) | TO PROVIDE SHELTER AND SERVICES TO CHILDREN AND<br>YOUTH WHO ARE HOMELESS AND AT GREAT RISK.                                                              | 1,000.  |
| CROHN'S & COLITIS FOUNDATION OF AMERICA<br>386 PARK AVE. SOUTH, 17TH FLR<br>NEW YORK, NY 10016 | NONE                                           | 170(B) (1) (A) (VI) | TO FIND A CURE FOR CROHN'S DISEASE AND<br>ULCERATIVE COLITIS AND TO IMPROVE THE QUALITY OF<br>LIFE FOR CHILDREN AND ADULTS AFFECTED BY THESE<br>DISEASES. | 1,000.  |
| DEPRESSION BIPOLAR SUPPORT ALLIANCE<br>PO BOX 27607<br>HOUSTON, TX 77227                       | NONE                                           | 170(B) (1) (A) (VI) | TO PROVIDE HOPE, HELP, SUPPORT AND EDUCATION TO<br>IMPROVE THE LIVES OF PEOPLE WHO HAVE MOOD<br>DISORDERS.                                                | 10,000  |
| EL CENTRO DE CORAZON<br>412 TELEPHONE RD<br>HOUSTON, TX 77023                                  | NONE                                           | 170(B) (1) (A) (VI) | TO PROMOTE INDIVIDUALS, COMMUNITIES, AND SOCIAL<br>HEALTH OF THE EAST END AND GREATER HOUSTON AREA.                                                       | 5,000.  |

FORM 990PE, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 23 (CONT'D)

| RECIPIENT NAME AND ADDRESS                                             | RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR<br>AND<br>FOUNDATION STATUS OF RECIPIENT | PURPOSE OF GRANT OR CONTRIBUTION                                                                                                                                                                 | AMOUNT  |
|------------------------------------------------------------------------|----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| FAMILY LEGACY MISSIONS<br>5005 WEST ROYAL LANE<br>IRVING, TX 75063     | NONE<br>170 (B) (1) (A) (VI)                                                     | SUPPORT TO CONNECT AMERICAN FAMILIES WITH THE ORPHANED AND VULNERABLE CHILDREN OF ZAMBIA TO SHARE THE GOSPEL, TRANSFORM LIVES, AND RESCUE ORPHANS.                                               | 5,000.  |
| FOR HOUSTON'S KIDS<br>PO BOX 66585<br>HOUSTON, TX 77266                | NONE<br>170 (B) (1) (A) (VI)                                                     | SUPPORT PRODUCING WHOLE AND HEALTHY KIDS IN EVERY NEIGHBORHOOD, SCHOOL, AND COMMUNITY IN GREATER HOUSTON WHO BECOME PRODUCTIVE ADULTS MAKING POSITIVE CONTRIBUTIONS TO SOCIETY.                  | 2,500.  |
| FRIENDS FOR LIFE NO KILL ANIMAL<br>PO BOX 70575<br>HOUSTON, TX 770270  | NONE<br>509 (A) (2)                                                              | TO ASSIST IN PROVIDING A NO KILL OPTION TO THE HOUSTON COMMUNITY BY RESCUING, TREATING AND RE-HOMING ANIMALS WITHIN THE NO KILL MODEL OF SHELTERING.                                             | 1,000.  |
| HOUSTON BAPTIST UNIVERSITY<br>7502 FONDRES RD<br>HOUSTON, TX 77074     | NONE<br>170 (B) (1) (A) (II)                                                     | SUPPORT TO PROVIDE A LEARNING EXPERIENCE THAT INSTILLS IN STUDENTS A PASSION FOR ACADEMIC, SPIRITUAL, AND PROFESSIONAL EXCELLENCE AS A RESULT OF OUR CENTRAL CONFESSION, "JESUS CHRIST IS LORD". | 5,000.  |
| HOUSTON HABITAT FOR HUMANITY<br>3750 N MCCARTY ST<br>HOUSTON, TX 77029 | NONE<br>170 (B) (1) (A) (IV)                                                     | TO HELP ECONOMICALLY DISADVANTAGED PEOPLE OBTAIN A BETTER HUMAN HABITAT THROUGH LOW COST HOUSING CONSTRUCTION AND LOW COST MORTGAGE LOANS.                                                       | 15,000. |
| HOUSTON POLICE FOUNDATION<br>1200 TRAVIS ST<br>HOUSTON, TX 77002       | NONE<br>170 (B) (1) (A) (VI)                                                     | TO FOSTER VISIBLE AND DIRECT COMMUNITY SUPPORT FOR THE HOUSTON POLICE DEPT. BY STRENGTHENING PRIDE IN AND CONNECTION TO THE DEPARTMENT'S MISSION OF EXCELLENCE.                                  | 15,000. |

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 23 (CONT'D)

| RECIPIENT NAME AND ADDRESS                                                                                    | RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR<br>AND<br>FOUNDATION STATUS OF RECIPIENT | PURPOSE OF GRANT OR CONTRIBUTION                                                                                                                                                                                                        | AMOUNT  |
|---------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| HOUSTON S P C A<br>900 PORTWAY DR<br>HOUSTON, TX 77024                                                        | NONE<br>509(A) (2)                                                               | TO PROMOTE COMMITMENT AND RESPECT FOR ALL ANIMALS<br>AND TO FREE THEM FROM SUFFERING, ABUSE AND<br>EXPLOITATION.                                                                                                                        | 10,000. |
| MARATHON KIDS<br>PO BOX 41317<br>AUSTIN, TX 78704                                                             | NONE<br>170(B) (1) (A) (VI)                                                      | TO BUILD A LIFELONG LOVE OF RUNNING AND WALKING,<br>COMBINED WITH THE ABILITY TO MAKE AND ENJOY<br>HEALTHY FOOD CHOICES IN ORDER TO REDUCE CHILDHOOD<br>OBESITY AND TYPE 2 DIABETES BY MOVING FAMILIES TO<br>A NON-SEDENTARY LIFESTYLE. | 10,000. |
| MARCH OF DIMES FOUNDATION<br>1275 MAMARONECK AVE<br>WHITE PLAINS, NY 10605                                    | NONE<br>170(B) (1) (A) (VI)                                                      | TO PROMOTE HEALTHY BABIES FOCUSING ON BIRTH<br>DEFECTS, LOW BIRTH WEIGHT, AND INFANT DEATH.                                                                                                                                             | 10,000. |
| MISSION OF YAHWEH<br>10247 ALGIERS<br>HOUSTON, TX 77041                                                       | NONE<br>170(B) (1) (A) (VI)                                                      | TO PROVIDE FOOD, CLOTHING AND SHELTER FOR THE<br>HOMELESS WOMEN AND WOMEN W/CHILDREN, TO ADDRESS<br>THE PROBLEMS AND REHABILITATE THEM TO BECOME<br>SELF-SUFFICIENT, PRODUCTIVE MEMBERS OF SOCIETY                                      | 30,000. |
| NANTZ NATIONAL ALZHEIMER CENTER<br>NANTZ FAMILY FOUNDATION<br>521 FIFTH AVE, 15TH FLOOR<br>NEW YORK, NY 10175 | NONE<br>170(B) ((1) (A) (IV)                                                     | TO SUPPORT IMPROVING CARE AND TREATMENT FOR<br>PATIENTS WITH ALZHEIMERS DISEASE THROUGH THE<br>ADVANCEMENT OF RESEARCH AND THE INVESTIGATION OF<br>ITS CAUSE.                                                                           | 10,000. |
| NEIGHBORHOOD CENTERS INC<br>P.O. BOX 271389<br>HOUSTON, TX 77277                                              | NONE<br>170(B) (1) (A) (VI)                                                      | TO ASSISST IN BRINGING RESOUCES, EDUCATION, AND<br>CONNECTION TO EMERGING NEIGHBORHOODS.                                                                                                                                                | 1,000.  |

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 23 (CONT'D)

| RECIPIENT NAME AND ADDRESS                                                                                    | RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR<br>AND                         |  | PURPOSE OF GRANT OR CONTRIBUTION                                                                                                                                                                                                                                                  | AMOUNT     |
|---------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|                                                                                                               | FOUNDATION STATUS OF RECIPIENT                                         |  |                                                                                                                                                                                                                                                                                   |            |
| SPECIAL SPACES HOUSTON<br>4202 WALNUT POND<br>HOUSTON, TX 77059                                               | NONE<br>170 (B) (1) (A) (VI)                                           |  | TO SUPPORT CREATING DREAM BEDROOMS FOR CHILDREN<br>WITH LIFE-THREATENING ILLNESSES.                                                                                                                                                                                               | 20,000.    |
| WON HEART FOUNDATION<br>10 SARAH'S COVE<br>SUGAR LAND, TX 77479                                               | NONE<br>170 (B) (1) (A) (VI)                                           |  | SUPPORT TO HELP BRIDGE GAP OF LATCH-KEY KIDS BY<br>PROVIDING FUNDING FOR THE BUILDING OF HOUSTON<br>AREA PARKS AND A YMCA AFTER-SCHOOL PROGRAM,<br>INDIVIDUALS AND ORGANIZATIONS REGARDING THESE<br>IDENTIFIED CHARITIES, AND THE PROVISION OF ONLINE<br>AND OFFLINE IT SERVICES. | 10,000.    |
| TEXAS CHILDREN'S CANCER CENTER<br>6701 FANNIN ST.<br>HOUSTON, TX 77030                                        | NONE<br>170 (B) (1) (A) (III)                                          |  | SUPPORT TO HELP PROVIDE PERSONALIZED,<br>HIGH-QUALITY, FAMILY CENTERED CARE TO CHILDREN<br>AND YOUNG ADULTS WITH CANCER AND BLOOD DISORDERS<br>IN CHILDREN AND TO PROVIDE TRAINING FOR CURRENT<br>AND FUTURE LEADERS IN THE FIELD.                                                | 5,000.     |
| EDUCATIONAL PROGRAMS INSPIRING<br>6717 STEUBNER AIRLINE #207<br>HOUSTON, TX 77091                             | NONE<br>170 (B) (1) (A) (VI)                                           |  | TO ASSIST IN PROMOTING STRUCTURED INDEPENDENCE<br>FOR PERSONS LIVING WITH DEVELOPMENTAL<br>DISABILITIES BY PROVIDING INNOVATIVE EDUCATION,<br>TRAINING, HOUSING, AND EMPLOYMENT PROGRAMS.                                                                                         | 1,000.     |
| LEXICON PHARMACEUTICALS<br>8800 TECHNOLOGY FOREST PLACE<br>THE WOODLANDS, TX 77381-1160                       | SEE ATTACHMENT 18                                                      |  | FUNDING RESEARCH OF EFFICACY OF PROTEIN LX4211 AS<br>A CURE OF TYPE 1 DIABETES. THE AMOUNT PAID<br>DURING 2012 IS FOR THE COST OF PHASE I OF THIS<br>PROJECT.                                                                                                                     | 1,554,500. |
| BCM - DRS FRIEDLANDER AND PAPAGEORGIOU<br>BAYLOR COLLEGE OF MEDICINE<br>ONE BAYLOR PLAZA<br>HOUSTON, TX 77030 | ROBERT C. MCNAIR IS A BOARD MEMBER OF BCM<br>SEC 170 (B) (1) (A) (III) |  | THESE TWO DOCTORS, DR PAPAGEORGIOU REPLACED DR<br>FRIEDLANDER, WERE SELECTD BY BCM TO PERFORM<br>NEUROSCIENCE RESEARCH IN AREA OF FMRIS'.                                                                                                                                         | 75,000.    |

FORM 990DP, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 23 (CONT'D)

| RECIPIENT NAME AND ADDRESS                                                                                               | RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR<br>AND<br>FOUNDATION STATUS OF RECIPIENT |  | PURPOSE OF GRANT OR CONTRIBUTION                                                                                                                                                                                                                                                                                                                                                     | AMOUNT            |
|--------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
|                                                                                                                          |                                                                                  |  |                                                                                                                                                                                                                                                                                                                                                                                      |                   |
| BAYLOR COLLEGE OF MEDICINE - SPECIALTY CARE CTR<br>BAYLOR COLLEGE OF MEDICINE<br>ONE BAYLOR PLAZA<br>HOUSTON, TX 77030   | ROBERT C MCNAIR IS A BOARD MEMBER OF BCM<br>SEC 170(B) (1) (A) (III)             |  | THIS IS THE FIRST OF FIVE \$2 MILLION PAYMENTS TO<br>FUND THE IMPROVEMENTS TO THE NEW SPECIALTY CARE<br>CENTER ON THE MCNAIR CAMPUS.                                                                                                                                                                                                                                                 | 2,000,000.        |
| BCM - DR. HENRI BAYLE<br>BAYLOR COLLEGE OF MEDICINE<br>ONE BAYLOR PLAZA<br>HOUSTON, TX 77030                             | ROBERT C MCNAIR IS ON THE BOARD OF BCM.<br>SEC 170(B) (1) (A) (III)              |  | BCM AWARDED A MCNAIR SCHOLAR SHIP TO DR.<br>BAYLE TO PERFORM RESEARCH IN HIS FIELD OF INTEREST<br>OF JUVENILE DIABETES.                                                                                                                                                                                                                                                              | 60,000            |
| BCM - DR. OLIVIER LICHTARGE<br>BAYLOR COLLEGE OF MEDICINE<br>ONE BAYLOR PLAZA<br>HOUSTON, TX 77030                       | ROBERT C. MCNAIR IS A BOARD MEMBER OF BCM<br>SEC 170(B) (1) (A) (III)            |  | THIS IS A GRANT TO THE BCM COMPREHENSIVE AND<br>INTEGRATIVE BIOMEDICAL RESEARCH ("CIBR") CENTER<br>HEADED BY DR. LICHTARGE. THIS IS THE FIRST OF<br>THREE ANNUAL \$500,000 PAYMENTS TO FUND AN<br>ARTIFICIAL INTELLIGENCE PROJECT MODELED AFTER THE<br>WATSON IBM PROGRAM. ITS PURPOSE IS TO INTEGRATE<br>THE RESULTS OF 60,000 PUBLIC DOCUMENTS ON P53 A<br>CANCER CAUSING PROTEIN. | 500,000.          |
| BCM - ENDOWED CHAIR IN MOLECULAR & HUMAN GENETICS<br>BAYLOR COLLEGE OF MEDICINE<br>ONE BAYLOR PLAZA<br>HOUSTON, TX 77030 | ROBERT C. MCNAIR IS ON THE BCM BOARD<br>SEC 170(B) (1) (A) (III)                 |  | THIS IS THE FIRST OF FIVE ANNUAL PAYMENTS OF<br>\$400,000 TO FUND THIS CHAIR. DR. BRENDAN LEE IS<br>THE FIRST RECIPIENT.                                                                                                                                                                                                                                                             | 400,000.          |
| TOTAL CONTRIBUTIONS PAID                                                                                                 |                                                                                  |  |                                                                                                                                                                                                                                                                                                                                                                                      | <u>12,310,604</u> |

FORM 990DE, PART XV - CONTRIBUTIONS APPROVED FOR FUTURE PAYMENTATTACHMENT 24

| RECIPIENT NAME AND ADDRESS                                                                                         | RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR<br>AND<br>FOUNDATION STATUS OF RECIPIENT | PURPOSE OF GRANT OR CONTRIBUTION                                                                                                                                                                                                                        | AMOUNT      |
|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| BAYLOR MEDICAL SCHOOL SPECIALTY CARE CENTER<br>BAYLOR COLLEGE OF MEDICINE<br>ONE BAYLOR PLAZA<br>HOUSTON, TX 77030 | ROBERT C. MCNAIR IS BCM BOARD OF DIRECTOR MEMBER<br>IRC SEC. 509(A) (1)          | FOUNDATION COMMITTED \$10 MILLION OVER FIVE YEARS<br>TO FUND A SPECIALTY CARE CENTER AT THE BCM MCNAIR<br>CLINIC. FIRST PAYMENT WAS MADE IN 2012.                                                                                                       | 10,000,000. |
| BAYLOR COLLEGE OF MEDICINE ENDOWED CHAIR<br>BAYLOR COLLEGE OF MEDICINE<br>ONE BAYLOR PLAZA<br>HOUSTON, TX 77030    | ROBERT MCNAIR IS MEMBER OF BCM BOARD OF DIRECTORS<br>IRC SEC. 509(A) (1)         | FOUNDATION COMMITTED TO FUND A CHAIR IN MOLECULAR<br>AND HUMAN GENETICS AT BCM IN THE AMOUNT OF \$2<br>MILLION PAYABLE OVER FIVE YEARS COMMENCING IN<br>2012.                                                                                           | 2,000,000   |
| BCM CIBR CTR - KNIT PROJECT<br>BAYLOR COLLEGE OF MEDICINE<br>ONE BAYLOR PLAZA<br>HOUSTON, TX 77030                 | ROBERT C. MCNAIR IS BOARD MEMBER OF BCM.<br>IRC SEC. 509(A) (1)                  | TO FUND AN ARTIFICIAL INTELLIGENCE COLLABORATION<br>USING ALGORITHMS TO INTEGRATE KNOWLEDGE OF A<br>CANCER PROTEIN P53 FROM 60,000 PAPERS TO IDENTIFY<br>RELATIONSHIPS. PARTICIPANTS INCLUDE RICE, IBM &<br>MDA. FUNDING IS \$1.5 MILLION OVER 3 YEARS. | 1,500,000.  |
| INSPIRE WOMEN ENDOWMENT<br>1415 S. VOSS, SUITE 110-516<br>HOUSTON, TX 77057                                        | NONE<br>IRC 509(A) (1)                                                           | FOUNDATION COMMITTED \$12,500 OVER FIVE YEARS TO<br>SUPPORT ISSUES GERMANE TO WOMEN. MORE<br>SPECIFICALLY, THE PURPOSE IS TO FUND MISSIONS AND<br>MINISTRIES.                                                                                           | 12,500.     |
| MENNINGER CLINIC - RESEARCH GRANT<br>2801 GESSNER DRIVE<br>HOUSTON, TX 77080                                       | NONE<br>IRC SEC. 509(A) (1)                                                      | THIS \$100,000 GRANT PAYABLE OVER TWO YEARS FUNDS<br>RESEARCH IN MATERNAL AND INFANT MENTAL HEALTH.                                                                                                                                                     | 100,000.    |
| GAILLARD CIVIC CENTER<br>GAILLARD CENTER<br>CHARLESTON, SC                                                         | NONE<br>IRC SEC. 509(A) (1)                                                      | FOUNDATION COMMITS \$1 MILLION OVER FIVE YEARS TO<br>FUND THE CONSTRUCTION OF A NEW PERFORMANCE ARTS<br>CENTER AND EXHIBITION HALL IN CHARLESTON, SOUTH<br>CAROLINA.                                                                                    | 1,000,000.  |

FORM 990PE, PART XV - CONTRIBUTIONS APPROVED FOR FUTURE PAYMENT

ATTACHMENT 24 (CONT'D)

RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR

AND

FOUNDATION STATUS OF RECIPIENT

RECIPIENT NAME AND ADDRESS

PURPOSE OF GRANT OR CONTRIBUTION

AMOUNT

AD PLAYERS CAPITAL CAMPAIGN  
2710 W. ALABAMA  
HOUSTON, TX 77098

NONE  
IRC SEC 509(A) (1)

A \$2 MILLION COMMITMENT OVER 5 YEARS TO SUPPORT  
THE CONSTRUCTION OF A NEW PERFORMING ARTS CENTER.  
AD PLAYERS IS AN ACTING COMPANY THAT HAS AS ITS  
MISSION COMMUNICATING "UNDER THE CREATIVE  
SIGNATURE OF GOD".

2,000,000.

TOTAL CONTRIBUTIONS APPROVED

16,612,500.



**THE ROBERT AND JANICE MCNAIR FOUNDATION**

**REPORT OF COMPLIANCE WITH EXPENDITURE RESPONSIBILITY REQUIREMENTS OF**

**I.R.C. SEC. 4945(h)(3) AND REG. SEC. 53.4945-5(d)(2)**

**RETURN OF PRIVATE FOUNDATION (FORM 990-PF)**

**CALENDAR YEAR 2012**

**Name and address of grantee:**

Lexicon Pharmaceuticals, Inc.  
Attention: President and Chief Executive Office  
8800 Technology Forest Place  
The Woodlands, Texas 77381

**Date and amount of grant:**

The Clinical Development Funding Agreement between Lexicon Pharmaceuticals, Inc. ("Lexicon") and the McNair Medical Institute, L.L.C. ("MMI") became effective on May 2, 2012. The grant is divided into two phases with the obligation for continuing the second phase at the sole discretion of MMI. The first phase has a total budget of \$1,702,000 whereas the cost of the second phase cost cannot exceed \$7 million.

**The purpose of the grant:**

The purpose of the study is to perform a multicenter, randomized, placebo-controlled, double blind study to evaluate the safety and efficacy of compound LX4211 in subjects with inadequately controlled type 1 diabetes mellitus.

**Amount expended by Lexicon:**

As of December 31, 2012 MMI had funded \$1,554,500 but \$230,250, the last payment made in December, 2012 and included in the \$1,554,500, was designated by Lexicon for funding needs for the first calendar quarter of 2013.

**Non - diversion of grant funds by Lexicon from the purpose of the grant:**

MMI believes that, to the best of its knowledge, no portion of the funds granted to Lexicon have been diverted from the purpose of the grant.

**Dates of reports received from Lexicon:**

May 23, 2012: MMI-Lexicon Joint Development Committee Report  
August 27, 2012: MMI-Lexicon Joint Development Committee Report  
January 22, 2013: MMI-Lexicon Joint Development Committee Report

**Need for MMI independent verification of Lexicon reports:**

MMI chose not to independently verify the accuracy of the Lexicon reports because it had no reason to doubt the reliability of Lexicon's reports.

Corporations Section  
P.O.Box 13697  
Austin, Texas 78711-3697



Hope Andrade  
Secretary of State

## Office of the Secretary of State

February 16, 2012

Capitol Services Inc  
P O Box 1831  
Austin, TX 78767 USA

RE: McNair Medical Institute, LLC  
File Number: 801551746

It has been our pleasure to file the certificate of formation and issue the enclosed certificate of filing evidencing the existence of the newly created domestic limited liability company (llc).

Unless exempted, the entity formed is subject to state tax laws, including franchise tax laws. Shortly, the Comptroller of Public Accounts will be contacting the entity at its registered office for information that will assist the Comptroller in setting up the franchise tax account for the entity. Information about franchise tax, and contact information for the Comptroller's office, is available on their web site at <http://window.state.tx.us/taxinfo/franchise/index.html>.

The entity formed does not file annual reports with the Secretary of State. Documents will be filed with the Secretary of State if the entity needs to amend one of the provisions in its certificate of formation. It is important for the entity to continuously maintain a registered agent and office in Texas. Failure to maintain an agent or office or file a change to the information in Texas may result in the involuntary termination of the entity.

If we can be of further service at any time, please let us know.

Sincerely,

Corporations Section  
Business & Public Filings Division  
(512) 463-5555

Enclosure

*Come visit us on the internet at <http://www.sos.state.tx.us/>*

Phone: (512) 463-5555  
Prepared by: Rosa Arrellano

Fax: (512) 463-5709  
TID: 10285

Dial: 7-1-1 for Relay Services  
Document: 408915770003

Corporations Section  
P.O.Box 13697  
Austin, Texas 78711-3697



Hope Andrade  
Secretary of State

## Office of the Secretary of State

### CERTIFICATE OF FILING OF

McNair Medical Institute, LLC  
File Number: 801551746

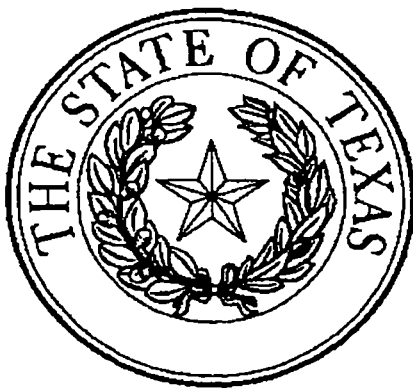
The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic Limited Liability Company (LLC) has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

The issuance of this certificate does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 02/15/2012

Effective: 02/15/2012



A handwritten signature in black ink, appearing to read "Hope Andrade".

Hope Andrade  
Secretary of State

**FILED**  
In the Office of the  
Secretary of State of Texas

**FEB 15 2012**

**Certificate of Formation  
of  
McNair Medical Institute, LLC**

**Corporations Section**

This Certificate of Formation of McNair Medical Institute, LLC, having been duly executed by the undersigned organizer, is being filed to form a limited liability company under the Texas Limited Liability Company Law, part of the Texas Business Organizations Code, as amended.

**Entity Name and Type**

The filing entity being formed is a limited liability company. The name of the entity is McNair Medical Institute, LLC (the "Company").

**Registered Agent and Registered Office**

The initial registered agent is an organization by the name of Capitol Corporate Services, Inc. The business address of the registered agent and the registered office address is 800 Brazos, Suite 400, Austin, Texas 78701.

**Governing Authority**

The Company will have managers. The Company will be governed by its managers, and the name and address of the initial manager are set forth below:

| <u>Name</u>      | <u>Address</u>                                          |
|------------------|---------------------------------------------------------|
| Robert C. McNair | 109 N. Post Oak Lane, Suite 600<br>Houston, Texas 77024 |

**Purpose**

The purpose for which the Company is formed is for the transaction of any and all lawful purposes for which a limited liability company may be organized under the Texas Business Organizations Code, subject to the additional restrictions contained in this Certificate of Formation.

**Supplemental Information**

- (a) The Company is a nonprofit organization organized and operated exclusively for charitable, educational and other tax exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The Company is organized and shall be operated exclusively to further the charitable purposes of its member.
- (b) The sole member of the Company shall be The Robert and Janice McNair Foundation (the "Foundation"), an organization exempt from taxation under Section 501(c)(3) of the Code

("Section 501(c)(3) Organization"). The Foundation will expeditiously and vigorously enforce all of its rights in the Company and will pursue all legal and equitable remedies to protect its interests in the Company. Membership interests in the Company may not be transferred to any transferee other than a Section 501(c)(3) Organization.

(c) The Company, interests in the Company other than membership interests, and Company assets may only be availed of by or transferred to (whether directly or indirectly) any nonmember other than a Section 501(c)(3) Organization in exchange for fair market value.

(d) No part of the net earnings of the Company shall inure to the benefit of or be distributed to any manager or other individual, partnership, estate, trust, or corporation having a personal or private interest in the Company. Compensation for services actually rendered and reimbursement for expenses actually incurred in attending to the affairs of the Company shall be limited to reasonable amounts. No substantial part of the activities of the Company shall be devoted to the carrying on of propaganda or otherwise attempting to influence legislation in a manner or to an extent which would disqualify the Company for tax-exemption under Section 501(c)(3) of the Code. The Company shall not participate in or intervene in any political campaign on behalf of or in opposition to any candidate for public office (including publishing or distributing statements).

(e) Notwithstanding any other provisions of this Certificate of Formation, the Company shall not carry on any activity not permitted to be carried on by: (i) a Section 501(c)(3) Organization; or, (ii) a company, contributions to which are deductible under Sections 170(a) and (c)(2), 2055, and 2522 of the Code.

(f) In the event of dissolution, liquidation, or winding up of the affairs of the Company, whether voluntary, involuntary, or by operation of law, after paying adequately or providing for the debts, obligations, and liabilities of the Company, the remaining assets of the Company shall be distributed to the Foundation or, if the Foundation does not exist at the time of such dissolution, liquidation or winding up, another Section 501(c)(3) Organization.

(g) Any amendments to this Certificate of Formation shall be consistent with Section 501(c)(3) of the Code.

(h) The Company shall not merge with or convert into a for-profit entity.

#### Organizer

The name and address of the organizer are as follows:

| <u>Name</u>         | <u>Address</u>                                          |
|---------------------|---------------------------------------------------------|
| Gregory K. Kondritz | 109 N. Post Oak Lane, Suite 600<br>Houston, Texas 77024 |

**Effectiveness of Filing**

This document becomes effective when the document is filed by the Secretary of State.

**Execution**

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized to execute the filing instrument.

Date: February 15, 2012

  
\_\_\_\_\_  
Gregory K. Kondritz, Organizer

Form 401-A  
(Revised 12/09)



**Acceptance of Appointment  
and  
Consent to Serve as Registered Agent  
§5.201(b) Business Organizations Code**

The following form may be used when the person designated as registered agent in a registered agent filing is an individual.

|                                                                                                                                                                                                                                                                                                                                                                                                               |                                      |                                                                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|------------------------------------------------------------------|
| <b><u>Acceptance of Appointment and Consent to Serve as Registered Agent</u></b>                                                                                                                                                                                                                                                                                                                              |                                      |                                                                  |
| I acknowledge, accept and consent to my designation or appointment as registered agent in Texas for                                                                                                                                                                                                                                                                                                           |                                      |                                                                  |
| <i>Name of represented entity</i><br>I am a resident of the state and understand that it will be my responsibility to receive any process, notice, or demand that is served on me as the registered agent of the represented entity; to forward such to the represented entity; and to immediately notify the represented entity and submit a statement of resignation to the Secretary of State if I resign. |                                      |                                                                  |
| <b>X:</b>                                                                                                                                                                                                                                                                                                                                                                                                     | <i>Signature of registered agent</i> | <i>Printed name of registered agent</i> <i>Date (mm/dd/yyyy)</i> |

The following form may be used when the person designated as registered agent in a registered agent filing is an organization.

|                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                        |                                                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|-------------------------------------------------------------------|
| <b><u>Acceptance of Appointment and Consent to Serve as Registered Agent</u></b>                                                                                                                                                                                                                                                                                                                    |                                                                        |                                                                   |
| I am authorized to act on behalf of <b>Capitol Corporate Services, Inc.</b>                                                                                                                                                                                                                                                                                                                         |                                                                        |                                                                   |
| <i>Name of organization designated as registered agent</i>                                                                                                                                                                                                                                                                                                                                          |                                                                        |                                                                   |
| The organization is registered or otherwise authorized to do business in Texas. The organization acknowledges, accepts and consents to its appointment or designation as registered agent in Texas for. <b>McNair Medical Institute, LLC</b>                                                                                                                                                        |                                                                        |                                                                   |
| <i>Name of represented entity</i><br>The organization takes responsibility to receive any process, notice, or demand that is served on the organization as the registered agent of the represented entity; to forward such to the represented entity; and to immediately notify the represented entity and submit a statement of resignation to the Secretary of State if the organization resigns. |                                                                        |                                                                   |
| <b>X:</b>                                                                                                                                                                                                                                                                                                                                                                                           | <i>Signature of person authorized to act on behalf of organization</i> | <i>Printed name of authorized person</i> <i>Date (mm/dd/yyyy)</i> |

**Limited Liability Company Agreement**  
**of**  
**McNair Medical Institute, LLC**

THIS LIMITED LIABILITY COMPANY AGREEMENT (this "Agreement") of McNair Medical Institute, LLC, dated February 16, 2012, is adopted by the undersigned as the initial member (the "Member") of such limited liability company, for the regulation and management of such limited liability company pursuant to and in accordance with the Texas Business Organizations Code (the "Code"), and hereby provides as follows:

1. **Name.** The name of the limited liability company is McNair Medical Institute, LLC (the "Company").

2. **Purpose.** The purpose for which the Company is formed is for the transaction of any and all lawful purposes for which a limited liability company may be organized under the Code, subject to the additional restrictions contained in the Certificate of Formation and this Agreement.

3. **Registered Office.** The registered office of the Company in the State of Texas is 800 Brazos, Suite 400, Austin, Texas 78701.

4. **Registered Agent.** The name and address of the registered agent of the Company for service of process on the Company in the State of Texas is Capitol Corporate Services, Inc., 800 Brazos, Suite 400, Austin, Texas 78701.

5. **Principal Office.** The principal office of the Company (at which the books and records of the Company shall be maintained) shall be at such location or locations as determined by the Managers (as that term is defined herein).

6. **Member.** The name and mailing address of the Member is as follows:

The Robert and Janice McNair Foundation  
109 N. Post Oak Lane, Suite 600  
Houston, Texas 77024

7. **Member Interest.** The "Member Interest" of each Member shall be the percentage set forth opposite such Member's name on Exhibit A hereto. The Member Interests shall be adjusted from time to time as additional capital contributions are made by the Members, and as otherwise required, so that the Member Interest of each Member shall be equal to the total capital contribution made by such Member over the total capital contributions made by all the Members to the Company. From time to time the Members shall amend Exhibit A as necessary to reflect the Member Interests and aggregate capital contributions of the Members.



8. **Powers.** The Company shall have the power and authority to take any and all actions necessary, appropriate, proper, advisable, convenient or incidental to or for the furtherance of the purposes set forth in Section 2 of this Agreement.

9. **Term.** The term of the Company shall commence on the date of the filing of the Certificate of Formation in the Office of the Secretary of State of the State of Texas and shall be perpetual, unless it is dissolved sooner as a result of: (a) the written election of the Members or (b) any other event causing dissolution under the Code.

10. **Capital Contributions.** Each Member, in proportion to its Member Interest, has contributed to the Company such amount of money set forth opposite the Member's name on Exhibit A. Each Member, in proportion to its Member Interest, shall make additional capital contributions if approved by all Members.

11. **Management.**

(a) **Managers.** Subject to the provisions of the Code and any limitations in this Agreement as to action required to be authorized or approved by the Members, the business and affairs of the Company shall be managed and all its powers shall be exercised by or under the direction of a Board of Managers. However, at any time the Managers may appoint one or more officers pursuant to Section 12 of this Agreement, and any such officers shall have the authority prescribed by the Managers and by the provisions of this Agreement.

(b) **Number, Classification and Qualifications of Managers.**

(i) The authorized number of Managers which shall constitute the Board of Managers shall be at least one (1) but no more than five (5). The initial number of Managers shall be three (3). The Members shall have the right to change from time to time the authorized number of Managers.

(ii) A Manager must be a natural person who is at least eighteen (18) years of age.

(iii) The Members shall designate all Managers.

(c) **Removal of Managers.** Any Manager or the entire Board of Managers may be removed at any time, with or without cause, by the Members.

(d) **Majority Consent.** A majority vote or consent of the Board of Managers shall be required to authorize or approve any actions of the Board of Managers.

(e) **Vacancies; Resignations.**

(i) A vacancy shall be deemed to exist in the case of the death, resignation or removal, mental incompetence adjudged by a court of competent jurisdiction in any state or country (including, without limitation, any territory, dependency or possession of the United States of America), or conviction by any

court in any state or country (including, without limitation, any territory, dependency or possession of the United States of America) of any felony or any misdemeanor involving moral turpitude of any Manager; or if the authorized number of Managers be increased.

(ii) Any Manager may resign effective upon written notice to the Members, unless the notice specifies a later time for the effectiveness of such resignation.

(iii) The Members shall appoint or elect a successor thereto to take office upon the departure of the vacating Manager or at such later time as shall be designated by the Members.

(f) **Initial Managers.** The initial Managers to hold office from and after the date of this Agreement until his or her removal pursuant to this Agreement or until his or her successor is appointed and qualified pursuant to this Agreement are as follows:

Robert C. McNair

Janice S. McNair

Robert Cary McNair, Jr.

(g) **Meetings of Managers.** Meetings of the Board of Managers for any purpose or purposes may be called at any time by any Manager.

(h) **Quorum; Votes; Participation in Meetings by Conference Telephone Permitted.**

(i) Presence of seventy-five percent (75%) or more of the authorized number of Managers at a meeting of the Board of Managers constitutes a quorum for the transaction of business.

(ii) Each Manager shall have one (1) vote.

(iii) Managers may participate in a meeting through use of conference telephone or similar communications equipment, so long as all Managers participating in such meeting can communicate with and hear one another.

## **12. Officers.**

(a) **Appointment and Tenure.**

(i) The Managers may, from time to time, designate officers of the Company to carry out the day-to-day business of the Company.

(ii) The officers of the Company shall be comprised of one or more individuals designated from time to time by the Managers. No officer need be a

resident of the State of Texas. Each officer shall hold his or her offices for such terms and shall have such authority and exercise such powers and perform such duties as shall be determined from time to time by the Managers. Any number of offices may be held by the same individual. The salaries or other compensation, if any, of the officers and agents of the Company shall be fixed from time to time by the Managers.

(iii) The officers of the Company may consist of a president/chief executive officer, a secretary and a treasurer. The Managers may also designate one or more vice presidents, assistant secretaries, assistant treasurers, and medical directors. The Managers may designate such other officers and assistant officers and agents as the Managers shall deem necessary.

(b) **Removal.** Any officer may be removed as such at any time by the Managers, either with or without cause, in the discretion of the Managers.

(c) **President/Chief Executive Officer.** The president/chief executive officer, if one is designated, shall be the chief executive officer of the Company, shall have general and active management of the day-to-day business and affairs of the Company as authorized from time to time by the Managers and shall be authorized and directed to implement all orders, resolutions and business plans adopted by the Managers.

(d) **Vice Presidents.** The vice presidents, if any are designated, in the order of their seniority, unless otherwise determined by the Managers, shall, in the absence or disability of the president/chief executive officer, perform the duties and have the authority and exercise the powers of the president/chief executive officer. They shall perform such other duties and have such other authority and powers as the Managers may from time to time prescribe.

(e) **Secretary; Assistant Secretaries.** The secretary, if one is designated, shall perform such duties and have such powers as the Managers may from time to time prescribe. The assistant secretaries, if any are designated, in the order of their seniority, unless otherwise determined by the Managers, shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the Secretary. They shall perform such other duties and have such other powers as the Managers may from time to time prescribe.

(f) **Treasurer; Assistant Treasurers.** The treasurer, if one is designated, shall have custody of the Company's funds and securities and shall keep full and accurate accounts and records of receipts, disbursements and other transactions in books belonging to the Company, and shall deposit all moneys and other valuable effects in the name and to the credit of the Company in such depositories as may be designated from time to time by the Managers. The treasurer shall disburse the funds of the Company as may be ordered by the Managers, taking proper vouchers for such disbursements, and shall render the president/chief executive officer and the Managers, when so directed, an account of all his or her transactions as treasurer and of the financial condition of the Company. The treasurer shall perform such other duties and have such other powers as

the Managers may from time to time prescribe. If required by the Managers, the treasurer shall give the Company a bond of such type, character and amount as the Managers may require. The assistant treasurers, if any are designated, in the order of their seniority, unless otherwise determined by the Managers, shall, in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer. They shall perform such other duties and have such other powers as the Managers may from time to time prescribe.

(g) **Medical Director.** The medical directors, if any are designated, shall, in the absence or disability of the president/chief executive officer, perform the duties and have the authority and exercise the powers of the president/chief executive officer. They shall perform such other duties and have such other authority and powers as the Managers may from time to time prescribe.

**13. Distributions.** The Company shall make cash distributions to the Members at such times and in such amounts as determined by the Managers. Distributions shall be made to the Members in proportion to their Member Interests.

**14. Exculpation.** NEITHER THE MEMBERS, THE MANAGERS, NOR ANY OWNER, OFFICER, DIRECTOR OR EMPLOYEE OF THE COMPANY, THE MEMBERS, OR THE MANAGERS SHALL BE LIABLE, RESPONSIBLE OR ACCOUNTABLE IN DAMAGES OR OTHERWISE TO THE COMPANY, THE MEMBERS OR THE MANAGERS FOR ANY ACTION TAKEN OR FAILURE TO ACT (EVEN IF SUCH ACTION OR FAILURE TO ACT CONSTITUTED THE NEGLIGENCE OF A PERSON) ON BEHALF OF THE COMPANY WITHIN THE SCOPE OF THE AUTHORITY CONFERRED ON THE PERSON DESCRIBED IN THIS AGREEMENT OR BY LAW UNLESS SUCH ACT OR OMISSION WAS PERFORMED OR OMITTED FRAUDULENTLY OR CONSTITUTED GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. TO THE EXTENT THAT, AT LAW OR IN EQUITY, THE MEMBERS, THE MANAGERS OR ANY OWNER, OFFICER, DIRECTOR OR EMPLOYEE OF THE COMPANY, THE MEMBERS, OR THE MANAGERS HAVE DUTIES (INCLUDING FIDUCIARY DUTIES) AND LIABILITIES RELATING TO THE COMPANY, THE MEMBERS, OR THE MANAGERS OR ANY OWNER, OFFICER, DIRECTOR OR EMPLOYEE OF THE COMPANY, THE MEMBERS, OR THE MANAGERS ACTING UNDER THIS AGREEMENT SHALL NOT BE LIABLE TO THE COMPANY, THE MEMBERS, OR THE MANAGERS FOR THEIR RELIANCE ON THE PROVISIONS OF THIS AGREEMENT. THE PROVISIONS OF THIS AGREEMENT, TO THE EXTENT THAT THEY EXPAND OR RESTRICT THE DUTIES AND LIABILITIES OF THE MEMBERS, THE MANAGERS OR ANY OWNER, OFFICER, DIRECTOR OR EMPLOYEE OF THE COMPANY, THE MEMBERS, OR THE MANAGERS OTHERWISE EXISTING AT LAW OR IN EQUITY, ARE AGREED BY THE MEMBERS TO REPLACE SUCH OTHER DUTIES AND LIABILITIES OF THE MEMBERS, THE MANAGERS OR ANY OWNER, OFFICER, DIRECTOR OR EMPLOYEE OF THE COMPANY, THE MEMBERS, OR THE MANAGERS.

**15. Indemnification.**

(a) TO THE FULLEST EXTENT PERMITTED BY LAW, THE MANAGERS AND THE OFFICERS, DIRECTORS AND EMPLOYEES OF THE COMPANY AND THE MEMBERS AND AFFILIATES THEREOF (INDIVIDUALLY, AN "INDEMNITEE") SHALL BE INDEMNIFIED AND HELD HARMLESS BY THE COMPANY FROM AND AGAINST ANY AND ALL LOSSES, CLAIMS, DAMAGES, JUDGMENTS, LIABILITIES, OBLIGATIONS, PENALTIES, SETTLEMENTS AND REASONABLE EXPENSES (INCLUDING LEGAL FEES) ARISING FROM ANY AND ALL CLAIMS,

DEMANDS, ACTIONS, SUITS OR PROCEEDINGS, CIVIL, CRIMINAL, ADMINISTRATIVE OR INVESTIGATIVE, IN WHICH THE INDEMNITEE MAY BE INVOLVED, OR THREATENED TO BE INVOLVED, AS A PARTY OR OTHERWISE, BY REASON OF ITS STATUS AS (X) A MANAGER OF THE COMPANY OR (Y) AN OFFICER, DIRECTOR OR EMPLOYEE OF THE COMPANY OR THE MEMBERS OR AN AFFILIATE THEREOF, REGARDLESS OF WHETHER THE INDEMNITEE CONTINUES TO BE A MANAGER OR AN OFFICER, DIRECTOR OR EMPLOYEE OF A MEMBER OR AN AFFILIATE THEREOF AT THE TIME ANY SUCH LIABILITY OR EXPENSE IS PAID OR INCURRED, UNLESS THE ACT OR FAILURE TO ACT GIVING RISE TO INDEMNITY HEREUNDER WAS PERFORMED OR OMITTED FRAUDULENTLY OR CONSTITUTED GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

(b) The Company may purchase and maintain insurance on behalf of the Managers and such other persons as the Managers shall determine against any liability that may be asserted against or expense that may be incurred by such person in connection with the Company's activities, regardless of whether the Company would have the power to indemnify such person against such liability under the provisions of this Agreement.

(c) Expenses incurred by any Indemnitee in defending any claim with respect to which such Indemnitee may be entitled to indemnification by the Company hereunder (including without limitation reasonable attorneys' fees and disbursements) shall, to the maximum extent permitted by law, be advanced by the Company prior to the final disposition of such claim, upon receipt of a written undertaking by or on behalf of such Indemnitee to repay the advanced amount of such expenses unless it is determined ultimately that the Indemnitee is entitled to indemnification by the Company under Section 15(a).

(d) The indemnification provided in this Section 15 is for the benefit of the Indemnitees and shall not be deemed to create any right to indemnification for any other persons.

#### **16. Supplemental Information.**

(a) The Company is a nonprofit organization organized and operated exclusively for charitable, educational and other tax exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"). The Company is organized and shall be operated exclusively to further the charitable purposes of its Member.

(b) The sole Member of the Company shall be The Robert and Janice McNair Foundation (the "Foundation"), an organization exempt from taxation under Section 501(c)(3) of the Code ("Section 501(c)(3) Organization"). The Foundation will expeditiously and vigorously enforce all of its rights in the Company and will pursue all legal and equitable remedies to protect its interests in the Company. Membership interests in the Company may not be transferred to any transferee other than a Section 501(c)(3) Organization.

(c) The Company, interests in the Company other than membership interests, and Company assets may only be availed of by or transferred to (whether directly or indirectly) any nonmember other than a Section 501(c)(3) Organization in exchange for fair market value.

(d) No part of the net earnings of the Company shall inure to the benefit of or be distributed to any Manager or other individual, partnership, estate, trust, or corporation having a personal or private interest in the Company. Compensation for services actually rendered and reimbursement for expenses actually incurred in attending to the affairs of the Company shall be limited to reasonable amounts. No substantial part of the activities of the Company shall be devoted to the carrying on of propaganda or otherwise attempting to influence legislation in a manner or to an extent which would disqualify the Company for tax-exemption under Section 501(c)(3) of the Code. The Company shall not participate in or intervene in any political campaign on behalf of or in opposition to any candidate for public office (including publishing or distributing statements).

(e) Notwithstanding any other provisions of this Certificate of Formation, the Company shall not carry on any activity not permitted to be carried on by: (i) a Section 501(c)(3) organization or (ii) a company, contributions to which are deductible under Section 170(a) and (c)(2), 2055, and 2522 of the Internal Revenue Code.

(f) In the event of dissolution, liquidation, or winding up of the affairs of the Company, whether voluntary, involuntary, or by operation of law, after paying adequately or providing for the debts, obligations, and liabilities of the Company, the remaining assets of the Company shall be distributed to the Foundation or, if the Foundation does not exist at the time of such dissolution, liquidation or winding up, another Section 501(c)(3) organization.

(g) Any amendments to this Certificate of Formation shall be consistent with Section 501(c)(3) of the Internal Revenue Code.

(h) The Company shall not merge with or convert into a for-profit entity.

**17. Amendments to the Agreement.** This Agreement may be amended by the unanimous consent of the Members; provided, however, that any amendment to this Agreement must be in writing and signed by all of the Members.

**18. Governing Law.** This Agreement shall be governed by, and construed under, the laws of the State of Texas, all rights and remedies being governed by said laws.

*[signature on following page]*

**IN WITNESS WHEREOF**, the undersigned has duly executed this Limited Liability Company Agreement of the Company as of the date first above written.

**MEMBER:**

**The Robert and Janice McNair Foundation**

By: Robert C. McNair gk  
Robert C. McNair, as Trustee

**Exhibit A**  
**Member Interests**

| <b><u>Members</u></b>                   | <b><u>Member Interest</u></b> | <b><u>Initial Capital<br/>Contribution</u></b> |
|-----------------------------------------|-------------------------------|------------------------------------------------|
| The Robert and Janice McNair Foundation | 100.00%                       | \$1,000.00                                     |



**Limited Liability Company Agreement**

**of**

**McNair Medical Institute, LLC**

THIS LIMITED LIABILITY COMPANY AGREEMENT (this "Agreement") of McNair Medical Institute, LLC, dated February 16, 2012, is adopted by the undersigned as the initial member (the "Member") of such limited liability company, for the regulation and management of such limited liability company pursuant to and in accordance with the Texas Business Organizations Code (the "Code"), and hereby provides as follows:

1. **Name.** The name of the limited liability company is McNair Medical Institute, LLC (the "Company").

2. **Purpose.** The purpose for which the Company is formed is for the transaction of any and all lawful purposes for which a limited liability company may be organized under the Code, subject to the additional restrictions contained in the Certificate of Formation and this Agreement.

3. **Registered Office.** The registered office of the Company in the State of Texas is 800 Brazos, Suite 400, Austin, Texas 78701.

4. **Registered Agent.** The name and address of the registered agent of the Company for service of process on the Company in the State of Texas is Capitol Corporate Services, Inc., 800 Brazos, Suite 400, Austin, Texas 78701.

5. **Principal Office.** The principal office of the Company (at which the books and records of the Company shall be maintained) shall be at such location or locations as determined by the Managers (as that term is defined herein).

6. **Member.** The name and mailing address of the Member is as follows:

The Robert and Janice McNair Foundation  
109 N. Post Oak Lane, Suite 600  
Houston, Texas 77024

7. **Member Interest.** The "Member Interest" of each Member shall be the percentage set forth opposite such Member's name on Exhibit A hereto. The Member Interests shall be adjusted from time to time as additional capital contributions are made by the Members, and as otherwise required, so that the Member Interest of each Member shall be equal to the total capital contribution made by such Member over the total capital contributions made by all the Members to the Company. From time to time the Members shall amend Exhibit A as necessary to reflect the Member Interests and aggregate capital contributions of the Members.

8. **Powers.** The Company shall have the power and authority to take any and all actions necessary, appropriate, proper, advisable, convenient or incidental to or for the furtherance of the purposes set forth in Section 2 of this Agreement.

9. **Term.** The term of the Company shall commence on the date of the filing of the Certificate of Formation in the Office of the Secretary of State of the State of Texas and shall be perpetual, unless it is dissolved sooner as a result of: (a) the written election of the Members or (b) any other event causing dissolution under the Code.

10. **Capital Contributions.** Each Member, in proportion to its Member Interest, has contributed to the Company such amount of money set forth opposite the Member's name on Exhibit A. Each Member, in proportion to its Member Interest, shall make additional capital contributions if approved by all Members.

11. **Management.**

(a) **Managers.** Subject to the provisions of the Code and any limitations in this Agreement as to action required to be authorized or approved by the Members, the business and affairs of the Company shall be managed and all its powers shall be exercised by or under the direction of a Board of Managers. However, at any time the Managers may appoint one or more officers pursuant to Section 12 of this Agreement, and any such officers shall have the authority prescribed by the Managers and by the provisions of this Agreement.

(b) **Number, Classification and Qualifications of Managers.**

(i) The authorized number of Managers which shall constitute the Board of Managers shall be at least one (1) but no more than five (5). The initial number of Managers shall be three (3). The Members shall have the right to change from time to time the authorized number of Managers.

(ii) A Manager must be a natural person who is at least eighteen (18) years of age.

(iii) The Members shall designate all Managers.

(c) **Removal of Managers.** Any Manager or the entire Board of Managers may be removed at any time, with or without cause, by the Members.

(d) **Majority Consent.** A majority vote or consent of the Board of Managers shall be required to authorize or approve any actions of the Board of Managers.

(e) **Vacancies; Resignations.**

(i) A vacancy shall be deemed to exist in the case of the death, resignation or removal, mental incompetence adjudged by a court of competent jurisdiction in any state or country (including, without limitation, any territory, dependency or possession of the United States of America), or conviction by any

court in any state or country (including, without limitation, any territory, dependency or possession of the United States of America) of any felony or any misdemeanor involving moral turpitude of any Manager; or if the authorized number of Managers be increased.

(ii) Any Manager may resign effective upon written notice to the Members, unless the notice specifies a later time for the effectiveness of such resignation.

(iii) The Members shall appoint or elect a successor thereto to take office upon the departure of the vacating Manager or at such later time as shall be designated by the Members.

(f) **Initial Managers.** The initial Managers to hold office from and after the date of this Agreement until his or her removal pursuant to this Agreement or until his or her successor is appointed and qualified pursuant to this Agreement are as follows:

Robert C. McNair

Janice S. McNair

Robert Cary McNair, Jr.

(g) **Meetings of Managers.** Meetings of the Board of Managers for any purpose or purposes may be called at any time by any Manager.

(h) **Quorum; Votes; Participation in Meetings by Conference Telephone Permitted.**

(i) Presence of seventy-five percent (75%) or more of the authorized number of Managers at a meeting of the Board of Managers constitutes a quorum for the transaction of business.

(ii) Each Manager shall have one (1) vote.

(iii) Managers may participate in a meeting through use of conference telephone or similar communications equipment, so long as all Managers participating in such meeting can communicate with and hear one another.

## **12. Officers.**

(a) **Appointment and Tenure.**

(i) The Managers may, from time to time, designate officers of the Company to carry out the day-to-day business of the Company.

(ii) The officers of the Company shall be comprised of one or more individuals designated from time to time by the Managers. No officer need be a

resident of the State of Texas. Each officer shall hold his or her offices for such terms and shall have such authority and exercise such powers and perform such duties as shall be determined from time to time by the Managers. Any number of offices may be held by the same individual. The salaries or other compensation, if any, of the officers and agents of the Company shall be fixed from time to time by the Managers.

(iii) The officers of the Company may consist of a president/chief executive officer, a secretary and a treasurer. The Managers may also designate one or more vice presidents, assistant secretaries, assistant treasurers, and medical directors. The Managers may designate such other officers and assistant officers and agents as the Managers shall deem necessary.

(b) **Removal.** Any officer may be removed as such at any time by the Managers, either with or without cause, in the discretion of the Managers.

(c) **President/Chief Executive Officer.** The president/chief executive officer, if one is designated, shall be the chief executive officer of the Company, shall have general and active management of the day-to-day business and affairs of the Company as authorized from time to time by the Managers and shall be authorized and directed to implement all orders, resolutions and business plans adopted by the Managers.

(d) **Vice Presidents.** The vice presidents, if any are designated, in the order of their seniority, unless otherwise determined by the Managers, shall, in the absence or disability of the president/chief executive officer, perform the duties and have the authority and exercise the powers of the president/chief executive officer. They shall perform such other duties and have such other authority and powers as the Managers may from time to time prescribe.

(e) **Secretary; Assistant Secretaries.** The secretary, if one is designated, shall perform such duties and have such powers as the Managers may from time to time prescribe. The assistant secretaries, if any are designated, in the order of their seniority, unless otherwise determined by the Managers, shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the Secretary. They shall perform such other duties and have such other powers as the Managers may from time to time prescribe.

(f) **Treasurer; Assistant Treasurers.** The treasurer, if one is designated, shall have custody of the Company's funds and securities and shall keep full and accurate accounts and records of receipts, disbursements and other transactions in books belonging to the Company, and shall deposit all moneys and other valuable effects in the name and to the credit of the Company in such depositories as may be designated from time to time by the Managers. The treasurer shall disburse the funds of the Company as may be ordered by the Managers, taking proper vouchers for such disbursements, and shall render the president/chief executive officer and the Managers, when so directed, an account of all his or her transactions as treasurer and of the financial condition of the Company. The treasurer shall perform such other duties and have such other powers as

the Managers may from time to time prescribe. If required by the Managers, the treasurer shall give the Company a bond of such type, character and amount as the Managers may require. The assistant treasurers, if any are designated, in the order of their seniority, unless otherwise determined by the Managers, shall, in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer. They shall perform such other duties and have such other powers as the Managers may from time to time prescribe.

(g) **Medical Director.** The medical directors, if any are designated, shall, in the absence or disability of the president/chief executive officer, perform the duties and have the authority and exercise the powers of the president/chief executive officer. They shall perform such other duties and have such other authority and powers as the Managers may from time to time prescribe.

**13. Distributions.** The Company shall make cash distributions to the Members at such times and in such amounts as determined by the Managers. Distributions shall be made to the Members in proportion to their Member Interests.

**14. Exculpation.** NEITHER THE MEMBERS, THE MANAGERS, NOR ANY OWNER, OFFICER, DIRECTOR OR EMPLOYEE OF THE COMPANY, THE MEMBERS, OR THE MANAGERS SHALL BE LIABLE, RESPONSIBLE OR ACCOUNTABLE IN DAMAGES OR OTHERWISE TO THE COMPANY, THE MEMBERS OR THE MANAGERS FOR ANY ACTION TAKEN OR FAILURE TO ACT (EVEN IF SUCH ACTION OR FAILURE TO ACT CONSTITUTED THE NEGLIGENCE OF A PERSON) ON BEHALF OF THE COMPANY WITHIN THE SCOPE OF THE AUTHORITY CONFERRED ON THE PERSON DESCRIBED IN THIS AGREEMENT OR BY LAW UNLESS SUCH ACT OR OMISSION WAS PERFORMED OR OMITTED FRAUDULENTLY OR CONSTITUTED GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. TO THE EXTENT THAT, AT LAW OR IN EQUITY, THE MEMBERS, THE MANAGERS OR ANY OWNER, OFFICER, DIRECTOR OR EMPLOYEE OF THE COMPANY, THE MEMBERS, OR THE MANAGERS HAVE DUTIES (INCLUDING FIDUCIARY DUTIES) AND LIABILITIES RELATING TO THE COMPANY, THE MEMBERS, OR THE MANAGERS OR ANY OWNER, OFFICER, DIRECTOR OR EMPLOYEE OF THE COMPANY, THE MEMBERS, OR THE MANAGERS ACTING UNDER THIS AGREEMENT SHALL NOT BE LIABLE TO THE COMPANY, THE MEMBERS, OR THE MANAGERS FOR THEIR RELIANCE ON THE PROVISIONS OF THIS AGREEMENT. THE PROVISIONS OF THIS AGREEMENT, TO THE EXTENT THAT THEY EXPAND OR RESTRICT THE DUTIES AND LIABILITIES OF THE MEMBERS, THE MANAGERS OR ANY OWNER, OFFICER, DIRECTOR OR EMPLOYEE OF THE COMPANY, THE MEMBERS, OR THE MANAGERS OTHERWISE EXISTING AT LAW OR IN EQUITY, ARE AGREED BY THE MEMBERS TO REPLACE SUCH OTHER DUTIES AND LIABILITIES OF THE MEMBERS, THE MANAGERS OR ANY OWNER, OFFICER, DIRECTOR OR EMPLOYEE OF THE COMPANY, THE MEMBERS, OR THE MANAGERS.

**15. Indemnification.**

(a) TO THE FULLEST EXTENT PERMITTED BY LAW, THE MANAGERS AND THE OFFICERS, DIRECTORS AND EMPLOYEES OF THE COMPANY AND THE MEMBERS AND AFFILIATES THEREOF (INDIVIDUALLY, AN "INDEMNITEE") SHALL BE INDEMNIFIED AND HELD HARMLESS BY THE COMPANY FROM AND AGAINST ANY AND ALL LOSSES, CLAIMS, DAMAGES, JUDGMENTS, LIABILITIES, OBLIGATIONS, PENALTIES, SETTLEMENTS AND REASONABLE EXPENSES (INCLUDING LEGAL FEES) ARISING FROM ANY AND ALL CLAIMS,

DEMANDS, ACTIONS, SUITS OR PROCEEDINGS, CIVIL, CRIMINAL, ADMINISTRATIVE OR INVESTIGATIVE, IN WHICH THE INDEMNITEE MAY BE INVOLVED, OR THREATENED TO BE INVOLVED, AS A PARTY OR OTHERWISE, BY REASON OF ITS STATUS AS (X) A MANAGER OF THE COMPANY OR (Y) AN OFFICER, DIRECTOR OR EMPLOYEE OF THE COMPANY OR THE MEMBERS OR AN AFFILIATE THEREOF, REGARDLESS OF WHETHER THE INDEMNITEE CONTINUES TO BE A MANAGER OR AN OFFICER, DIRECTOR OR EMPLOYEE OF A MEMBER OR AN AFFILIATE THEREOF AT THE TIME ANY SUCH LIABILITY OR EXPENSE IS PAID OR INCURRED, UNLESS THE ACT OR FAILURE TO ACT GIVING RISE TO INDEMNITY HEREUNDER WAS PERFORMED OR OMITTED FRAUDULENTLY OR CONSTITUTED GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

(b) The Company may purchase and maintain insurance on behalf of the Managers and such other persons as the Managers shall determine against any liability that may be asserted against or expense that may be incurred by such person in connection with the Company's activities, regardless of whether the Company would have the power to indemnify such person against such liability under the provisions of this Agreement.

(c) Expenses incurred by any Indemnitee in defending any claim with respect to which such Indemnitee may be entitled to indemnification by the Company hereunder (including without limitation reasonable attorneys' fees and disbursements) shall, to the maximum extent permitted by law, be advanced by the Company prior to the final disposition of such claim, upon receipt of a written undertaking by or on behalf of such Indemnitee to repay the advanced amount of such expenses unless it is determined ultimately that the Indemnitee is entitled to indemnification by the Company under Section 15(a).

(d) The indemnification provided in this Section 15 is for the benefit of the Indemnitees and shall not be deemed to create any right to indemnification for any other persons.

#### **16. Supplemental Information.**

(a) The Company is a nonprofit organization organized and operated exclusively for charitable, educational and other tax exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"). The Company is organized and shall be operated exclusively to further the charitable purposes of its Member.

(b) The sole Member of the Company shall be The Robert and Janice McNair Foundation (the "Foundation"), an organization exempt from taxation under Section 501(c)(3) of the Code ("Section 501(c)(3) Organization"). The Foundation will expeditiously and vigorously enforce all of its rights in the Company and will pursue all legal and equitable remedies to protect its interests in the Company. Membership interests in the Company may not be transferred to any transferee other than a Section 501(c)(3) Organization.

(c) The Company, interests in the Company other than membership interests, and Company assets may only be availed of by or transferred to (whether directly or indirectly) any nonmember other than a Section 501(c)(3) Organization in exchange for fair market value.

(d) No part of the net earnings of the Company shall inure to the benefit of or be distributed to any Manager or other individual, partnership, estate, trust, or corporation having a personal or private interest in the Company. Compensation for services actually rendered and reimbursement for expenses actually incurred in attending to the affairs of the Company shall be limited to reasonable amounts. No substantial part of the activities of the Company shall be devoted to the carrying on of propaganda or otherwise attempting to influence legislation in a manner or to an extent which would disqualify the Company for tax-exemption under Section 501(c)(3) of the Code. The Company shall not participate in or intervene in any political campaign on behalf of or in opposition to any candidate for public office (including publishing or distributing statements).

(e) Notwithstanding any other provisions of this Certificate of Formation, the Company shall not carry on any activity not permitted to be carried on by: (i) a Section 501(c)(3) organization or (ii) a company, contributions to which are deductible under Section 170(a) and (c)(2), 2055, and 2522 of the Internal Revenue Code.

(f) In the event of dissolution, liquidation, or winding up of the affairs of the Company, whether voluntary, involuntary, or by operation of law, after paying adequately or providing for the debts, obligations, and liabilities of the Company, the remaining assets of the Company shall be distributed to the Foundation or, if the Foundation does not exist at the time of such dissolution, liquidation or winding up, another Section 501(c)(3) organization.

(g) Any amendments to this Certificate of Formation shall be consistent with Section 501(c)(3) of the Internal Revenue Code.

(h) The Company shall not merge with or convert into a for-profit entity.

**17. Amendments to the Agreement.** This Agreement may be amended by the unanimous consent of the Members; provided, however, that any amendment to this Agreement must be in writing and signed by all of the Members.

**18. Governing Law.** This Agreement shall be governed by, and construed under, the laws of the State of Texas, all rights and remedies being governed by said laws.

*[signature on following page]*

IN WITNESS WHEREOF, the undersigned has duly executed this Limited Liability Company Agreement of the Company as of the date first above written.

**MEMBER:**

**The Robert and Janice McNair Foundation .**

By: Robert C. McNair gk  
Robert C. McNair, as Trustee



**Exhibit A**  
**Member Interests**

| <b><u>Members</u></b>                   | <b><u>Member Interest</u></b> | <b><u>Initial Capital<br/>Contribution</u></b> |
|-----------------------------------------|-------------------------------|------------------------------------------------|
| The Robert and Janice McNair Foundation | 100.00%                       | \$1,000.00                                     |

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

| Kind of Property                             |                                       | Description                                                                   |                          |                                |                                    | P<br>or<br>D | Date<br>acquired        | Date sold  |
|----------------------------------------------|---------------------------------------|-------------------------------------------------------------------------------|--------------------------|--------------------------------|------------------------------------|--------------|-------------------------|------------|
| Gross sale<br>price less<br>expenses of sale | Depreciation<br>allowed/<br>allowable | Cost or<br>other<br>basis                                                     | FMV<br>as of<br>12/31/69 | Adj basis<br>as of<br>12/31/69 | Excess of<br>FMV over<br>adj basis |              | Gain<br>or<br>(loss)    |            |
| 24845951.                                    |                                       | KINDER MORGAN INC ("KMI") NET LTCG<br>PROPERTY TYPE: SECURITIES<br>9,095,800. |                          |                                |                                    | D            | 05/29/2007<br>15750151. | 12/17/2012 |
| 1,143,547.                                   |                                       | SNYDER CAPITAL MGMNT NET LTCGS<br>PROPERTY TYPE: SECURITIES<br>1,055,958.     |                          |                                |                                    | P            | 87,589.                 |            |
| 267,084.                                     |                                       | SNYDER CAPITAL MGMNT NET STCG<br>PROPERTY TYPE: SECURITIES<br>198,495.        |                          |                                |                                    | P            | 68,589.                 |            |
| 126.                                         |                                       | GOLDMAN SACHS & CO - NET STCG<br>PROPERTY TYPE: SECURITIES                    |                          |                                |                                    | P            | 126.                    |            |
| TOTAL GAIN (LOSS) .....                      |                                       | .....                                                                         |                          |                                |                                    |              | <u>15906455.</u>        |            |