Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

► **Do not enter Social Security numbers on this form as it may be made public.**
► Information about Form 990-PF and its separate instructions is at *www.irs.gov/form990pf.*

OMB No 1545-0052

2013

For calendar year 2013, or tax year beginning , 2013, and ending ,

THE MACDONALD FOUNDATION
C/O MARK AND DONNA MACDONALD
1561 GATES AVE
MANHATTAN BEACH, CA 90266

A Employer identification number
33-6269762

B Telephone number (see the instructions)
(877) 829-5500

C If exemption application is pending, check here ► ☐

D 1 Foreign organizations, check here ► ☐

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

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

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

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

H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year *(from Part II, column (c), line 16)* ► $ 10,609,360.

J Accounting method ☒ Cash ☐ Accrual ☐ Other (specify) *(Part I, column (d) must be on cash basis)*

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

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
REVENUE	1 Contributions, gifts, grants, etc, received (att sch)	2,045,680.			
	2 Ck ► ☒ if the foundn is **not** req to att Sch B				
	3 Interest on savings and temporary cash investments	472.	472.		
	4 Dividends and interest from securities	254,905.	254,905.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on line 10	233,211.			
	b Gross sales price for all assets on line 6a 1,705,615.				
	7 Capital gain net income (from Part IV, line 2)		233,211.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit/(loss) (att sch)				
	11 Other income (attach schedule) See Statement 1	702.			
	12 **Total.** Add lines 1 through 11	2,534,970.	488,588.	0.	
OPERATING AND ADMINISTRATIVE EXPENSES	13 Compensation of officers, directors, trustees, etc	0.			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule) See St 2	3,270.	3,270.		
	b Accounting fees (attach sch) See St 3	6,700.	6,700.		
	c Other prof fees (attach sch) See St 4	5,941.	5,941.		
	17 Interest				
	18 Taxes (attach schedule)(see instrs) See Stm 5	20,967.	20,055.		
	19 Depreciation (attach sch) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) See Statement 6	15,855.	15,855.		
	24 **Total operating and administrative expenses.** Add lines 13 through 23	52,733.	51,821.		
	25 Contributions, gifts, grants paid Part XV	310,521.			310,521.
	26 **Total expenses and disbursements.** Add lines 24 and 25	363,254.	51,821.	0.	310,521.
	27 Subtract line 26 from line 12:				
	a **Excess of revenue over expenses and disbursements**	2,171,716.			
	b **Net investment income** (if negative, enter -0-)		436,767.		
	c **Adjusted net income** (if negative, enter -0-)			0.	

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BAA For Paperwork Reduction Act Notice, see instructions. TEEA0504L 10/18/13 Form **990-PF** (2013)

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	11,684.	343,811.	343,811.
	2	Savings and temporary cash investments	1,712,839.	1,170,046.	1,170,046.
	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 sch) ►			
		Less allowance for doubtful accounts ►			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments – U S and state government obligations (attach schedule)	1,180,955.	1,743,198.	1,693,457.
	b	Investments – corporate stock (attach schedule)	5,008,925.	6,896,785.	7,129,379.
	c	Investments – corporate bonds (attach schedule)	328,464.	237,967.	272,667.
	11	Investments – land, buildings, and equipment basis ►			
		Less: accumulated depreciation (attach schedule) ►			
	12	Investments – mortgage loans			
	13	Investments – other (attach schedule)			
	14	Land, buildings, and equipment basis ►			
		Less: accumulated depreciation (attach schedule) ►			
	15	Other assets (describe ►)			
	16	**Total assets** (to be completed by all filers – see the instructions Also, see page 1, item I)	8,242,867.	10,391,807.	10,609,360.
LIABILITIES	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, & other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ►)			
	23	**Total liabilities** (add lines 17 through 22)	0.	0.	
NET ASSETS OR FUND BALANCES		**Foundations that follow SFAS 117, check here ► ☐ 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.			
	27	Capital stock, trust principal, or current funds	8,242,867.	10,391,807.	
	28	Paid-in or capital surplus, or land, building, and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
	30	**Total net assets or fund balances** (see instructions)	8,242,867.	10,391,807.	
	31	**Total liabilities and net assets/fund balances** (see instructions)	8,242,867.	10,391,807.	

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	8,242,867.
2	Enter amount from Part I, line 27a	2	2,171,716.
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	10,414,583.
5	Decreases not included in line 2 (itemize) ► See Statement 7	5	22,776.
6	Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	10,391,807.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e.g , real estate, 2-story brick warehouse; or common stock, 200 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a	Publically traded securities-JP Morgan	P	Various	Various
b	Publically traded securities-JP Morgan	P	Various	Various
c	Boardwalk Pipline Partners LP	P	Various	Various
d	Capital gain dividends			
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	977,244.		838,418.	138,826.
b	726,081.		633,986.	92,095.
c	626.			626.
d				
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
a				138,826.
b				92,095.
c				626.
d				1,664.
e				

2 Capital gain net income or (net capital loss) — If gain, also enter in Part I, line 7; If (loss), enter -0- in Part I, line 7 — **2** 233,211.

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)

If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8 — **3** 0.

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

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

1 Enter the appropriate amount in each column for each year, see the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2012	267,650.	6,946,156.	0.038532
2011	364,750.	6,432,925.	0.056700
2010	255,150.	5,467,941.	0.046663
2009	534,219.	4,491,580.	0.118938
2008	626,121.	4,555,629.	0.137439

2	**Total** of line 1, column (d)	2	0.398272
3	Average distribution ratio for the 5-year base period — divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.079654
4	Enter the net value of noncharitable-use assets for 2013 from Part X, line 5	4	9,106,414.
5	Multiply line 4 by line 3	5	725,362.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	4,368.
7	Add lines 5 and 6	7	729,730.
8	Enter qualifying distributions from Part XII, line 4	8	310,521.

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

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

1 a	Exempt operating foundations described in section 4940(d)(2), check here ► ☐ and enter 'N/A' on line 1. Date of ruling or determination letter ________ **(attach copy of letter if necessary – see instrs)**			
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here. ► ☐ and enter 1% of Part I, line 27b		1	8,735.
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (b)			
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3	Add lines 1 and 2		3	8,735.
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	8,735.
6	Credits/Payments.			
a	2013 estimated tax pmts and 2012 overpayment credited to 2013	6a 5,600.		
b	Exempt foreign organizations – tax withheld at source	6b		
c	Tax paid with application for extension of time to file (Form 8868)	6c 4,000.		
d	Backup withholding erroneously withheld	6d		
7	Total credits and payments Add lines 6a through 6d		7	9,600.
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached		8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ►		9	0.
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ►		10	865.
11	Enter the amount of line 10 to be **Credited to 2014 estimated tax** ► 865.	**Refunded** ►	11	0.

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?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?	1b		X
	*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.*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation ► $ 0. **(2)** On foundation managers ► $ 0.			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► $ 0.			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If 'Yes,' attach a detailed description of the activities*	2		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*	3		X
4 a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If 'Yes,' has it filed a tax return on **Form 990-T** for this year?	4b	N/A	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If 'Yes,' attach the statement required by General Instruction T*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If 'Yes,' complete Part II, column (c), and Part XV*	7	X	
8 a	Enter the states to which the foundation reports or with which it is registered (see instructions) ► CA			
b	If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If 'No,' attach explanation*	8b	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 2013 or the taxable year beginning in 2013 (see instructions for Part XIV)? *If 'Yes,' complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? *If 'Yes,' attach a schedule listing their names and addresses*	10		X

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

			Yes	No
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 ► N/A

14 The books are in care of ► MARK MACDONALD Telephone no ► (877) 829-5500

Located at ► 1561 GATES AVE MANHATTAN BEACH CA ZIP + 4 ► 90266

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** – Check here N/A ► ☐

and enter the amount of tax-exempt interest received or accrued during the year ► 15 N/A

			Yes	No
16	At any time during calendar year 2013, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If 'Yes,' enter the name of the foreign country ►			

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
1 a	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?	☐ Yes ☒ No			
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No			
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☒ 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)?	☐ Yes ☒ 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)	☐ Yes ☒ 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)?		1 b	N/A	
	Organizations relying on a current notice regarding disaster assistance check here	► ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2013?		1 c		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 2013, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2013?	☐ Yes ☒ No			
	If 'Yes,' list the years ► 20__ , 20__ , 20__ , 20__ .				
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)		2 b	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. ► 20__ , 20__ , 20__ , 20__				
3 a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No			
b	If 'Yes,' did it have excess business holdings in 2013 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 2013).*		3 b	N/A	
4 a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4 a		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 2013?		4 b		X

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

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

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

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

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

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

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

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

Organizations relying on a current notice regarding disaster assistance check here ► ☐

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

If 'Yes,' attach the statement required by Regulations section 53 4945-5(d)

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6 b** X

If 'Yes' to 6b, file Form 8870

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

b If 'Yes,' did the foundation receive any proceeds or have any net income attributable to the transaction? N/A **7 b**

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
MARK MACDONALD 1561 GATES AVE MANHATTAN BEACH, CA 90266	Trustee 1.00	0.	0.	0.
DONNA MARIE MACDONALD 1561 GATES AVE MANHATTAN BEACH, CA 90266	Trustee 1.00	0.	0.	0.

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 ► 0

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
None		

Total number of others receiving over $50,000 for professional services ► 0

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	
Total. Add lines 1 through 3 ►	0.

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

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc, purposes **a** Average monthly fair market value of securities		1a	7,462,761.
b Average of monthly cash balances		1b	1,782,329.
c Fair market value of all other assets (see instructions)		1c	
d Total (add lines 1a, b, and c)		1d	9,245,090.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e 0.		
2 Acquisition indebtedness applicable to line 1 assets		2	0.
3 Subtract line 2 from line 1d		3	9,245,090.
4 Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)		4	138,676.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4		5	9,106,414.
6 Minimum investment return. Enter 5% of line 5		6	455,321.

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

1 Minimum investment return from Part X, line 6		1	455,321.
2a Tax on investment income for 2013 from Part VI, line 5	2a 8,735.		
b Income tax for 2013. (This does not include the tax from Part VI)	2b		
c Add lines 2a and 2b		2c	8,735.
3 Distributable amount before adjustments Subtract line 2c from line 1		3	446,586.
4 Recoveries of amounts treated as qualifying distributions		4	
5 Add lines 3 and 4		5	446,586.
6 Deduction from distributable amount (see instructions)		6	
7 Distributable amount as adjusted. Subtract line 6 from line 5 Enter here and on Part XIII, line 1		7	446,586.

Part XII Qualifying Distributions (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc, purposes **a** Expenses, contributions, gifts, etc – total from Part I, column (d), line 26	1a	310,521.
b Program-related investments – total from Part IX-B	1b	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the: **a** Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	310,521.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions)	5	
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	310,521.

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

Part XIII Undistributed Income (see instructions)

		(a) Corpus	(b) Years prior to 2012	(c) 2012	(d) 2013
1 Distributable amount for 2013 from Part XI, line 7					446,586.
2 Undistributed income, if any, as of the end of 2013:					
a Enter amount for 2012 only				0.	
b Total for prior years: 20 __, 20 __, 20 __			0.		
3 Excess distributions carryover, if any, to 2013:					
a From 2008	407,628.				
b From 2009	309,640.				
c From 2010					
d From 2011	53,179.				
e From 2012					
f **Total** of lines 3a through e		770,447.			
4 Qualifying distributions for 2013 from Part XII, line 4 ► $	310,521.				
a Applied to 2012, but not more than line 2a				0.	
b Applied to undistributed income of prior years (Election required – see instructions)			0.		
c Treated as distributions out of corpus (Election required – see instructions)		0.			
d Applied to 2013 distributable amount					310,521.
e Remaining amount distributed out of corpus		0.			
5 Excess distributions carryover applied to 2013 *(If an amount appears in column (d), the same amount must be shown in column (a).)*		136,065.			136,065.
6 **Enter the net total of each column as indicated below:**					
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5		634,382.			
b Prior years' undistributed income Subtract line 4b from line 2b			0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed			0.		
d Subtract line 6c from line 6b Taxable amount – see instructions			0.		
e Undistributed income for 2012. Subtract line 4a from line 2a. Taxable amount – see instructions				0.	
f Undistributed income for 2013. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2014					0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)		0.			
8 Excess distributions carryover from 2008 not applied on line 5 or line 7 (see instructions)		271,563.			
9 **Excess distributions carryover to 2014.** Subtract lines 7 and 8 from line 6a		362,819.			
10 Analysis of line 9.					
a Excess from 2009	309,640.				
b Excess from 2010					
c Excess from 2011	53,179.				
d Excess from 2012					
e Excess from 2013					

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2013, enter the date of the ruling ►

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

	Tax year	Prior 3 years			
	(a) 2013	**(b)** 2012	**(c)** 2011	**(d)** 2010	**(e) Total**
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon **a** 'Assets' alternative test – enter: **(1)** Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b 'Endowment' alternative test – enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c 'Support' alternative test – enter: **(1)** Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

See Statement 8

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:

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

c Any submission deadlines

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

Part XV **Supplementary Information** (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
See Statement 9				
Total			► **3a**	310,521.
b *Approved for future payment*				
Total			► **3b**	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	472.	
4 Dividends and interest from securities			14	254,905.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income				702.	
8 Gain or (loss) from sales of assets other than inventory			18	138,826.	94,385.
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue					
a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)				394,905.	94,385.

13 **Total.** Add line 12, columns (b), (d), and (e) 13 489,290.

(See worksheet in line 13 instructions to verify calculations)

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See instructions)
N/A	

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

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

d 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

(a) Line no	**(b)** Amount involved	**(c)** Name of noncharitable exempt organization	**(d)** Description of transfers, transactions, and sharing arrangements
N/A			

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

b If 'Yes,' complete the following schedule.

(a) Name of organization	**(b)** Type of organization	**(c)** Description of relationship
N/A		

Sign Here

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

Signature of officer or trustee

Date: 8-8-14

Title: Trustee

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Matthew Macdonald, Partner		8/4/14		P00943707

Firm's name ► Kiesling Associates LLP

Firm's EIN ► 390906430

Firm's address ► 8517 Excelsior Dr. Ste 301
Madison, WI 53717

Phone no 608-664-9110

Statement 1
Form 990-PF, Part I, Line 11
Other Income

	(a) Revenue per Books	(b) Net Investment Income	(c) Adjusted Net Income
Other Investment Income	$ 702.		
Total	$ 702.	$ 0.	$ 0.

Statement 2
Form 990-PF, Part I, Line 16a
Legal Fees

	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Legal Fees	$ 3,270.	$ 3,270.		
Total	$ 3,270.	$ 3,270.	$ 0.	$ 0.

Statement 3
Form 990-PF, Part I, Line 16b
Accounting Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Accounting Fees	$ 6,700.	$ 6,700.		
Total	$ 6,700.	$ 6,700.	$ 0.	$ 0.

Statement 4
Form 990-PF, Part I, Line 16c
Other Professional Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
INVESTMENT EXPENSES	$ 5,941.	$ 5,941.		
Total	$ 5,941.	$ 5,941.	$ 0.	$ 0.

Statement 5
Form 990-PF, Part I, Line 18
Taxes

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Federal Income Taxes	$ 912.			
FOREIGN TAX	20,055.	$ 20,055.		
Total	$ 20,967.	$ 20,055.	$ 0.	$ 0.

Statement 6
Form 990-PF, Part I, Line 23
Other Expenses

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Boardwalk Pipeline Partners - Bus loss	$ 4,841.	$ 4,841.		
Boardwalk Pipeline Partners - Cash Contr	7.	7.		
Enterprise Products Prtnrs - Bus Loss	8,790.	8,790.		
Expenses for attending charity events	1,250.	1,250.		
Membership Fees	725.	725.		
MISCELLANEOUS EXPENSES	160.	160.		
ProShares VIX Mid-term Futures ETF	43.	43.		
Wire Fees	39.	39.		
Total	$ 15,855.	$ 15,855.	$ 0.	$ 0.

Statement 7
Form 990-PF, Part III, Line 5
Other Decreases

Net Unrealized Gains or Losses on Investments	$ 22,776.
Total	$ 22,776.

Statement 8
Form 990-PF, Part XV, Line 1a
Foundation Managers - 2% or More Contributors

MARK MACDONALD
DONNA MARIE MACDONALD

Statement 9
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

Name and Address	Donee Relationship	Foundation Status	Purpose of Grant	Amount
ROLLING HILLS PREPARATORY SCHOOL 300A PASEO DEL MAR PALOS VERDES ESTATES, CA 90274	None	N/A	FOR SCHOLARSHIP FUND AND THE SCHOOL'S ANNUAL FUND	$ 53,000.
UNITED CEREBRAL PALSY 6430 INDEPENDENCE AVE WOODLAND HILLS, CA 91367	None	NonProfit	FOR PROGRAMS AND FACILITIES	750.
OUR LADY OF GUADALUPE CHURCH 320 MASSEY STREET HERMOSA BEACH, CA 90254	None	N/A	FOR SCHOOL BUILDING	56,100.
AMERICAN CANCER SOCIETY 5731 W SLAUSON AVE STE 200 CULVER CITY, CA 90230	None	NonProfit	CANCER RESEARCH	20,000.
BOYS & GIRLS CLUB OF THE WAUSAU AREA PO BOX 2386 WAUSAU, WI 54402	None	NonProfit	SERVICES FOR YOUTH	13,700.
BOYS AND GIRLS CLUB OF VENICE 2232 LINCOLN BLVD VENICE, CA 90291	None	NonProfit	SERVICES FOR YOUTH	20,000.
MARSHFIELD CLINIC 1000 NORTH OAK AVE 1R1 MARSHFIELD, WI 54449	None	NonProfit	CATHERINE FONTI ANGEL FUND -BREAST CANCER PREVENTION & TREATMENT	5,000.
MY FRIEND'S PLACE PO BOX 3867 HOLLYWOOD, CA 90078	None	NonProfit	SERVICES FOR HOMELESS YOUTH	15,000.
UNION RESCUE MISSION 545 S. SAN PEDRO ST LOS ANGELES, CA 90013	None	NonProfit	SERVICES FOR THE HOMELESS	100.
LOS ANGELES MISSION 303 EAST 5TH STREET LOS ANGELES, CA 90013	None	NonProfit	NEEDS OF THE HOMELESS AND HUNGRY	600.
WESTSIDE FOOD BANK 1710 22ND ST SANTA MONICA, CA 90404	None	NonProfit	FOR ASSISTANCE TO THE HOMELESS FOOD SHELTER	100.

Statement 9 (continued)
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

Name and Address	Donee Relationship	Foundation Status	Purpose of Grant	Amount
CATHOLIC EDUCATION FOUNDATION 3424 WILSHIRE BLVD LOS ANGLES, CA 90010	None	N/A	FOR SCHOLARSHIP FUND	$ 10,000.
BOY SCOUTS OF AMERICA - SAMOSET COUNCIL 3511 CAMP PHILLIPS RD WESTON, WI 54476	None	NonProfit	Values based youth development	2,000.
THE SALVATION ARMY 125 BERYL ST REDONDO BEACH, CA 90277	None	NonProfit	COMMUNITY SUPPORT FOR THE NEEDY	500.
TOGETHER IN MISSION 3424 WILSHIRE BLVD LOS ANGELES, CA 90010	None	NonProfit	FOR MISSION WORK	1,000.
PANCREATIC CANCER ACTION NETWORK 1500 ROSECRANS AVE SUITE 200 MANHATTAN BEACH, CA 90266	None	NonProfit	ADVANCE RESEARCH & SUPPORT PATIENTS WHO ARE AFFECTED BY PANCREATIC CANCER	10,000.
K-TECH CHARITIES, INC 7710 TECHNOLOGY DRIVE WESTON, WI 54476	None	Charity	PROVIDED SUPPORT TO THE AREA'S NEEDY FAMILIES AND OTHER NON-PROFIT ORGS	5,905.
CHILDREN'S MIRACLE NETWORK 205 W. 700 SOUTH SALT LAKE CITY, UT 84101	None	NonProfit	TO SUPPORT THE CHILDREN'S MIRACLE NETWORK MISSION IN PROVIDING BETTER & AFFORDABLE CARE FOR CHILDREN	2,500.
MANHATTAN BEACH YOUTH ATHLETICS PO BOX 3512 MANHATTAN BEACH, CA 90266	None	NonProfit	ENCOURAGE & SUPPORT YOUTH BASEBALL	5,000.
LINK LIBERTY OF NORTH KOREA 1751 Torrance Blvd Ste L Torrance, CA 90501	None	NonProfit	FOR MISSION WORK	1,000.

Statement 9 (continued)
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

Name and Address	Donee Relationship	Foundation Status	Purpose of Grant	Amount
WISCONSIN POLICE BENEFIT ASSOCIATION 515 Grand Avenue Wausau, WI 54403		Public	Community support for police	$ 350.
WAUSAU FIRE FIGHTERS ASSOCIATION 606 E. Thomas Street Wausau, WI 54403		NonProfit	Community Support for Fire fighters	250.
ASPIRUS HEALTH FOUNDAION 425 Pine Ridge Blvd Wausau, WI 54401		NonProfit	Support Hospice Care	950.
WAUSAU YOUTH BASEBALL & SOFTBALL PO Box 764 Wausau, WI 54404		NonProfit	ENCOURAGE & SUPPORT YOUTH ATHLETICS	9,500.
LEWIS & CLARK COLLEGE 0615 SW Palatine Hill Rd Portland, OR 97219		School	ENCOURAGE & SUPPORT ATHLETICS	10,000.
CENTER FOR THE VISUAL ARTS 400 N 4th Street Wausau, WI 54403		NonProfit	SUPPORT LOCAL COMMUNITY OF ARTS	10,000.
NEWMAN CATHOLIC SCHOOL 619 Stark Street Wausau, WI 54403		School	SUPPORT EDUCATION	1,500.
THE PAINTED TURTLE 1300 4TH Street Ste 300 Santa Monica, CA 90401		NonProfit	SUPPORT FOR YOUTH CAMPERS	1,000.
OPTIMIST CLUB OF MERRILL PO Box 881 Merrill, WI 54452		NonProfit	SUPPORT ORGANIZATION	1,666.
BIG BROTHERS BIG SISTERS OF NORTHCENTRAL 2600 Stewart Ave Ste. 262 Wausau, WI 54401		NonProfit	SERVICES FOR YOUTH	12,500.
CHEER FOR CHILDREN PO Box 7000 Redondo Beach, CA 90278		NonProfit	PROVIDE EVENTS FOR HOSPITAL PATIENTS	500.
WAUSAU WEST DIAMOND CLUB WEST WAUSAU AVENUE WAUSAU, WI 54404		NonProfit	ENCOURAGE & SUPPORT YOUTH ATHLETICS	1,500.

Statement 9 (continued)
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

Name and Address	Donee Relationship	Foundation Status	Purpose of Grant	Amount
CHILDREN'S HOSPITAL LOS ANGELES 4650 Sunset Blvd Los Angeles, CA 90084		Medical	PROVIDING BETTER & AFFORDABLE CARE FOR CHILDREN	$ 100.
NATIONAL PARKS CONSERVATION ASSOCIATION 777 6th Street NW Washington, DC 20001		NonProfit	Support to defend and protect America's Pristine natural places	100.
WORLD WILDLIFE FUND 1250 24th Street Washington, DC 20037		NonProfit	Protecting Wildlife	100.
WAUSAU & MARATHON COUNTY PARK DEPT 212 River Drive Wausua, WI 54403		Public	LIGHT DONATION	28,150.
LONG BEACH RESCUE MISSION PO Box 1969 Long Beach, CA 90801		NonProfit	HELPING THE HOMELESS	100.
LUSTGARTEN FOUNDATION 1111 Steward Ave Bettipage, NY 11714		NonProfit	Pancreatic Cancer Research	10,000.
			Total	$ 310,521.

Form **8868**
(Rev January 2014)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ **File a separate application for each return.**
▶ **Information about Form 8868 and its instructions is at *www.irs.gov/form8868*.**

OMB No 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box ▶ ☒
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extention on a previously filed Form 8868

Electronic filing *(e-file)*. You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions) For more details on the electronic filing of this form, visit *www irs gov/efile* and click on *e-file for Charities & Nonprofits*

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension — check this box and complete Part I only ▶ ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns

Enter filer's identifying number, see instructions

Type or print File by the due date for filing your return See instructions	Name of exempt organization or other filer, see instructions THE MACDONALD FOUNDATION C/O MARK AND DONNA MACDONALD	Employer identification number (EIN) or 33-6269762
	Number, street, and room or suite number If a P O box, see instructions 1561 GATES AVE	Social security number (SSN)
	City, town or post office, state, and ZIP code For a foreign address, see instructions MANHATTAN BEACH, CA 90266	

Enter the Return code for the return that this application is for (file a separate application for each return) 04

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (section 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ▶ MARK MACDONALD

Telephone No. ▶ (877) 829-5500 Fax No. ▶

- If the organization does not have an office or place of business in the United States, check this box ▶ ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ____ . If this is for the whole group, check this box ▶ ☐ If it is for part of the group, check this box ▶ ☐ and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 8/15 , 20 14 , to file the exempt organization return for the organization named above The extension is for the organization's return for:
▶ ☒ calendar year 20 13 or
▶ ☐ tax year beginning ________ , 20 ___ , and ending ________ , 20 ___ .

2 If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return
☐ Change in accounting period

3 a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions	3a	$ 8,735.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit	3b	$ 9,600.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions	3c	$ 0.

Caution. If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

MITCHELL SILBERBERG & KNUPP LLP
DAVID WHEELER NEWMAN (80472), dwn@msk.com
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Attorneys for Petitioners,
Mark and Donna Macdonald, Trustees

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Superior Court of California
County of Los Angeles
JUL 11 2013
John A. Clarke, Executive Officer/Clerk
By: E. Suryadi-Teguh, Deputy

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

CENTRAL DISTRICT

In re

The Macdonald Family Charitable Trust

CASE NO. BP137656

ORDER APPROVING PETITION FOR MODIFICATION OF TRUST DUE TO CHANGED CIRCUMSTANCES

Probate Code §§ 17200(b)(13); 15409

Hearing Date:	June 27, 2013
Time:	8:30 A.M.
Department:	11
Judge:	Hon. Michael I. Levanas

The verified Petition for Modification of Trust Due to Changed Circumstances (the "Petition") of Mark Macdonald and Donna Marie Macdonald (the "Petitioners"), the Trustors, and two of the current Trustees, of the Macdonald Family Charitable Trust created by the Charitable Irrevocable Trust Agreement dated October 19, 1999 (the "Trust"), came on regularly for hearing on June 27, 2013, in Department 11 of the above-entitled Court, the Honorable Michael I. Levanas presiding. Jeffrey K. Eisen of Mitchell Silberberg & Knupp LLP appeared for the Petitioners. No one appeared in opposition, and no other appearances were made.

The Court, after examining the Petition, finds that Notice of the hearing has been given as required by law, and that all allegations in the Petition are true, correct and that good cause exists for the Order set forth below.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED:

1. The Macdonald Family Charitable Trust created by the Charitable Irrevocable Trust Agreement dated October 19, 1999, is modified and restated in its entirety in the form set forth below:

"THE MACDONALD FOUNDATION

(Trust Agreement dated October 19, 1999,
as Reformed by Order of the Los Angeles County Superior Court)
dated _____________, 2013)

This CHARITABLE IRREVOCABLE TRUST AGREEMENT is made and entered into by and between MARK MACDONALD and DONNA MARIE MACDONALD (hereinafter referred to as Trustors) and MARK MACDONALD, DONNA MARIE MACDONALD and MATTHEW MACDONALD (hereinafter referred to as Trustees) for and on behalf of the charitable beneficiaries which from time to time shall be designated by the Trustees. The initial contribution to this Trust is set out on Schedule A, which is attached hereto and made a part hereof. The name of the Trust shall be THE MACDONALD FOUNDATION.

I.

The Trustees are authorized and directed to receive as contributions to the principal of this Trust all contributions made by the Trustors from time to time.

II.

The Trust shall be administered exclusively for charitable, scientific, medical or educational purposes. No part of its income or principal shall ever inure to the benefit of any private individual, and no part of its activities shall ever be used for carrying on propaganda against the United States or attempting to influence legislation. Distributions shall be made from the Trust for one or more of the above enumerated purposes of the Trust and no other, all of which shall be so defined and limited as to come within the general categories above described. All contributions to and distributions from the Trust shall be used exclusively for the purposes designated above.

III.

Any distributee shall be an organization qualified within the requirements of this paragraph and no organization shall become a distributee of income or principal of this Trust unless it is:

(i) Exempt from income taxation under the laws of the United States and (where California law applies) exempt from income taxation under California law; and

(ii) Of such character that gifts, bequests and devises to the organizations are exempt from gift, estate and inheritance taxation or are deductible for the purpose of computing such taxes.

IV.

The Trustees are directed to distribute from the Trust, for the above-described charitable, scientific, medical and educational purposes, at least an amount sufficient to not subject the Trust to the tax on undistributed income imposed by Section 4942 of the Internal Revenue code. The Trustees may distribute amounts from the Trust in excess of this minimum, exclusively for such purposes, up to the entire assets of the Trust.

V.

The Trustees are prohibited from engaging in any act of self dealing, from making any taxable expenditures, from retaining any excess business holdings, and from making any investments which would violate the provisions of the Internal Revenue Code and any regulations promulgated thereunder and would thereby forfeit the tax-exempt status of this Trust. In the determination of principal and income, notwithstanding the general powers hereafter granted the Trustee, they shall be governed by the Principal and Income Act of the State of California in the administration of the Trust.

VI.

In the event of the death, resignation or incapacity of any Trustee, a successor shall be appointed by the Trustors or the survivor of them. After the death or incapacity of the surviving Trustor, each Trustee may appoint his or her successor as Trustee. Should the Trustees desire at any time to add additional Trustees they may do so by unanimous vote. Notwithstanding the foregoing provisions of this Article VI, following the death of the surviving Trustor, all additional or successor Trustees appointed pursuant to this Article VI shall be descendants of the Trustors. All powers under this Article VI shall be exercised by a signed written instrument delivered to any living Trustor and to all then-serving Trustees.

VII.

In the management and distribution of Trust assets, the Trustees shall have, subject to any limitations stated elsewhere herein, the following powers in addition to those now or hereafter conferred by law:

1. General. To manage, control, grant options on, sell (for cash or on deferred payments), convey, exchange, partition, divide, improve and repair trust property and to create restrictions, easements and other servitudes on trust property.

2. Retention of Original Assets. To retain all or any part of the property transferred to the trust estate by us or either of us for so long as the Trustee, in the Trustee's discretion, deems advisable.

3. Investments.

(a) To invest and reinvest assets and property and to purchase or acquire and retain for the account of the trust estate those properties as men of prudence, discretion and intelligence purchase for their own account, having regard not to speculation but to the permanent disposition of their funds, and considering the probable income, as well as the probable safety of their capital. In making investment decisions (especially regarding the prudence, income and safety of a particular investment), the Trustees shall have regard to the overall investment of the entire trust estate, so that, for example, a portion of the entire trust estate may be invested in relatively more speculative securities provided that the investment is balanced by a portion of the entire trust estate being invested in relatively secure securities. The assets and property purchased, acquired and retained by the Trustee by way of investment may include, but not by way of limitation, every kind of property, real, personal and mixed and interests therein, specifically including, but not by way of limitation, corporate obligations of every kind, preferred and common stocks (including the stock of the corporate Trustee) and general and limited partnership interests, including interests in partnerships engaged in trade or business, all in a manner conforming with the then existing law.

(b) While any of the original Trustees are living, the Trustee is expressly authorized to open and maintain security dealer margin accounts, and has the right to sell securities short and maintain long against short positions, and buy and sell call stock options and put stock options.

(c) The Trustees may, in the Trustees' discretion, continue to pursue the course of investment strategy pursued by the Trustors during their lifetimes. The Trustees may, in the Trustees' discretion, invest solely for current income and not with a view to capital appreciation.

4. Leases. To lease trust property for terms within or beyond the term of the trusts, for any purpose, including exploration for and removal of gas, oil and other minerals; and to enter into community oil leases, pooling and unitization agreements.

5. Abandonment of Property. To abandon any real or personal property which the Trustees shall deem to be worthless or not of sufficient value to warrant keeping or protecting; to

abstain from the payment of taxes, water, rents, assessments, and the expenses of repairs, maintenance and upkeep of that property; to permit that property to be lost by tax sale or other proceedings, or to convey that property for a nominal consideration or without consideration.

6. Litigation. To commence or defend litigation with respect to the trusts or any property of the trust estate as the Trustees may deem advisable, and to compromise or otherwise adjust any claims or litigation against or in favor of the trusts, all at the expense of the trust estate.

7. Securities. To have respecting securities all the rights, powers an privileges of an owner, including the power to pay assessments and other sums deemed by the Trustee necessary for the protection of the trust estate; to hold securities or other property in the name of the Trustees or in the name of a nominee without disclosing any fiduciary relationship; to give proxies; to participate in voting trusts, pooling agreements, foreclosures, reorganizations, consolidations, mergers and liquidations, and in connection therewith to deposit securities with and transfer title to any protective or other committee under terms deemed advisable by the Trustees; to exercise or sell an investment any securities or other property received through exercise of any of the foregoing powers; to consent to the subordination, modification, renewal, or extension or any debenture, note, bond, mortgage, open account indebtedness or other obligations, or any term thereof or of any guarantee thereof or to the release of the guarantee.

8. Securities Registration. To register or qualify for exemption from the registration shares of stock in any corporation with any agency or agencies or any government (including but not limited to the Securities and Exchange Commission of the United States), to participate in that registration, to apply for and to secure the approval of any agency of any government with respect to the sale of those shares, to enter into an agreement with respect to that sale with any broker, investment banker or underwriter, to incur and to pay all expenses necessary or appropriate in connection with that registration qualification or sale, and to take all other action necessary or appropriate in order to consummate the sale.

9. Employment of Advisors. To employ custodians, attorneys, accountants, investment counselors and others to assist in the administration of the trust estate and to rely upon the advice given by them, or to delegate investment authority to an investment advisor. The Trustees shall have the authority to appoint an investment manager or managers to manage all or any part of the assets of the trust estate, and to delegate to that manager or those managers discretion over investment of the trust estate, including the power to acquire and dispose of those assets. Reasonable compensation for the services rendered by those persons, firms and corporations shall be paid out of income or principal as the Trustee, in his discretion, shall determine and shall not decrease the compensation to which the Trustee is entitled.

10. Principal and Income. To determine, in the Trustees' discretion, what is principal and income of the trust estate and to apportion and allocate, in his discretion, receipts and expenses and other charges between those accounts, including the power to charge in whole or in part against principal, or to amortize out of or charge forthwith to income, premiums paid on the purchase of bonds or other obligation. Except insofar as the Trustees shall exercise the discretion herein conferred and except as otherwise provided in this instrument, the determination of all matters relating to principal and income shall be governed by the provisions of the Revised Uniform Principal and Income Act of the State of California from time to time existing.

11. Budget Periodic Payments. To budget as far as practicable estimated annual income and expenses so as to equalize periodic income payments.

12. Bank Accounts. To open and maintain one or more savings accounts and checking accounts with any bank or savings and loan association, wherever located, whether within or without the United States of America, even if the bank is serving as Trustee; to deposit to the credit of that account or accounts all or any part of the funds belonging to the trust estate that may

at any time be in possession of the Trustee whether or not the funds may earn interest; from time to time to withdraw a portion of all of the funds so deposited by check or other instrument signed by the Trustee of by another person or persons as the trustee may from time to time authorize, and the bank or association is hereby authorized to pay the check or instrument and also to receive the same for deposit to the credit of any holder thereof when so signed and properly endorsed without inquiry of any kind, and payments when so made by the bank or association shall not be subject to criticism or objection by any person concerned or interested in any way in the trusts.

13. Move Trust. To remove all or any part of the trust estate and to transfer the place of administration of the trusts or any of them to any location outside the State of California, whether within or without the United States of America.

14. Power to Use Nominee. Any property included in the trust estate may be acquired, registered or held in the name of the Trustees, or a nominee of the Trustees, with or without disclosure of fiduciary relationship, in order more readily to facilitate the administration of the trust estate. However, the Trustees shall be liable for any loss occasioned by the act to omission of the nominee or nominees to the same extent as if the Trustees had so acted or omitted to act. No person dealing with the Trustees' nominee shall have any liability to the Trustees or any other person except as he or she may otherwise agree nor shall he or she be required to take notice of this Trust. Any nominee shall be nominated or removed by written instrument, signed and acknowledged by the Trustees and delivered to the nominee so nominated or removed.

15. Power to Name Attorney-in-Fact. A Trustee may designate an Attorney-in- Fact to act on the Trustee's behalf by a written instrument, signed and acknowledged by the Trustee and delivered to the Attorney-in-Fact, but the powers of the Attorney-in-Fact shall not exceed the powers the Trustee is legally authorized to delegate.

VIII.

The Trust shall be irrevocable and not subject to amendment, except as follows: the Trustors, acting jointly, or the surviving Trustor, acting alone, shall have the right, by a signed written instrument delivered to all then-serving Trustees, to amend this Trust Agreement, provided that the assets of the Trust shall at all times continue to be held, and the Trust shall at all times continue to be administered, exclusively for charitable, scientific, medical or educational purposes.

SCHEDULE "A"

Original Contribution To Charitable Trust

Cash in the sum of $100"

JUL 1 1 2013

Dated:________________, 2013

MICHAEL I. LEVANAS, JUDGE

Judge of the Superior Court