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Form 990-PF

## 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. By law, the IRS cannot redact the information on the form.
- Information about Form 990-PF and its instructions is at [www.irs.gov/form990pf](http://www.irs.gov/form990pf).

2013

Open to Public  
Inspection

For calendar year 2013, or tax year beginning 01-01-2013, and ending 12-31-2013

Name of foundation The Dixon Water Foundation		A Employer identification number 75-2521176
Number and street (or P O box number if mail is not delivered to street address) 4528 County Road 398		Room/suite
City or town, state or province, country, and ZIP or foreign postal code Decatur, TX 76234		
G Check all that apply		<input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ► \$ 53,849,225	J Accounting method	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____
(Part I, column (d) must be on cash basis.)		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)
Revenue	1 Contributions, gifts, grants, etc , received (attach schedule)				
	2 Check ► <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities. . . . .	72,911	72,911	72,911	
	5a Gross rents . . . . .				
	b Net rental income or (loss) _____				
	6a Net gain or (loss) from sale of assets not on line 10	390,289			
	b Gross sales price for all assets on line 6a 1,061,406				
	7 Capital gain net income (from Part IV, line 2) . . . . .		390,289		
	8 Net short-term capital gain . . . . .			4,159	
	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) . . . . .	2,674,143	2,436,486		
	12 Total. Add lines 1 through 11 . . . . .	3,137,343	2,899,686	77,070	
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	295,317	147,658		147,658
	14 Other employee salaries and wages . . . . .				
	15 Pension plans, employee benefits . . . . .				
	16a Legal fees (attach schedule) . . . . .	25,472	12,736		12,736
	b Accounting fees (attach schedule) . . . . .	9,798	4,899		4,899
	c Other professional fees (attach schedule) . . . . .	50,732	28,383		
	17 Interest . . . . .				
	18 Taxes (attach schedule) (see instructions)	58,344			13,898
	19 Depreciation (attach schedule) and depletion . . . . .	184,237			
	20 Occupancy . . . . .				
	21 Travel, conferences, and meetings . . . . .	32,238			32,238
	22 Printing and publications . . . . .	2,685			
	23 Other expenses (attach schedule) . . . . .	770,697	5,060		643,679
	24 Total operating and administrative expenses.				
	Add lines 13 through 23 . . . . .	1,429,520	198,736		855,108
	25 Contributions, gifts, grants paid. . . . .	608,542			608,542
	26 Total expenses and disbursements. Add lines 24 and 25	2,038,062	198,736		1,463,650
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	1,099,281			
	b Net investment income (if negative, enter -0-)		2,700,950		
	c Adjusted net income (if negative, enter -0-)			77,070	

<b>Part III</b> <b>Balance Sheets</b>	Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions )	Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
<b>Assets</b>				
1	Cash—non-interest-bearing . . . . .	1,218,576	865,258	865,258
2	Savings and temporary cash investments . . . . .			
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 . . . . .		594,950	594,950
9	Prepaid expenses and deferred charges . . . . .	36,000	36,000	36,000
10a	Investments—U S and state government obligations (attach schedule)			
b	Investments—corporate stock (attach schedule) . . . . .	4,239,131	5,577,212	5,577,212
c	Investments—corporate bonds (attach schedule) . . . . .			
11	Investments—land, buildings, and equipment basis ►			
	Less accumulated depreciation (attach schedule) ►			
12	Investments—mortgage loans . . . . .			
13	Investments—other (attach schedule) . . . . .	9,010,875	7,224,757	7,224,757
14	Land, buildings, and equipment basis ► 40,612,664			
	Less accumulated depreciation (attach schedule) ► 1,066,939	38,238,314	39,545,725	39,545,725
15	Other assets (describe ► )	1,384,976	5,323	5,323
16	<b>Total assets</b> (to be completed by all filers—see the instructions Also, see page 1, item I)	54,127,872	53,849,225	53,849,225
<b>Liabilities</b>				
17	Accounts payable and accrued expenses . . . . .			
18	Grants payable . . . . .			
19	Deferred revenue . . . . .			
20	Loans from officers, directors, trustees, and other disqualified persons			
21	Mortgages and other notes payable (attach schedule) . . . . .			
22	Other liabilities (describe ► )	1,187	-1,984	
23	<b>Total liabilities</b> (add lines 17 through 22) . . . . .	1,187	-1,984	
<b>Net Assets or Fund Balances</b>				
24	Unrestricted . . . . .			
25	Temporarily restricted . . . . .			
26	Permanently restricted . . . . .			
27	<b>Foundations that follow SFAS 117, check here ►</b> <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
28	Capital stock, trust principal, or current funds . . . . .	1,000	1,000	
29	Paid-in or capital surplus, or land, bldg , and equipment fund			
30	Retained earnings, accumulated income, endowment, or other funds	54,125,685	53,850,209	
31	<b>Total net assets or fund balances</b> (see page 17 of the instructions) . . . . .	54,126,685	53,851,209	
	<b>Total liabilities and net assets/fund balances</b> (see page 17 of the instructions) . . . . .	54,127,872	53,849,225	

**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	54,126,685
2	Enter amount from Part I, line 27a . . . . .	2	1,099,281
3	Other increases not included in line 2 (itemize) ►	3	1,071,610
4	Add lines 1, 2, and 3 . . . . .	4	56,297,576
5	Decreases not included in line 2 (itemize) ►	5	2,446,367
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30 . . . . .	6	53,851,209

Part IV Capital Gains and Losses for Tax on Investment Income

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?  Yes  No  
If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part

1 Enter the appropriate amount in each column for each year, see page 18 of the instructions before making any entries.

<b>(a)</b> Base period years Calendar year (or tax year beginning in)	<b>(b)</b> Adjusted qualifying distributions	<b>(c)</b> Net value of noncharitable-use assets	<b>(d)</b> Distribution ratio (col (b) divided by col (c))
2012	1,192,788	21,475,549	0 05554
2011	820,536	11,388,908	0 07205
2010	883,029	9,776,080	0 09033
2009	1,064,473	9,683,617	0 10993
2008	1,154,553	12,818,499	0 09007
<b>2</b> <b>Total</b> of line 1, column (d). . . . .			<b>2</b> 0 41791
<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 08358
<b>4</b> Enter the net value of noncharitable-use assets for 2013 from Part X, line 5. . . . .			<b>4</b> 22,402,734
<b>5</b> Multiply line 4 by line 3. . . . .			<b>5</b> 1,872,461
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b). . . . .			<b>6</b> 27,010
<b>7</b> Add lines 5 and 6. . . . .			<b>7</b> 1,899,471
<b>8</b> Enter qualifying distributions from Part XII, line 4. . . . .			<b>8</b> 1,463,650

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 page 18 of the instructions)**

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1		
Date of ruling or determination letter _____ <b>(attach copy of letter if necessary—see instructions)</b>		1	54,019
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 . . . . .		
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	54,019
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-) . . . . .	4	
5	<b>Tax based on investment income.</b> Subtract line 4 from line 3 If zero or less, enter -0- . . . . .	5	54,019
6	Credits/Payments		
a	2013 estimated tax payments and 2012 overpayment credited to 2013	6a	36,000
b	Exempt foreign organizations—tax withheld at source . . . . .	6b	
c	Tax paid with application for extension of time to file (Form 8868) . . . . .	6c	
d	Backup withholding erroneously withheld . . . . .	6d	
7	Total credits and payments Add lines 6a through 6d. . . . .	7	36,000
8	Enter any <b>penalty</b> for underpayment of estimated tax Check here <input checked="" type="checkbox"/> if Form 2220 is attached . . . . .	8	513
9	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter <b>amount owed</b> . . . . .	9	18,532
10	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the <b>amount overpaid</b> . . . . .	10	
11	Enter the amount of line 10 to be <b>Credited to 2014 estimated tax</b> <input type="checkbox"/> <b>Refunded</b> <input type="checkbox"/>	11	

**Part VII-A Statements Regarding Activities**

		<b>Yes</b>	<b>No</b>
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign? . . . . .	1a	No
1b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? . . . . .	1b	No
<i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.</i>			
c	Did the foundation file <b>Form 1120-POL</b> for this year? . . . . .	1c	No
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year <b>(1) On the foundation</b> <input type="checkbox"/> \$ _____ <b>(2) On foundation managers</b> <input type="checkbox"/> \$ _____		
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ _____		
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? . . . . . <i>If "Yes," attach a detailed description of the activities.</i>	2	No
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i>	3	Yes
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year? . . . . .	4a	No
b	If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year? . . . . .	4b	No
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? . . . . . <i>If "Yes," attach the statement required by General Instruction T.</i>	5	No
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	Yes
7	Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV.</i>	7	Yes
8a	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? <i>If "No," attach explanation.</i>	8b	Yes
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)? <i>If "Yes," complete Part XIV</i>	9	No
10	Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses.</i>	10	No

**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		No
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		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? . . . . .	13	Yes	

Website address ► N/A

14 The books are in care of ► **THE DIXON WATER FOUNDATION** Telephone no ► (940) 768-2740  
 Located at ► 4528 COUNTY ROAD 398 DECATUR TX ZIP +4 ► 76234

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** —Check here . . . . . ► **15** and enter the amount of tax-exempt interest received or accrued during the year . . . . . ►

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** Yes No  
 See 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
<b>1a</b>	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? . . . . .	► 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>b</b>	If any answer is "Yes" to 1a(1)–(6), did <b>any</b> of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? . . . . .	► Organizations relying on a current notice regarding disaster assistance check here. . . . . ►	
<b>c</b>	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2013? . . . . .		
<b>2</b>	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
<b>a</b>	At the end of tax year 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>b</b>	Are there any years listed in 2a for which the foundation is <b>not</b> applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to <b>all</b> years listed, answer "No" and attach statement—see instructions) . . . . .		
<b>c</b>	If the provisions of section 4942(a)(2) are being applied to <b>any</b> of the years listed in 2a, list the years here ► 20____, 20____, 20____, 20____		
<b>3a</b>	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? . . . . .	► Yes	✓ No
<b>b</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) . . . . .		
<b>4a</b>	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? . . . . .		
<b>b</b>	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2013? . . . . .		

**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))? (2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? . . . . . (3) Provide a grant to an individual for travel, study, or other similar purposes? (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). . . . . (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b	If any answer is "Yes" to 5a(1)–(5), did <b>any</b> 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)? . . . . . Organizations relying on a current notice regarding disaster assistance check here. . . . . ► <input type="checkbox"/>		5b No
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? . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<i>If "Yes," attach the statement required by Regulations section 53.4945–5(d).</i>			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . . . . <i>If "Yes" to 6b, file Form 8870.</i>		6b No
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? . . . . .		7b No

## **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)**

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

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

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

**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	4,949,981
b	Average of monthly cash balances. . . . .	1b	1,268,127
c	Fair market value of all other assets (see instructions). . . . .	1c	16,525,784
d	<b>Total</b> (add lines 1a, b, and c). . . . .	1d	22,743,892
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	
3	Subtract line 2 from line 1d. . . . .	3	22,743,892
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions). . . . .	4	341,158
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3 Enter here and on Part V, line 4	5	22,402,734
6	<b>Minimum investment return.</b> Enter 5% of line 5. . . . .	6	1,120,137

**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	1,120,137
2a	Tax on investment income for 2013 from Part VI, line 5. . . . .	2a	54,019
b	Income tax for 2013 (This does not include the tax from Part VI ). . . . .	2b	
c	Add lines 2a and 2b. . . . .	2c	54,019
3	Distributable amount before adjustments Subtract line 2c from line 1. . . . .	3	1,066,118
4	Recoveries of amounts treated as qualifying distributions. . . . .	4	
5	Add lines 3 and 4. . . . .	5	1,066,118
6	Deduction from distributable amount (see instructions). . . . .	6	
7	<b>Distributable amount</b> as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1. . . . .	7	1,066,118

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

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes		
a	Expenses, contributions, gifts, etc —total from Part I, column (d), line 26. . . . .	1a	1,463,650
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	3a	
a	Suitability test (prior IRS approval required). . . . .	3b	
b	Cash distribution test (attach the required schedule). . . . .	4	1,463,650
4	<b>Qualifying distributions.</b> Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	5	
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). . . . .	6	1,463,650
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4. . . . .		

**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
<b>1</b> Distributable amount for 2013 from Part XI, line 7				1,066,118
<b>2</b> Undistributed income, if any, as of the end of 2013				
<b>a</b> Enter amount for 2012 only. . . . .				
<b>b</b> Total for prior years 20____, 20____, 20____				
<b>3</b> Excess distributions carryover, if any, to 2013				
<b>a</b> From 2008. . . . .	569,441			
<b>b</b> From 2009. . . . .	604,812			
<b>c</b> From 2010. . . . .	443,909			
<b>d</b> From 2011. . . . .	284,385			
<b>e</b> From 2012. . . . .	151,237			
<b>f Total of lines 3a through e. . . . .</b>	2,053,784			
<b>4</b> Qualifying distributions for 2013 from Part XII, line 4 ► \$ _____ 1,463,650				
<b>a</b> Applied to 2012, but not more than line 2a				
<b>b</b> Applied to undistributed income of prior years (Election required—see instructions). . . . .				
<b>c</b> Treated as distributions out of corpus (Election required—see instructions). . . . .	0			
<b>d</b> Applied to 2013 distributable amount. . . . .				1,066,118
<b>e</b> Remaining amount distributed out of corpus	397,532			
<b>5</b> Excess distributions carryover applied to 2013 (If an amount appears in column (d), the same amount must be shown in column (a).)				
<b>6</b> Enter the net total of each column as indicated below:	2,451,316			
<b>a</b> Corpus Add lines 3f, 4c, and 4e Subtract line 5				
<b>b</b> Prior years' undistributed income Subtract line 4b from line 2b . . . . .				
<b>c</b> Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed. . . . .				
<b>d</b> Subtract line 6c from line 6b Taxable amount—see instructions . . . . .				
<b>e</b> Undistributed income for 2012 Subtract line 4a from line 2a Taxable amount—see instructions . . . . .				
<b>f</b> Undistributed income for 2013 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2014 . . . . .				0
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions) . . . . .				
<b>8</b> Excess distributions carryover from 2008 not applied on line 5 or line 7 (see instructions) . . . . .	569,441			
<b>9</b> Excess distributions carryover to 2014. Subtract lines 7 and 8 from line 6a . . . . .	1,881,875			
<b>10</b> Analysis of line 9				
<b>a</b> Excess from 2009. . . . .	604,812			
<b>b</b> Excess from 2010. . . . .	443,909			
<b>c</b> Excess from 2011. . . . .	284,385			
<b>d</b> Excess from 2012. . . . .	151,237			
<b>e</b> Excess from 2013. . . . .	397,532			

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

1a	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. <input type="text"/>			
b	Check box to indicate whether the organization is a private operating foundation described in section <input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 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.			
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 organization had \$5,000 or more in assets at any time during the year—see instructions.)****1 Information Regarding Foundation Managers:**

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

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

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

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

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

ROBERT J POTTS  
P O BOX 177  
MARFA, TX 79843  
(432) 729-4600

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

2 - 3 PAGE DESCRIPTION OF PROJECT ALONG WITH BUDGET AND SUPPORTING MATERIALS

c Any submission deadlines

NONE

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

LIMITED TO LAND MANAGEMENT, WATERSHED PROTECTION AND EDUCATION

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

Recipient	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
Name and address (home or business)				
<b>a Paid during the year</b> See Additional Data Table				
<b>Total</b> . . . . .			► 3a	608,542
<b>b Approved for future payment</b>				
<b>Total</b> . . . . .			► 3b	

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) Related or exempt function income (See instructions )
Line	Description	(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					
4	Dividends and interest from securities.			14	72,911	
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.					
8	Gain or (loss) from sales of assets other than inventory			18	181,235	209,054
9	Net income or (loss) from special events					
10	Gross profit or (loss) from sales of inventory.					
11	Other revenue <b>a</b> See Additional Data Table					
b						
c						
d						
e						
12	Subtotal Add columns (b), (d), and (e).				2,704,632	432,711
13	<b>Total.</b> Add line 12, columns (b), (d), and (e). (See worksheet in line 13 instructions to verify calculations.)				13	3,137,343

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



**Form 990PF Part VIII Line 1 - List all officers, directors, trustees, foundation managers and their compensation**

<b>(a) Name and address</b>	<b>(b) Title, and average hours per week devoted to position</b>	<b>(c) Compensation (If not paid, enter -0-)</b>	<b>(d) Contributions to employee benefit plans and deferred compensation</b>	<b>(e) Expense account, other allowances</b>
Robert J Potts  P O BOX 177 MARFA, TX 79843	Pres/CEO 40 00	189,584		20,344
Clinton W Josey Jr  6060 N Central Expy 560 Dallas, TX 75206	Chairman/VP 40 00	0		
Janet Samford  P O Box 870545 Mesquite, TX 75187	Secretary 35 00	40,733		10,453
JERRY ADDISON  P O BOX 629 BOWIE, TX 76230	Director 1 00	0		
Walt Davis  262 SR 70E Calera, OK 74730	Director 1 00	0		
MELISSA BOOKHOUT  4528 COUNTY ROAD 398 DECATUR, TX 76234	Treasurer 35 00	65,000		19,019
Leslie C Rauscher  6227 Malcolm Drive Dallas, TX 75214	Director 1 00	0		
Kathy Smyth  7630 Riverpoint Drive Houston, TX 77063	V/Chairmen/VP 1 00	0		
Laura L Whiting  5005 LBJ Freeway 2200 Dallas, TX 75244	Director 1 00	0		
DR RICHARD TEAGUE  BOX 1658 VERNON, TX 76385	ADVISORY BOARD 1 00	0		
DR BONNIE WARNOCK  RAS CENTER BOX C-16 ALPINE, TX 79832	ADVISORY BOARD 1 00	0		
SAM MONTOYA  TWO SANDIA PLAZA BERNALILLO, NM 87004	ADVISORY BOARD 1 00	0		
HUGH ALJOE  2510 SAM NOBLE PKWY ARDMORE, OK 73401	Director 1 00	0		

**Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient	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
Name and address (home or business)				
<b>a Paid during the year</b>				
CONNEMARA CONSERVANCY FOUNDATION 1314 W MCDERMOTT ALLEN, TX 75013	NONE	PUB CHAR	CONSERVATION EASEMENT	50,000
UNIVERSITY OF NORTH TEXAS P O BOX 305250 DENTON, TX 76203	NONE	PUB UNIVE	QUAIL GRANT	50,000
OGALLALA COMMONS INC BOX 346 NAZARETH, TX 79063	NONE	PUB UNIVE	GRANT LANDOWNER TRAINING	25,000
TEXAS AGRILIFE RESEARCH 2147 TAMUS COLLEGE STATION, TX 77843	NONE	PUB UNIVE	GRASSLAND CONSERVATION	27,099
QUIVERA COALITION INC 1413 SECOND STREET 1 SANTA FE, NM 87505	NONE	PUB CHAR	RANCH APPRENTICE PROGRAM	50,000
NUECES RIVER AUTHORITY P O BOX 349 UVALDE, TX 78802	NONE	PUB CHAR	RIPARIAN NETWORK	31,000
SUL ROSS STATE UNIVERSITY P O BOX C-16 ALPINE, TX 79832	NONE	PUB UNIVE	HEREFORD GENETIC GRANT	52,733
AUSTIN COLLEGE 900 NORTH GRAND AVE SUITE 6G SHERMAN, TX 75090	NONE	PUB UNIVE	LAND MANAGEMENT	12,000
HOLISTIC MANAGEMENT INTERNATIONAL 5941 JEFFERSON STREET NE ALBUQUERQUE, NM 87109	NONE	PUB CHAR	2013 GRANT	50,000
NORTH CENTRAL STATE COLLEGE 1525 W CALIFORNIA GAINESVILLE, TX 76240	NONE	PUB UNIVE	PACE GRANT	35,760
KATY PRAIRIE CONVERCANCY 3015 RICHMOND AVENUE HOUSTON, TX 77098	NONE	PUB CHAR	RANCH MANAGER GRANT	75,000
SUL ROSS STATE UNIVERSITY P O BOX C-16 ALPINE, TX 79832	NONE	PUB UNIVE	RANGE MONITORING	25,000
RIVER LEGACY 703 NW GREEN OAKS BLVD ARLINGTON, TX 76006	NONE	PUB UNIVE	POND RESTORATION	17,000
CHIHUAHUA DESERT RESEARCH INSTITUT P O BOX C-16 ALPINE, TX 79832	NONE	PUB CHAR	RESEARCH	25,000
GREAT PLAINS RESTORATION COUNCIL P O BOX 131291 HOUSTON, TX 77219	NONE	PUB CHAR	YOUTH PROGRAM	25,000
<b>Total . . . . .</b>			<b>► 3a</b>	<b>608,542</b>

## Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	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
Name and address (home or business)				
<b>a Paid during the year</b>				
MARFA PUBLIC LIBRARY PO BOX U 115 EAST OAK STREET MARFA, TX 79843	NONE	PUB CHAR	CAPITAL CAMPAIGN	25,000
CAESAR KLEBERG WILDLIFE RESEARCH IN 700 UNIVERSITY BLVD KINGSVILLE, TX 78363	NONE	PUB CHAR	NATIVE SEEDS PROJECT	15,000
KEYSTONE CONSERVATION PO BOX 6733 BOZEMAN, MT 59771	NONE	PUB CHAR	RANGE RIDER GRANT	10,000
MARFA INTERNATIONAL SCHOOL PO BOX 298 MARFA, TX 79843	NONE	PUB CHAR	SCIENCE CLASSES AT MIMMS	7,950
<b>Total</b>			► 3a	608,542

**Form 990PF Part XVI-A Line 11 - Other revenue:**

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		<b>(e)</b> Related or exempt function income (See the instructions )
<b>11</b> Other revenue	<b>(a)</b> Business code	<b>(b)</b> Amount	<b>(c)</b> Exclusion code	<b>(d)</b> Amount	
<b>a</b> HUNTING LEASE			1	14,000	
<b>b</b> LEASE/WATER INCOME			1	381,812	
<b>c</b> MISCELLANEOUS INCOME			1	99,443	
<b>d</b> PARTNERSHIP INCOME/LOSS			1		
<b>e</b> RANCH REVENUE - EXHIBIT					223,657
<b>f</b> ROYALTY PAYMENT			1	1,955,231	

## TY 2013 Accounting Fees Schedule

**Name:** The Dixon Water Foundation

**EIN:** 75-2521176

**Software ID:** 13000170

**Software Version:** 2013v3.1

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNTING FEES [OFFICE]	9,798	0	0	0
ACCOUNTING FEES [OFFICE] @ 50%		4,899	0	4,899

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

## TY 2013 Depreciation Schedule

Name: The Dixon Water Foundation

EIN: 75-2521176

Software ID: 13000170

Software Version: 2013v3.1

Description of Property	Date Acquired	Cost or Other Basis	Prior Years' Depreciation	Computation Method	Rate / Life (# of years)	Current Year's Depreciation Expense	Net Investment Income	Adjusted Net Income	Cost of Goods Sold Not Included
BUILDINGS	2005-09-01	9,247	4,090	68	4 46 %	413			
PONDS	2005-09-01	6,327	1,896	69	5 00 %	316			
WATER WELL	2005-09-01	9,425	5,250	66	5 91 %	557			
BARN	2006-06-30	22,281	9,056	68	4 52 %	1,008			
CORRALS	2006-05-19	4,272	4,042	57	4 46 %	191			
FENCES LANDSCAPING-GRASS	2006-10-31	112,560	94,471	57	4 46 %	5,020			
SEEDING HERITAGE CENTER	2006-11-30	7,482	2,244	69	5 00 %	374			
PLANNING - ARCHITECTS	2006-11-30	30,012	5,455	85	3 64 %	1,091			
PONDS	2006-11-09	1,167	290	91	20 0000	58			
WATER WELLS/DRAINAGE	2006-07-01	8,633	3,286	69	5 00 %	432			
PONDS	2005-12-31	7,132	2,142	69	5 00 %	357			
POUND	2006-03-20	245	72	69	5 00 %	12			
IMPROVEMENTS	2006-08-31	8,914	3,457	68	4 52 %	403			
CORRALS	2006-06-14	570	540	57	4 46 %	30			
FENCES	2006-09-19	850	331	68	4 52 %	38			
TRAILERS	2006-10-12	6,139	5,152	57	4 46 %	274			
FENCES	2006-07-01	7,850	3,044	68	4 52 %	355			
FURNITURE	2007-09-10	3,528	2,772	58	14 29 %	504			
FRAMING - CONFERENCE ROOM	2007-10-27	1,142	897	58	14 29 %	163			
FRAMING - BLUEBONNETS	2007-10-27	1,514	1,188	58	14 29 %	216			
PONDS	2007-02-12	1,256	346	69	5 00 %	63			
WATER WELL	2007-03-22	10,932	4,802	66	5 90 %	645			
LANDSCAPING	2007-05-29	2,850	2,238	58	14 29 %	407			
HANGARS	2007-10-30	16,068	2,146	87	2 56 %	412			
FENCING	2007-06-30	85,753	67,377	58	14 29 %	12,254			
CORRALS	2007-10-30	500	391	58	14 29 %	71			
IMPROVEMENTS	2007-10-10	22,946	8,414	67	6 67 %	1,530			
NEW BARN	2007-10-30	14,840	4,081	69	5 00 %	742			
CONSERVATION DEVELOPMENT	2007-01-23	4,419	1,622	67	6 67 %	295			
GREENHOUSE	2007-03-13	7,002	1,925	69	5 00 %	350			
RANCH IMPROVEMENTS	2007-02-22	1,610	589	67	6 67 %	107			
CORRALS	2007-12-12	4,208	3,305	58	14 29 %	601			
HOUSE	2008-06-30	234,235	38,682	85	3 64 %	8,517			
GRAVEL ROAD	2008-01-30	5,200	1,706	91	15 0000	347			
WATER WELL	2008-02-27	7,050	2,272	91	15 0000	470			
CATTLE GUARD	2008-03-31	1,566	494	91	15 0000	104			
T-POSTS	2008-05-01	720	224	91	15 0000	48			
WOOD STOVE	2008-09-10	2,000	1,239	91	7 0000	286			
RANCH HOUSE	2008-11-30	7,326	1,097	85	3 64 %	266			
KUBOTA MOWER & STIHL TRIM	2009-09-10	8,359	6,915	58	14 29 %	1,195			
GRAZING ENCLOSURE	2009-08-04	700	160	91	15 0000	47			
CHEYENNE CAB HIGH TOPPER	2009-10-16	1,351	1,117	54	20 00 %	234			
RANCH HOUSE	2009-06-30	295,147	38,010	85	3 64 %	10,732			
FENCING	2009-06-30	171,880	40,116	67	6 67 %	11,464			
WATER TANKS & STORAGE	2009-06-30	275,411	64,281	67	6 67 %	18,370			
FENCING	2010-06-30	57,374	9,565	67	6 67 %	3,827			
RANCH HOUSE	2010-06-30	2,929	270	85	3 64 %	106			
IMPROVEMENTS	2011-09-30	21,578	2,158	67	6 67 %	1,439			
IMPROVEMENTS	2011-06-30	256,660	25,666	67	6 67 %	17,119			
COLUMBIA STREET HOUSE	2011-01-10	248,280	17,680	85	3 64 %	9,027			
ROBERT WHITE WELL SERVICE	2011-10-14	4,971	414	91	15 0000	331			
IMPROVEMENTS	2012-06-30	9,290	309	67	6 67 %	620			
IMPROVEMENTS	2012-06-30	3,104	103	67	6 67 %	207			
IMPROVEMENTS	2012-06-30	8,890	296	67	6 67 %	593			
PAVILLION COSTS 2012	2012-09-30	104,438	782	87	2 56 %	2,678			
IMPROVEMENTS	2012-06-30	49,592	1,651	67	6 67 %	3,308			
2012 FORD F35A TRUCK	2012-02-16	40,531	8,106	54	20 00 %	8,106			
2008 CHEVROLET PICKUP	2013-01-01	38,300	34,470	58	7 14 %	2,735			
2010 CHEVROLET TRUCK	2013-01-01	35,317	10,722	91	7 0000	5,045			
TRUCK BED	2013-01-01	4,200	3,713	91	7 0000	487			
HAY BED/HYDRAULIC LIFT	2013-01-01	5,180	4,579	91	7 0000	601			
KUBOTA CANOPY	2013-01-01	426	392	58	7 14 %	30			
TRACTOR & LOADER	2013-01-01	37,350	24,012	91	7 0000	5,336			
2010 POLARIS [MULE]	2013-01-01	13,184	4,474	91	7 0000	1,883			
MOWER	2013-01-01	7,097	127	91	7 0000	1,014			
RISING PLATE METER	2013-01-01	778	91		7 0000	111			
PORTABLE CORRALS	2013-01-01	9,439	91		7 0000	1,348			
USED PATIO FURNITURE	2013-03-20	1,300	58		7 14 %	93			
KUBOTA TRACTOR - MIMMS	2013-03-05	28,000	58		7 14 %	1,999			
KUBOTA TRACTOR LOADER	2013-04-08	17,000	58		7 14 %	1,214			
IMPROVEMENTS 2013	2013-06-30	16,265	67		3 33 %	542			
IMPROVEMENTS 2013	2013-06-30	264,759	67		3 33 %	8,816			
IMPROVEMENTS 2013	2013-06-30	32,342	67		3 33 %	1,077			
PAVILLION COSTS 2013	2013-06-30	1,186,082	87		1 39 %	16,498			
BOB'S CUSTOM HOMES	2013-11-05	55,000	85		0 46 %	250			
IMPROVEMENTS 2013	2013-06-30	96,793	67		3 33 %	3,223			
COLUMBIA STREET HOUSE	2013-06-30	3,568	58		7 14 %	255			
F150 FORD TRUCK	2013-03-14	29,499	54		10 00 %	2,950			

## TY 2013 Land, Etc. Schedule

**Name:** The Dixon Water Foundation

**EIN:** 75-2521176

**Software ID:** 13000170

**Software Version:** 2013v3.1

<b>Category / Item</b>	<b>Cost / Other Basis</b>	<b>Accumulated Depreciation</b>	<b>Book Value</b>	<b>End of Year Fair Market Value</b>
Auto./Transportation Equip.	231,158	140,575	90,583	
Furniture and Fixtures	134,119	123,783	10,336	
Machinery and Equipment	200,927	155,739	45,188	
Buildings	1,803,929	149,009	1,654,920	
Improvements	1,976,997	493,843	1,483,154	
Land	36,217,199		36,217,199	
Miscellaneous	48,335	3,990	44,345	39,545,725

## TY 2013 Legal Fees Schedule

**Name:** The Dixon Water Foundation

**EIN:** 75-2521176

**Software ID:** 13000170

**Software Version:** 2013v3.1

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
LEGAL FEES [OFFICE]	25,472	0	0	0
LEGAL FEES [OFFICE] @ 50%		12,736	0	12,736

## TY 2013 Other Assets Schedule

**Name:** The Dixon Water Foundation**EIN:** 75-2521176**Software ID:** 13000170**Software Version:** 2013v3.1

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
due from dixon ranches, inc			5,323
DUE FROM DIXON RANCHES, INC	1,384,976	5,323	

## TY 2013 Other Decreases Schedule

**Name:** The Dixon Water Foundation

**EIN:** 75-2521176

**Software ID:** 13000170

**Software Version:** 2013v3.1

Description	Amount
DIXON RANCHES LIABILITIES IN EXCESS OF ASSETS	2,446,367

## TY 2013 Other Expenses Schedule

**Name:** The Dixon Water Foundation**EIN:** 75-2521176**Software ID:** 13000170**Software Version:** 2013v3.1

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
CONSULTING [OVERHEAD]	2,019			2,019
CONTRIBUTIONS [OVERHEAD]	500			500
DUES AND SUBSCRIPTIONS [OVERHEAD]	1,137			1,137
EDUCATIONAL SUPPLIES [OUTREACH]	8,150			8,150
EVENTS/SPONSORSHIPS [OUTREACH]	20,478			20,478
FUEL [OVERHEAD]	12,374			12,374
HEALTH BENEFITS [OVERHEAD]	7,200			7,200
INSURANCE - W/C [OVERHEAD]	2,428			2,428
INSURANCE [OFFICE]	67,361			
INSURANCE [OVERHEAD]	14,313			14,313
INTERNET [OFFICE]	1,550			
LABOR - PAYROLL TAXES [OVERHEAD]	6,896			6,896
LABOR - SALARIES [OVERHEAD]	78,600			78,600
LICENSE AND PERMITS [OVERHEAD]	384			384
MEALS & ENTERTAINMENT [OFFICE]	11,488			
MEALS & ENTERTAINMENT [OVERHEAD]	1,881			1,881
MISCELLANEOUS [OFFICE]	2,975			
MISCELLANEOUS [OVERHEAD]	1,104			1,104
OFFICE SUPPLIES [OFFICE]	7,197			
OFFICE SUPPLIES [OVERHEAD]	424			424
ORGANIC CERTIFICATION FEE [OVERHEAD]	1,380			1,380
PARKING [OFFICE]	1,191			
PAYROLL CONTRACTOR PAYMENTS [OFFICE]	650			
POSTAGE AND DELIVERY [OFFICE]	1,448			
RANCH COSTS - EXHIBIT C	415,417			415,417
Rental Expenses	10,120	5,060		5,060
REPAIRS [OFFICE]	23			
REPAIRS [OUTREACH]	22,791			22,791
RESEARCH [OUTREACH]	20,685			20,685
ROUNDING	2			
TELEPHONE [OFFICE]	8,214			
TELEPHONE [OVERHEAD]	2,609			2,609
TRACTOR EXPENSES [OVERHEAD]	17,257			17,257
TRAINING COURSES [OFFICE]	8,849			
TRANSFER TO PEAKS & VALLEYS	667			
TRAVEL [OVERHEAD]	592			592
UTILITIES [OFFICE]	10,343			

## TY 2013 Other Income Schedule

**Name:** The Dixon Water Foundation**EIN:** 75-2521176**Software ID:** 13000170**Software Version:** 2013v3.1

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
HUNTING LEASE	14,000		
LEASE/WATER INCOME	381,812		
MISCELLANEOUS INCOME	99,443		
RANCH REVENUE - EXHIBIT	223,657		
ROYALTY PAYMENT	1,955,231		

## TY 2013 Other Liabilities Schedule

**Name:** The Dixon Water Foundation

**EIN:** 75-2521176

**Software ID:** 13000170

**Software Version:** 2013v3.1

Description	Beginning of Year - Book Value	End of Year - Book Value
TAX LIABILITY ACCOUNT	-1,944	-1,976
TAX LIABILITY ACCOUNT - SUTA	2,070	-1,069
DUE TO DIXON RANCHES	1,061	1,061

## TY 2013 Other Professional Fees Schedule

**Name:** The Dixon Water Foundation**EIN:** 75-2521176**Software ID:** 13000170**Software Version:** 2013v3.1

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
BROKERAGE FEES [OFFICE]	28,383	28,383	0	0
CONSULTING FEES [OFFICE]	22,349	0	0	0

## TY 2013 Taxes Schedule

**Name:** The Dixon Water Foundation**EIN:** 75-2521176**Software ID:** 13000170**Software Version:** 2013v3.1

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
FEDERAL INCOME	32,368			
PAYROLL TAXES - J SAMFORD @ 4%				1,629
PAYROLL TAXES - M BOOKHOUT @ 4%				2,665
PAYROLL TAXES [OFFICE]	16,372			
PROPERTY TAXES	9,604			9,604

## AMENDED AND RESTATED BYLAWS

OF

## THE DIXON WATER FOUNDATION

Amended and Restated: November 4, 2013

## ARTICLE ONE

## NAME, PURPOSES, POWERS AND OFFICES

Section 1.1 Name. The name of this corporation (the "Corporation") is The Dixon Water Foundation.

Section 1.2 Powers. The Corporation is a nonprofit corporation and shall have all of the powers, duties, authorizations and responsibilities as provided in the Texas Business Organizations Code; provided, however, the Corporation shall neither have nor exercise any power, nor engage directly or indirectly in any activity, that would invalidate its status as a corporation that is exempt from federal income tax as an organization described in Section 501(c)(3) of the Code.

Section 1.3 Offices. The Corporation may have, in addition to its registered office, offices at such places, both within and without the State of Texas, as the Board of Directors may from time to time determine or as the activities of the Corporation may require.

## ARTICLE TWO

## MEMBERS

Section 2.1 Membership. As of the date these Amended and Restated Bylaws were adopted, Clinton W. Josey, Jr., Robert J. Potts, David M. Rosenberg, Kathryn Smyth, Dr. Richard Teague, Dr. Bonnie Warnock and Laura L. Whiting are the sole members of the Corporation. Successor members shall be determined in accordance with that certain instrument entitled "Designation of Membership Succession" and filed with the Dallas County Clerk on May 21, 2007. As of the date of the adoption of these Bylaws, the most recent such designation is set forth in the "Designation of Additional Members" filed with the Dallas County Clerk on June 22, 2012.

Section 2.2 Annual Meetings. An annual meeting of members shall be held in the fall of each year (or at such other time as the members may deem advisable) at such time and place as shall be communicated by notice to all members. At such annual meeting, the members shall elect the Board of Directors and transact such other business as shall be included in the notice and agenda for the meeting. Written notice of the place, date and time of each annual meeting of members shall be delivered not less than ten (10) nor more than 60 days before the date of such

meeting, to each member who on the record date for notice of the meeting is entitled to vote thereat, at such member's address as it appears on the books of the Corporation at the time such notice is given.

Section 2.3 Special Meetings. Special meetings of the members may be called only by persons collectively possessing not less than one-tenth (1/10) of the votes entitled to be cast by the members of the Corporation. Written notice of the place, date, time and purpose of each special meeting of members shall be delivered to each member not less than 24 hours prior to the time of the meeting. No business shall be transacted at a special meeting of members except as stated in the notice of such meeting.

Section 2.4 Place of Meetings. Meetings of members shall be held at such places, within or without the State of Texas, as may from time to time be determined by the Board of Directors or as may be specified in the respective notices or waivers of notice thercof.

Section 2.5 Record Date. Only those persons who are members of the Corporation at least ten (10) days immediately prior to the day upon which the Corporation mails notice of any meeting to its members and are entitled to vote thereat shall be entitled to receive notice of such meeting.

Section 2.6 Quorum and Manner of Acting. The presence in person or by written proxy of a majority of the members entitled to vote, at a meeting of members held in accordance with these Bylaws, shall be necessary and sufficient to constitute a quorum for the transaction of business at such meeting. Except as otherwise provided by any statute, the Certificate of Formation or these Bylaws, the act of a majority of the members voting at any meeting of members at which a quorum is present shall constitute the act of the members.

Section 2.7 Voting. Each member shall be entitled to one (1) vote on each matter submitted to a vote at any meeting of members, except as otherwise provided by statute, the Certificate of Formation or these Bylaws. A member may vote in person or by written proxy.

Section 2.8 Consent of Members. Any action required or permitted to be taken at any meeting of the members may be taken without a meeting if a consent in writing setting forth the action to be taken shall be signed by at least 75% of the members of the Corporation having voting rights. Prompt notice of the taking of any action by the members without a meeting by less than unanimous written consent shall be given to those members entitled to vote who did not consent in writing to the action.

## ARTICLE THREE

### BOARD OF DIRECTORS

Section 3.1 General Powers; Delegation. The activities, property and affairs of the Corporation shall be managed by its Board of Directors, who may exercise all such powers of the Corporation and do all such lawful acts and things as are permitted by statute, by the Certificate of Formation or by these Bylaws.

Section 3.2 Number and Qualifications. The Board of Directors shall consist of such number of directors as shall be determined from time to time by resolution of the members; provided, that at no time shall the number of directors be less than three (3), and no decrease in number shall have the effect of shortening the term of any incumbent director.

Section 3.3 Term of Office. Each director shall hold office for a one-year term concluding upon the next annual meeting of the members following such director's election and until such director's successor is chosen and qualified, or until such director's earlier death, resignation, retirement, disqualification or removal from office.

Section 3.4 Filling of Vacancies. Any vacancy occurring in the Board of Directors resulting from the death, resignation, retirement, disqualification or removal from office of any director shall be filled by the affirmative vote of a majority of the members present at any meeting of the members at which a quorum is present. Any director elected or appointed to fill a vacancy shall hold office until the next annual meeting of the members of the Corporation and until such director's successor is chosen and qualified, or until such director's earlier death, resignation, retirement, disqualification or removal from office.

Section 3.5 Removal. Any director may be removed, either for or without cause, by the affirmative vote of a majority of the members present at any meeting of the members at which a quorum is present, if notice of the intention to act upon such matter shall have been given in the notice of such meeting and if such notice is provided to the director proposed to be removed.

Section 3.6 Place of Meeting. Meetings of the Board of Directors shall be held at such places, within or without the State of Texas, as may from time to time be fixed by the Board of Directors or as shall be specified or fixed in the respective notices or waivers of notice thereof.

Section 3.7 Annual Meetings. An annual meeting of the Board of Directors shall be held in the fall of each year (or at such other time as the Board of Directors may deem advisable) at such time and place as the Board shall determine and shall be communicated by notice to all directors. At such annual meeting, the directors shall elect officers and transact any and all other business as may properly come before the meeting. Written notice of each annual meeting of the Board of Directors shall be given to each director not less than ten (10) nor more than sixty (60) days prior to the date of the meeting.

Section 3.8 Regular Meetings. At least four (4) regular meetings (one of which shall be the annual meeting, and at least one of which shall be in person) of the Board of Directors shall be held each year at such times and places as may be fixed from time to time by resolution adopted by the Board and communicated by written notice to all directors. Except as otherwise provided by statute, by the Certificate of Formation or by these Bylaws, any and all business may be transacted at any regular meeting.

Section 3.9 Special Meetings. Special meetings of the Board of Directors may be called by the Chairman or the President and Chief Executive Officer upon not less than 24 hours' notice to each director. Special meetings shall be called by the President and Chief Executive Officer or the Secretary in like manner and on like notice on the written request of two (2) or more directors. Except as otherwise provided by statute, by the Certificate of Formation or by

these Bylaws, neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 3.10 Quorum and Manner of Acting. At all meetings of the Board of Directors the presence of a majority of the number of directors then in office shall be necessary and sufficient to constitute a quorum for the transaction of business, except as otherwise provided by statute, by the Certificate of Formation or by these Bylaws. Directors present by proxy may not be counted toward a quorum. The act of a majority of the directors present in person or by proxy at a meeting at which a quorum is present shall be the act of the Board of Directors unless the act of a greater number is required by statute, by the Certificate of Formation or by these Bylaws, in which case the act of such greater number shall be requisite to constitute the act of the Board. A director may vote in person or by proxy executed in writing by the director. No proxy shall be valid after three (3) months from the date of its execution. Each proxy shall be revocable unless expressly provided therein to be irrevocable and unless otherwise made irrevocable by law.

Section 3.11 Compensation. Directors may receive compensation for their services as directors, may receive reimbursement for reasonable expenses incurred on behalf of the Corporation or in attending meetings of the Board of Directors and may receive compensation for serving the Corporation in any other capacity.

Section 3.12 Consent of Directors. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if a consent in writing setting forth the action to be taken shall be signed by at least 75% of the number of directors in office. Prompt notice of the taking of any action by the directors without a meeting by less than unanimous written consent shall be given to those directors entitled to vote who did not consent in writing to the action.

## ARTICLE FOUR

### NOTICES

Section 4.1 Manner of Giving Notice. Whenever, under the provisions of any statute, the Certificate of Formation or these Bylaws, notice is required to be given to any member or director of the Corporation, and no provision is made as to how such notice shall be given, it shall not be construed to require personal notice, but any such notice may be given in writing by hand delivery, by facsimile transmission, by electronic transmission, by registered courier service, or by mail, postage prepaid, addressed to such member or director at such person's address as it appears on the records of the Corporation. Any notice required or permitted to be given by mail shall be deemed to be delivered at the time when the same shall be thus deposited in the United States mails, as aforesaid. Any notice required or permitted to be given by facsimile or electronic transmission shall be deemed to be delivered upon successful transmission of such facsimile or electronic message.

Section 4.2 Waiver of Notice. Whenever any notice is required to be given to any member or director of the Corporation under the provisions of any statute, the Certificate of Formation or these Bylaws, a waiver thereof in writing signed by the person or persons entitled

to such notice, whether signed before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

## ARTICLE FIVE

### OFFICERS, EMPLOYEES AND AGENTS: POWERS AND DUTIES

Section 5.1 Elected Officers. The elected officers of the Corporation shall include a Chairman, a President and Chief Executive Officer, a Secretary and a Treasurer, and may include one or more Vice Presidents, as may be determined from time to time by the Board (and in the case of any such Vice President, with such descriptive title, if any, as the Board shall deem appropriate). None of the elected officers need be a member of the Board of Directors. Any two (2) or more offices may be held by the same person, except that the Chairman and the Secretary shall not be the same person, and the President and Chief Executive Officer and the Secretary shall not be the same person.

Section 5.2 Election. So far as is practicable, all elected officers shall be elected by the Board of Directors at each annual meeting thereof.

Section 5.3 Appointive Officers. The Board of Directors may also appoint one or more Assistant Secretaries and Assistant Treasurers and such other officers and assistant officers and agents as it shall from time to time deem necessary, who shall exercise such powers and perform such duties as shall be set forth in these Bylaws or determined from time to time by the Board.

Section 5.4 Term of Office; Removal; Filling of Vacancies. Each elected officer of the Corporation shall hold office until such officer's successor is chosen and qualified in such officer's stead or until such officer's earlier death, resignation, retirement, disqualification or removal from office. Each appointive officer shall hold office at the pleasure of the Board of Directors without the necessity of periodic reappointment. Any officer or agent may be removed at any time by the Board of Directors whenever in its judgment the best interests of the Corporation will be served thereby. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors.

Section 5.5 Chairman. The Chairman shall place into operation such business policies as shall be decided upon by the Board of Directors and communicated to the Chairman. The Chairman may sign, with the Secretary or any other proper officer of the Corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments that the Board of Directors has authorized, generally or specifically, to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors, by those Bylaws, or by statute to some other officer or agent of the Corporation. The Chairman shall preside when present at meetings of the Board of Directors; shall advise and counsel the other officers of the Corporation; and shall perform such other duties as may be prescribed by the Board of Directors from time to time.

Section 5.6 President and Chief Executive Officer. The President and Chief Executive Officer shall be the chief executive officer of the Corporation and, subject to the provisions of

these Bylaws, shall have general supervision of the activities and affairs of the Corporation and shall have general and active control thereof. In the absence of the Chairman, the President and Chief Executive Officer shall preside when present at meetings of the Board of Directors. The President and Chief Executive Officer shall have general authority to execute bonds, deeds and contracts in the name of the Corporation; to cause the employment or appointment of such employees and agents of the Corporation as the proper conduct of operations may require and to fix their compensation; to remove or suspend any employee or agent; and in general to exercise all the powers usually appertaining to the office of president of a corporation, except as otherwise provided by statute, the Certificate of Formation or these Bylaws. In the absence or disability of the President and Chief Executive Officer, the duties of such office shall be performed and the powers may be exercised by the Vice Presidents, if any, in the order of their seniority, unless otherwise determined by the Chairman or the Board of Directors.

Section 5.7 Vice Presidents. Each Vice President shall generally assist the President and Chief Executive Officer and shall have such powers and perform such duties and services as shall from time to time be prescribed or delegated to such office by the President and Chief Executive Officer or the Board of Directors.

Section 5.8 Secretary. The Secretary shall see that notice is given of all annual and special meetings of the Board of Directors and shall keep and attest true records of all proceedings at all meetings of the Board. The Secretary shall keep and account for all books, documents, papers and records of the Corporation, except those for which some other officer or agent is properly accountable. The Secretary shall generally perform all duties usually appertaining to the office of secretary of a corporation. In the absence or disability of the Secretary, the duties of such office shall be performed and the powers may be exercised by the Assistant Secretaries in the order of their seniority, unless otherwise determined by the Secretary, the President and Chief Executive Officer or the Board of Directors.

Section 5.9 Assistant Secretaries. Each Assistant Secretary shall generally assist the Secretary and shall have such powers and perform such duties and services as shall from time to time be prescribed or delegated to such office by the Secretary, the President and Chief Executive Officer or the Board of Directors.

Section 5.10 Treasurer. The Treasurer shall be the chief accounting and financial officer of the Corporation and shall have active control of and shall be responsible for all matters pertaining to the accounts and finances of the Corporation and shall direct the manner of certifying the same; shall supervise the manner of keeping all vouchers for payments by the Corporation and all other documents relating to such payments; shall receive, audit and consolidate all operating and financial statements of the Corporation and its various departments; shall have supervision of the books of account of the Corporation, their arrangements and classification; shall supervise the accounting and auditing practices of the Corporation and shall have charge of all matters relating to taxation. The Treasurer shall have the care and custody of all monies, funds and securities of the Corporation; shall deposit or cause to be deposited all such funds in and with such depositories as the Board of Directors shall from time to time direct or as shall be selected in accordance with procedures established by the Board; shall advise upon all terms of credit granted by the Corporation; shall be responsible for the collection of all its accounts and shall cause to be kept full and accurate accounts of all receipts, disbursements and contributions of the Corporation. The Treasurer shall have the power to endorse for deposit or

collection or otherwise all checks, drafts, notes, bills of exchange or other commercial papers payable to the Corporation, and to give proper receipts or discharges for all payments to the Corporation. The Treasurer shall generally perform all duties usually appertaining to the office of treasurer of a corporation. In the absence or disability of the Treasurer, the duties of such office shall be performed and the powers may be exercised by the Assistant Treasurers in the order of their seniority, unless otherwise determined by the Treasurer, the President and Chief Executive Officer or the Board of Directors. Any or all of the duties of the Treasurer may be delegated to one or more appointive officers or employees of the Foundation upon the approval of such delegation by the Board of Directors or the Executive Committee.

Section 5.11 Assistant Treasurers. Each Assistant Treasurer shall generally assist the Treasurer and shall have such powers and perform such duties and services as shall from time to time be prescribed or delegated to such office by the Treasurer, the President and Chief Executive Officer or the Board of Directors.

Section 5.12 Additional Powers and Duties. In addition to the foregoing specially enumerated duties, services and powers, the several elected and appointed officers of the Corporation shall perform such other duties and services and exercise such further powers as may be provided by statute, the Certificate of Formation or these Bylaws, or as the Board of Directors may from time to time determine or as may be assigned by any competent superior officer.

## ARTICLE SIX

### CONTRACTS, CHECKS, DEPOSITS AND FUNDS

Section 6.1 Contracts. The Board of Directors may authorize any officer or officers, or agent or agents, of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 6.2 Checks, Drafts or Orders for Payment. All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, or agent or agents, of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 6.3 Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select or as may be selected in accordance with procedures established by the Board.

Section 6.4 Conflicts of Interest. No contract or agreement may be entered into by and between the Corporation and any of the following: (a) a member, director, officer, committee member, or employee of the Corporation (hereinafter an "Insider"); or (b) any corporation, partnership, trust, sole proprietorship or any other entity (hereinafter an "Entity") in which an interest is owned or held, directly or indirectly, by or for the benefit of an Insider, unless (i) the transaction is approved in accordance with Section 22.230 of the Texas Business

Organizations Code; and (ii) if one or more of the parties to the contract is a "disqualified person" with respect to the Corporation with in the meaning of Section 4946 of the Code, such transaction does not result in an act of self-dealing under Section 4946 of the Code; provided, however, that the following contracts and agreements shall not be subject to the foregoing prohibition: a wholly gratuitous transfer of assets or promise to transfer assets to the Corporation of any kind, including, but not limited to, a charitable contribution of cash or property to the Corporation, an interest-free loan, a wholly gratuitous lease, a pledge, a guarantee, or an assumption of liability. All Insiders shall, as a condition of qualifying and continuing to qualify as a director, officer, committee member and/or employee of the Corporation, abide by such conflict of interest policies as the Board of Directors may adopt from time to time.

## ARTICLE SEVEN

### MISCELLANEOUS

Section 7.1 Dividends Prohibited. No part of the net income, earnings or assets of the Corporation shall inure to the benefit of any private individual and no dividend shall be paid and no part of the income of the Corporation shall be distributed to its members, directors or officers. No part of the whole or any part of the assets, income or net earnings of the Corporation shall ever be distributed to or divided among its members, directors or officers or any private individual, or to any other organization or entity, whether for profit or nonprofit, in which any member, director or officer of the Corporation has a direct or indirect interest or affiliation. The Corporation may pay compensation in a reasonable amount to its officers for services rendered and may compensate and reimburse its directors as provided in Section 3.11 of Article Three hereof.

Section 7.2 Loans to Members, Officers and Directors Prohibited. No loans shall be made by the Corporation to its members, officers or directors, and any directors voting for or assenting to the making of any such loan, and any officer participating in the making thereof, shall be jointly and severally liable to the Corporation for the amount of such loan until repayment thereof

Section 7.3 Fiscal Year. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

Section 7.4 Meetings By Telephone or Other Remove Communications Technology. Subject to the provisions of applicable law and these Bylaws regarding notice of meetings, members of the Corporation or directors of the Corporation may, unless otherwise restricted by statute, by the Certificate of Formation or by these Bylaws, participate in and hold a meeting by using conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, or by using any other suitable electronic communications system, including video conferencing technology or the Internet (but only if, in the case of such other suitable communications system, each person entitled to participate in the meeting consents to the meeting being held by means of that system, and the system provides access to the meeting in a manner or using a method by which each person participating in the meeting can communicate concurrently with each other participant). Participation in a meeting pursuant to this Section 7.4 shall constitute presence in person at such meeting, except when a

person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting was not lawfully called or convened.

Section 7.5 Gender. Words of either gender used in these Bylaws shall be construed to include the other gender, unless the context requires otherwise.

Section 7.6 Invalid Provisions. If any part of these Bylaws shall be held invalid or inoperative for any reason, the remaining parts, so far as is possible and reasonable, shall remain valid and operative.

Section 7.7 Headings. The headings used in these Bylaws are for convenience only and do not constitute matter to be construed in the interpretation of these Bylaws.

## ARTICLE EIGHT

### EXECUTIVE COMMITTEE

Section 8.1 Number and Term. The Corporation shall have an Executive Committee consisting of the Chairman, the President and Chief Executive Officer, the Vice President(s) and the Treasurer. Each member of the Executive Committee shall serve until the next annual meeting of the Board of Directors and such member's successor shall have been chosen and qualified, or until such member's earlier death, resignation, retirement, disqualification or removal from office. The Chairman shall act as chairman of the Executive Committee.

Section 8.2 Authority. The Executive Committee shall have and may exercise, when the Board of Directors is not in session, all of the authority of the Board of Directors in the management of the business and affairs of the Corporation, except where action of the Board of Directors, as such, is required by statute, by the Certificate of Formation or these Bylaws, and except that the Executive Committee shall not have the authority to: amend the Certificate of Formation; amend, alter or repeal these Bylaws or adopt new Bylaws; fill any vacancy in the Board of Directors; adopt a plan of merger or a plan of consolidation with another corporation; authorize the sale, lease, exchange or mortgage of all or substantially all of the assets of the Corporation; authorize the voluntary dissolution of the Corporation or revoke proceedings therefore; adopt or revoke any plan for the distribution of the assets of the Corporation; or alter or repeal any resolution of the Board of Directors. The designation of the Executive Committee and the delegation thereto of authority shall not operate to relieve the Board of Directors or any director of any responsibility imposed by law.

Section 8.3 Change in Number: Composition. The number and composition of Executive Committee members may be increased or decreased (but not below three (3)) from time to time by resolution adopted by a majority of the entire Board of Directors. At all times at least a majority of the members of the Executive Committee shall be directors.

Section 8.4 Removal. Any member of the Executive Committee may be removed by the affirmative vote of a majority of the entire Board of Directors whenever in its judgment the best interest of the Corporation will be served thereby.

Section 8.5 Resignation. Any member of the Executive Committee may resign at any time upon written notice delivered to the Secretary of the Corporation. Such resignation shall take effect at the time specified therein (or immediately if no time is specified), and unless otherwise specified therein no acceptance of such resignation shall be necessary to make it effective.

Section 8.6 Vacancies. A vacancy occurring in the Executive Committee (by death, resignation, removal or otherwise) shall be filled in the manner provided for in Section 8.1 hereof. Any Executive Committee member who is appointed to fill a vacancy shall hold office until such member's successor is appointed and qualified, or until such member's earlier death, resignation, retirement, disqualification or removal from office. Any Executive Committee member who fills a vacancy by virtue of the office held by such member shall serve as an Executive Committee member for so long as such individual shall hold such office. For purposes of these Bylaws, a "vacancy" shall be defined as an unfilled position on the Executive Committee arising by virtue of the death, resignation, retirement, disqualification or removal of an Executive Committee member theretofore duly appointed or otherwise designated to serve in such capacity in accordance with these Bylaws.

Section 8.7 Meetings. Regular meetings of the Executive Committee may be held at such times and places as shall be determined from time to time by affirmative vote of a majority of the Executive Committee and communicated to all the members thereof. Notice stating the place, day or hour of each regular meeting of the Executive Committee shall be delivered not less than five (5) days before the date of such meeting to each member of the Executive Committee. Special meetings of the Executive Committee may be called by or at the direction of the Chairman or by any two (2) members of the Executive Committee by providing notice of the place, date and time of such special meeting not less than two (2) days before such meeting to each member of the Executive Committee. Except as otherwise provided by statute, the Certificate of Formation or these Bylaws, any and all business may be transacted at any meeting of the Executive Committee, and neither the purpose of, nor the business to be transacted at, any meeting of the Executive Committee need be specified in the notice or waiver of notice of such meeting.

Section 8.8 Quorum and Voting. At all meetings of the Executive Committee, the presence at least a majority of the members of the Executive Committee shall constitute a quorum for the transaction of business. The act of at least a majority of the members present at any meeting at which a quorum is present shall be the act of the Executive Committee, except as otherwise specifically provided by statute, or by the Certificate of Formation or by these Bylaws. Proxy voting by Executive Committee members shall not be permitted. If a quorum is not present at a meeting of the Executive Committee, the members present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

Section 8.9 Procedure. The Executive Committee shall maintain regular minutes of its proceedings and report the same to the Board of Directors at the next meeting of the Board of Directors.

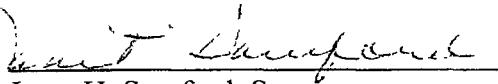
## ARTICLE NINE

### AMENDMENTS

These Bylaws may be amended or repealed, or new bylaws may be adopted at any annual or special meeting of the members at which a quorum is present by the affirmative vote of a majority of the members present at the meeting, provided notice of the proposed amendment, repeal or adoption be contained in the notice of such meeting; and provided further, that the foregoing notice requirement shall not prohibit the members from adopting the proposed amendment, effecting the proposed repeal or adopting the proposed new bylaws, as the case may be, in a modified form which is not identical to that described or set forth in the notice of such meeting.

\* \* \* \*

The undersigned, being the duly elected and qualified Secretary of the Corporation, hereby certifies that the foregoing Amended and Restated Bylaws of the Corporation were duly adopted by the members of the Corporation on November 4, 2013.

  
\_\_\_\_\_  
Janet H. Samford, Secretary

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



John Steen  
Secretary of State



## Office of the Secretary of State

November 18, 2013

Thompson & Knight - Austin  
98 San Jacinto Blvd, Suite 1900  
Austin, TX 78701 USA

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RE: The Dixon Water Foundation  
File Number: 123804301

It has been our pleasure to file the Restated Certificate of Formation for the referenced entity. Enclosed is the certificate evidencing filing. Payment of the filing fee is acknowledged by this letter.

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

Sincerely,

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

Enclosure

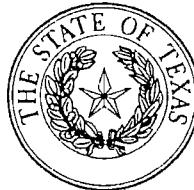
*Come visit us on the internet at <http://www.sos.state.tx.us/>*

Phone: (512) 463-5555  
Prepared by: Virginia Tobias

Fax: (512) 463-5709  
TID: 10323

Dial 7-1-1 for Relay Services  
Document: 515276360002

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



John Steen  
Secretary of State

## Office of the Secretary of State

### CERTIFICATE OF FILING OF

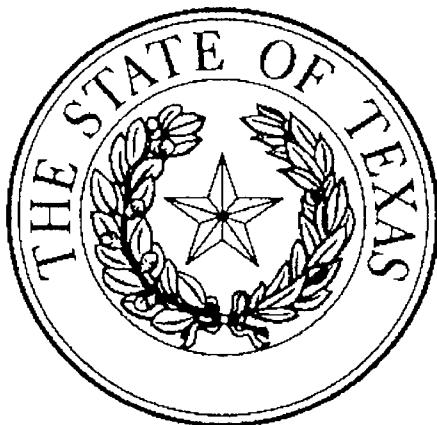
The Dixon Water Foundation  
123804301

The undersigned, as Secretary of State of Texas, hereby certifies that a Restated Certificate of Formation for the above named domestic nonprofit corporation 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.

Dated: 11/15/2013

Effective: 11/15/2013



A handwritten signature of John Steen.

John Steen  
Secretary of State

NOV 15 2013

Corporations Section

RESTATED CERTIFICATE OF FORMATION  
FOR  
THE DIXON WATER FOUNDATION

ARTICLE I.

The Dixon Water Foundation (the "Corporation"), pursuant to the provisions of Sections 3.057, 3.058, 3.059 and 3.061 of the Texas Business Organizations Code, hereby adopts a Restated Certificate of Formation which accurately copies its Restated Articles of Incorporation and all amendments thereto that are in effect to date and as further amended by such Restated Certificate of Formation as hereinafter set forth, and which contains no other change in any provision thereof.

ARTICLE II.

The Restated Articles of Incorporation of the Corporation are amended by the Restated Certificate of Formation as follows:

- A. Article Four is amended in part to rephrase and clarify the purposes of the Corporation.
- B. Article Nine is amended in part to set forth the names and addresses of the current members of the Board of Directors of the Corporation.
- C. Article Fifteen is amended in part to set forth the new registered office and registered agent of the Corporation.
- D. Various Articles are amended in part to replace references to the Texas Non-Profit Corporation Act with references to the Texas Business Organizations Code.

ARTICLE III.

Each amendment made by this Restated Certificate of Formation has been effected in conformity with the provisions of the Texas Business Organizations Code and the governing documents of the Corporation and such Restated Certificate of Formation, including each such amendment, was duly adopted on November 4, 2013 at a meeting at which a quorum was present, such Restated Certificate of Formation having received the affirmative vote of at least two-thirds (2/3) of the members present at such meeting.

ARTICLE IV.

The Restated Articles of Incorporation of The Dixon Water Foundation, a Texas nonprofit corporation, and all amendments and supplements thereto are hereby superseded by the following Restated Certificate of Formation which accurately copies the entire text thereof, as amended as set forth above:

**RESTATED CERTIFICATE OF FORMATION**

**OF**

**THE DIXON WATER FOUNDATION**

**ARTICLE ONE.**

The name of the corporation (the "Corporation") is The Dixon Water Foundation.

**ARTICLE TWO.**

The period of the Corporation's duration is perpetual.

**ARTICLE THREE.**

The Corporation is a nonprofit corporation and shall have all of the powers, duties, authorizations and responsibilities as provided in the provisions of the Texas Business Organizations Code applicable to nonprofit corporations. Notwithstanding the foregoing, the Corporation shall neither have nor exercise any power, nor engage directly or indirectly in any activity, that would invalidate its status as an organization exempt from federal income tax and described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provision or provisions of any subsequent United States Internal Revenue law or laws (the "Code").

**ARTICLE FOUR.**

The Corporation is organized and shall be operated exclusively for charitable and educational purposes, within the meaning of Section 501(c)(3) of the Code. The mission of the Corporation is to restore and preserve healthy watersheds through good land management. The Corporation may carry out these purposes by, among other things:

1. Sustainable Grazing Agriculture – the Corporation will develop and implement an ecologically and financially sustainable agriculture on the Corporation's

demonstration ranches, using holistic management techniques that restore and preserve the land in the watersheds. The Corporation will optimize this grazing agriculture by developing healthy and productive grass animals that do not require supplements or heavy medication. The Corporation's demonstration ranches and livestock will where practicable be organically certified and grass-finished certified.

2. Outreach – the Corporation will conduct outreach on the Corporation's demonstration ranches to educate land managers and the general public on healthy watershed management.
3. Support – the Corporation will provide grants and support to other organizations that will further its mission.

The assets and properties of the Corporation are hereby pledged for use in performing its exempt functions.

#### ARTICLE FIVE.

No part of the whole or any part of the assets, income or net earnings of the Corporation shall ever be distributed to or divided among its members, directors or officers or any private individual; provided, however, that reasonable compensation may be paid for services rendered to or for the Corporation, and expenses may be reimbursed or paid in furtherance of one or more of its purposes.

#### ARTICLE SIX.

No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate or intervene in (including the publication or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.

#### ARTICLE SEVEN.

The Corporation shall have members. The rights and obligations of the members shall be set forth in the Bylaws of the Corporation.

## ARTICLE EIGHT.

In the event the Corporation is dissolved, after all liabilities and obligations of the Corporation are paid or provision is made therefor, the Board of Directors of the Corporation shall recommend and the members of the Corporation shall adopt a plan for the distribution of the remaining assets of the Corporation to such organization or organizations organized and operated exclusively for charitable and educational purposes, as shall at that time in the judgment of the members have purposes similar to those of the Corporation set forth in Article Four hereof and which qualify as organizations described in Section 501(c)(3) of the Code. Any of such assets not so disposed of shall be disposed of by the Probate Court of the county in which the principal office of the Corporation is then located, exclusively for such purposes. No member, director or officer of the Corporation and no private individual will be entitled to share in the distribution of any assets of the Corporation in the event of its dissolution, and no part of the whole or any part of the assets, income or earnings of the Corporation shall ever be distributed to or divided among its members, directors or officers or any private individual, or to any other organization or entity, whether for profit or nonprofit, in which any member, director or officer of the Corporation has a direct or indirect interest or affiliation.

## ARTICLE NINE.

The Board of Directors of the Corporation shall be the governing body of the Corporation. The number of directors shall be determined in the manner provided in the Bylaws of the Corporation, but in no event shall there be less than three (3) directors. The number of directors constituting the present Board of Directors is eight (8), and their names and addresses are as follows:

<u>Name</u>	<u>Address</u>
Jerry Addison	P.O. Box 629 Bowie, Texas 76230
Hugh Aljoe	2510 Sam Noble Parkway Ardmore, Oklahoma 73401
Walt Davis	262 SR 70E Catera, Oklahoma 74730
Clinton W. Josey, Jr.	6060 N. Central Expressway, Suite 560 Dallas, Texas 75206
Robert J. Potts	P.O. Box 177 Marfa, Texas 79843
Leslie Rauscher	6227 Malcolm Drive Dallas, Texas 75214
Kathryn Smyth	7630 Riverpoint Drive Houston, Texas 77063
Laura L. Whiting	5005 LBJ Freeway, Suite 2200 Dallas, Texas 75244-6198

#### ARTICLE TEN.

The power to alter, amend or repeal the Bylaws of the Corporation shall be vested exclusively in the members of the Corporation, within the meaning of Chapter 22.102(c)(1) of the Texas Business Organizations Code. The power to amend or restate this Certificate of Formation also shall be vested exclusively in the members of the Corporation.

#### ARTICLE ELEVEN.

Notwithstanding any other provision of this Certificate of Formation, if the Corporation shall be, or shall be deemed to be, a private foundation as described in Section 509(a) of the Code, then (a) the Corporation shall make distributions in each taxable year at such time and in

such manner as not to subject the Corporation to tax under Section 4942 of the Code, and (b) the Corporation is expressly prohibited from engaging in any act of self-dealing as defined in Section 4941(d) of the Code, from retaining any excess business holdings as defined in Section 4943(c) of the Code, from making any investments in such manner as to subject the Corporation to tax under Section 4944 of the Code and from making any taxable expenditures as defined in Section 4945(d) of the Code.

#### ARTICLE TWELVE.

A director of the Corporation shall not be personally liable to the Corporation or its members for monetary damages for any act or omission in such director 's capacity as a director, except that this Article does not authorize the elimination or limitation of the liability of a director to the extent the director is found liable for: (i) a breach of the director's duty of loyalty to the Corporation; (ii) an act or omission not in good faith that constitutes a breach of duty of the director to the Corporation or an act or omission that involves intentional misconduct or a knowing violation of the law; (iii) a transaction from which the director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the director's office; or (iv) an act or omission for which the liability of a director is expressly provided by an applicable statute. The foregoing elimination of liability to the Corporation and its members shall not be deemed exclusive of any other rights, limitations of liability or indemnity to which a director may be entitled under any other provision of the Certificate of Formation or Bylaws of the Corporation, contract or agreement, vote of directors or members, principle of law or otherwise. Any repeal or amendment of this Article shall be prospective only, and shall not adversely affect any limitation on the personal liability of a director of the Corporation existing at the time of such repeal or amendment. In addition to the circumstances in which a director of

the Corporation is not personally liable as set forth in the foregoing provisions of this Article, the liability of a director shall be eliminated to the full extent permitted by any amendment to the Texas Business Organizations Code hereafter enacted that further eliminates or permits the elimination of the liability of a director.

#### ARTICLE THIRTEEN

The Corporation shall indemnify any person who was, is, or is threatened to be made a named defendant or respondent in a proceeding (as hereinafter defined) because the person (i) is or was a director or officer of the Corporation or (ii) while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, against all expenses (other than taxes (including taxes imposed by Chapter 42 of the Code), penalties, or expenses of correction), including attorneys' fees, to the fullest extent that a corporation may grant indemnification to a director under the provisions of the Texas Business Organizations Code applicable to nonprofit corporations, as the same exist or may hereafter be amended.

#### ARTICLE FOURTEEN

Any action required or permitted to be taken at any meeting of members or directors may be taken without a meeting, if a consent or consents in writing setting forth the action so taken shall be signed by at least 75% of the members or directors in office. Prompt notice of the taking of any action without a meeting by less than unanimous written consent shall be given to those persons entitled to vote who did not consent in writing to the action.

ARTICLE FIFTEEN.

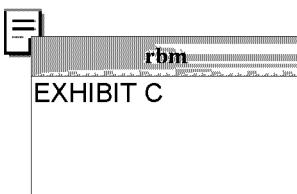
The registered office of the Corporation is 1722 Routh Street, Suite 1500, Dallas, Texas 75201, and the name of the registered agent at such address is David M. Rosenberg.

IN WITNESS WHEREOF, this Restated Certificate of Formation has been executed on this 7th day of November, 2013, by the undersigned officer, thereunto duly authorized.

THE DIXON WATER FOUNDATION

By:   
Robert J. Potts, President

**The Dixon Water Foundation  
Ranch Operations**



	Mimms	Bear Creek	Leo/ Pittman	Unallocated	Total
<b>Ranch Revenue</b>					
Sales - Cattle	0	0	0	187,235	187,235
Sales - Sheep	0	0	0	36,422	36,422
<b>Form 990-PF, Part I, Line 11</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>223,657</b>	<b>223,657</b>
<b>Ranch Costs</b>					
Breeding expense	0	0	2,462	0	2,462
Dumpster	0	1,602	2,338	0	3,940
Electric/Utilities	4,160	5,329	6,328	0	15,817
Feed - dogs	0	1,187	2,890	0	4,077
Feed - horses	893	310	655	0	1,858
Feed/Hay - cattle	21,018	23,122	16,688	0	60,828
Four R Partners	0	0	9,845	0	9,845
Fuel	7,397	7,192	8,998	0	23,587
Hay - horses	1,858	1,269	0	0	3,127
Health benefits	24,549	18,034	7,185	0	49,768
Insurance - W/C	2,559	2,559	2,559	0	7,677
Labor - contract	3,200	3,225	6,503	0	12,928
Labor - payroll taxes	2,383	2,261	3,293	0	7,937
Labor - salaries	39,500	39,000	46,100	0	124,600
Livestock purchases	0	0	0	15,675	15,675
Mineral - cattle	0	2,592	4,000	0	6,592
Rent	0	21,073	0	0	21,073
Repairs	2,795	1,178	1,286	0	5,259
Supplies	12,174	1,216	5,477	0	18,867
Truck/trailer expense	2,226	1,000	6,113	0	9,339
Trucking	0	0	500	0	500
Veterinarian - cattle	1,323	599	2,789	0	4,711
Veterinarian - dogs	0	0	851	0	851
Veterinarian - horses	2,139	100	927	0	3,166
Veterinarian - sheep	0	273	660	0	933
<b>Form 990-PF, Part I, Line 23</b>	<b>128,174</b>	<b>133,121</b>	<b>138,447</b>	<b>15,675</b>	<b>415,417</b>