

FOR PUBLIC INSPECTION

AMENDED RETURN

Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))

OMB No. 1545-0687

2010

Open to Public Inspection for
501(c)(3) Organizations Only

Form **990-T**

Department of the Treasury
Internal Revenue Service

For calendar year 2010 or other tax year beginning _____, and ending _____

A <input type="checkbox"/> Check box if address changed B Exempt under section <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a)	Print or Type	Name of organization (<input type="checkbox"/> Check box if name changed and see instructions.) THE DAVID AND LUCILE PACKARD FOUNDATION Number, street, and room or suite no. If a P.O. box, see instructions. 300 SECOND STREET City or town, state, and ZIP code LOS ALTOS, CA 94022-3622	D Employer identification number (Employees' trust, see instructions.) 94-2278431 E Unrelated business activity codes (See instructions.) 523000
C Book value of all assets at end of year 6,100,637,478.	F Group exemption number (See instructions.) _____ G Check organization type <input checked="" type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust		

H Describe the organization's primary unrelated business activity. **▶ INVESTMENTS IN PARTNERSHIPS**

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? Yes No
 If "Yes," enter the name and identifying number of the parent corporation. **▶**

J The books are in care of **▶ CRAIG NEYMAN, CFO** Telephone number **▶ 650-948-7658**

Part I	Unrelated Trade or Business Income	(A) Income	(B) Expenses	(C) Net
1a	Gross receipts or sales			
b	Less returns and allowances			
	c Balance	1c		
2	Cost of goods sold (Schedule A, line 7)	2		
3	Gross profit. Subtract line 2 from line 1c	3		
4a	Capital gain net income (attach Schedule D)	4a	2,219,490.	2,219,490.
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b		
c	Capital loss deduction for trusts	4c		
5	Income (loss) from partnerships and S corporations (attach statement)	5	1,309,988. STMT 1	1,309,988.
6	Rent income (Schedule C)	6		
7	Unrelated debt-financed income (Schedule E)	7		
8	Interest, annuities, royalties, and rents from controlled organizations (Sch. F)	8		
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9		
10	Exploited exempt activity income (Schedule I)	10		
11	Advertising income (Schedule J)	11		
12	Other income (See instructions; attach schedule.)	12		
13	Total. Combine lines 3 through 12	13	3,529,478.	3,529,478.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.)
 (Except for contributions, deductions must be directly connected with the unrelated business income.)

14	Compensation of officers, directors, and trustees (Schedule K)	14	
15	Salaries and wages	15	
16	Repairs and maintenance	16	
17	Bad debts	17	
18	Interest (attach schedule)	18	SEE STATEMENT 2 145,141.
19	Taxes and licenses	19	
20	Charitable contributions (See instructions for limitation rules.)	20	
21	Depreciation (attach Form 4562)	21	
22	Less depreciation claimed on Schedule A and elsewhere on return	22a	
23	Depletion	23	190,546.
24	Contributions to deferred compensation plans	24	
25	Employee benefit programs	25	
26	Excess exempt expenses (Schedule I)	26	
27	Excess readership costs (Schedule J)	27	
28	Other deductions (attach schedule)	28	SEE STATEMENT 3 1,217,076.
29	Total deductions. Add lines 14 through 28	29	1,552,763.
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	30	1,976,715.
31	Net operating loss deduction (limited to the amount on line 30)	31	1,976,715.
32	Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	32	0.
33	Specific deduction (Generally \$1,000, but see instructions for exceptions.)	33	1,000.
34	Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32	34	0.

STATEMENT REGARDING AMENDED RETURN

Form 990-T is being amended to adjust net operating loss carryforwards. The adjustment of the operating losses resulted in additional alternative minimum tax.

Part III Tax Computation

Table with 3 columns: Description, Amount, and Total. Rows include Organizations Taxable as Corporations, Trusts Taxable at Trust Rates, Proxy tax, Alternative minimum tax, and Total.

Part IV Tax and Payments

Table with 3 columns: Description, Amount, and Total. Rows include Foreign tax credit, Other credits, General business credit, Credit for prior year minimum tax, Total credits, Subtract line 40e from line 39, Other taxes, Total tax, Payments (A 2009 overpayment credited to 2010), Estimated tax penalty, Tax due, Overpayment, and Enter the amount of line 48 you want.

Part V Statements Regarding Certain Activities and Other Information

Table with 3 columns: Question, Yes, No. Questions include: At any time during the 2010 calendar year, did the organization have an interest in or a signature or other authority over a financial account; Financial Accounts; During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust?; Enter the amount of tax-exempt interest received or accrued during the tax year.

Schedule A - Cost of Goods Sold. Enter method of inventory valuation N/A

Table with 3 columns: Description, Amount, and Yes/No. Rows include: Inventory at beginning of year, Purchases, Cost of labor, Additional section 263A costs, Other costs, Total, Inventory at end of year, Cost of goods sold, Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?

Sign Here: Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge. Signature of officer: [Signature], Date: 11/2/12, Title: CFO.

Paid Preparer Use Only: Print/Type preparer's name: SHARON L. ZORBACH, Preparer's signature: Sharon Zorbach, Date: 10/17/12, Check self-employed: [X], PTIN: P00125475, Firm's name: DELOITTE TAX LLP, Firm's EIN: 86-1065772, Firm's address: 225 WEST SANTA CLARA STREET, SAN JOSE, CA 95113, Phone no.: 408-704-4000.

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)(see instructions)

1. Description of property

Table with 4 rows for property description (1-4).

Table for Schedule C with columns: 2. Rent received or accrued (a) From personal property, (b) From real and personal property; 3(a) Deductions directly connected with the income; (c) Total income. Total 0.

Schedule E - Unrelated Debt-Financed Income (see instructions)

Table for Schedule E with columns: 1. Description of debt-financed property; 2. Gross income from or allocable to debt-financed property; 3. Deductions directly connected with or allocable to debt-financed property; 4. Amount of average acquisition debt; 5. Average adjusted basis; 6. Column 4 divided by column 5; 7. Gross income reportable; 8. Allocable deductions. Total 0.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

Table for Schedule F with columns: 1. Name of controlled organization; 2. Employer identification number; 3. Net unrelated income; 4. Total of specified payments made; 5. Part of column 4 that is included in the controlling organization's gross income; 6. Deductions directly connected with income in column 5; 7. Taxable income; 8. Net unrelated income (loss); 9. Total of specified payments made; 10. Part of column 9 that is included in the controlling organization's gross income; 11. Deductions directly connected with income in column 10. Total 0.

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization
(see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
Totals	0.			0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income
(see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals	0.	0.				0.

Schedule J - Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))	0.	0.				0.

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
(5) Totals from Part I	0.	0.				0.
Totals, Part II (lines 1-5)	0.	0.				0.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14			0.

AMENDED RETURN

THE DAVID AND LUCILLE PACKARD FOUNDATION
94-2278431
12/31/10

STATEMENT NOL
FORM 990T

<u>YEAR</u>	<u>NOL GENERATED</u>	<u>NOL UTILIZED IN PRIOR YEARS</u>	<u>NOL CARRYFORWARD</u>
2008	486,497		486,497
2009	2,788,922		2,788,922
SUBTOTAL			3,275,419
CURRENT YEAR NOL UTILIZED			(1,976,715)
NOL CARRYFORWARD TO 2011			<u>1,298,704</u>

Alternative Minimum Tax—Corporations

2010

Department of the Treasury
Internal Revenue Service

▶ See separate instructions.
▶ Attach to the corporation's tax return.

Name **THE DAVID AND LUCILE PACKARD FOUNDATION** Employer identification number **94-2278431**

Note: See the instructions to find out if the corporation is a small corporation exempt from the alternative minimum tax (AMT) under section 55(e).

1	Taxable income or (loss) before net operating loss deduction	1	1,976,715
2	Adjustments and preferences:		
a	Depreciation of post-1986 property	2a	159,155
b	Amortization of certified pollution control facilities	2b	
c	Amortization of mining exploration and development costs	2c	
d	Amortization of circulation expenditures (personal holding companies only)	2d	
e	Adjusted gain or loss	2e	(81,910)
f	Long-term contracts	2f	
g	Merchant marine capital construction funds	2g	
h	Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only)	2h	
i	Tax shelter farm activities (personal service corporations only)	2i	
j	Passive activities (closely held corporations and personal service corporations only)	2j	
k	Loss limitations	2k	
l	Depletion	2l	2,155
m	Tax-exempt interest income from specified private activity bonds	2m	
n	Intangible drilling costs	2n	426,068
o	Other adjustments and preferences	2o	17,161
3	Pre-adjustment alternative minimum taxable income (AMTI). Combine lines 1 through 2o	3	2,499,344
4	Adjusted current earnings (ACE) adjustment:		
a	ACE from line 10 of the ACE worksheet in the instructions	4a	2,499,344
b	Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount (see instructions)	4b	0
c	Multiply line 4b by 75% (.75). Enter the result as a positive amount	4c	0
d	Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments (see instructions). Note: You must enter an amount on line 4d (even if line 4b is positive)	4d	
e	ACE adjustment.		
	• If line 4b is zero or more, enter the amount from line 4c	}	
	• If line 4b is less than zero, enter the smaller of line 4c or line 4d as a negative amount		
5	Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe any AMT	5	2,499,344
6	Alternative tax net operating loss deduction (see instructions)	6	2,249,409
7	Alternative minimum taxable income. Subtract line 6 from line 5. If the corporation held a residual interest in a REMIC, see instructions	7	249,935
8	Exemption phase-out (if line 7 is \$310,000 or more, skip lines 8a and 8b and enter -0- on line 8c):		
a	Subtract \$150,000 from line 7 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0-	8a	99,935
b	Multiply line 8a by 25% (.25)	8b	24,984
c	Exemption. Subtract line 8b from \$40,000 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0-	8c	15,016
9	Subtract line 8c from line 7. If zero or less, enter -0-	9	234,919
10	Multiply line 9 by 20% (.20)	10	46,984
11	Alternative minimum tax foreign tax credit (AMTFTC) (see instructions)	11	
12	Tentative minimum tax. Subtract line 11 from line 10	12	46,984
13	Regular tax liability before applying all credits except the foreign tax credit	13	
14	Alternative minimum tax. Subtract line 13 from line 12. If zero or less, enter -0-. Enter here and on Form 1120, Schedule J, line 3, or the appropriate line of the corporation's income tax return	14	46,984

AMENDED RETURN

THE DAVID AND LUCILLE PACKARD FOUNDATION
94-2278431
12/31/10

STATEMENT NOL - AMT
FORM 4626

<u>YEAR</u>	<u>NOL GENERATED</u>	<u>NOL UTILIZED IN PRIOR YEARS</u>	<u>NOL CARRYFORWARD</u>
2008			0
2009	2,468,285		2,468,285
SUBTOTAL			2,468,285
CURRENT YEAR NOL UTILIZED			(2,249,409)
NOL CARRYFORWARD TO 2011			<u>218,876</u>

FORM 990-T INCOME (LOSS) FROM PARTNERSHIPS STATEMENT 1

DESCRIPTION	AMOUNT
ABRAMS CAPITAL PARTNERS II, LP	10,012.
BAUPOST VALUE PARTNERS IV, LP	679,584.
CARMEL PARTNERS INVESTMENT FUND III, LP	33,712.
DENHAM COMMODITY PARTNERS FUND V, LP	<118,738.>
JBG INVESTMENT FUND VII, LLC	224,785.
NATURAL GAS PARTNERS IX, LP	106,645.
THE VARDE FUND IX, LP	<126,308.>
THE VARDE FUND IX-A	<82,397.>
CONVERSUS CAPITAL, LP	563,516.
NORTHWOOD REAL ESTATE PARTNERS TE, LP	<60,816.>
NORTHWOOD REAL ESTATE CO-INVESTORS TE LP	25,176.
SPO PARTNERS II, LP	91,133.
THE VARDE FUND X(B), LP	<36,316.>
TOTAL TO FORM 990-T, PAGE 1, LINE 5	1,309,988.

FORM 990-T INTEREST PAID STATEMENT 2

DESCRIPTION	AMOUNT
PARTNERSHIP INTEREST EXPENSES	145,141.
TOTAL TO FORM 990-T, PAGE 1, LINE 18	145,141.

FORM 990-T OTHER DEDUCTIONS STATEMENT 3

DESCRIPTION	AMOUNT
IRC SECTION 59(E)(2)	333,160.
OTHER INVESTMENT DEDUCTIONS	883,916.
TOTAL TO FORM 990-T, PAGE 1, LINE 28	1,217,076.

FORM 990-T

NAME OF FOREIGN COUNTRY IN WHICH
ORGANIZATION HAS FINANCIAL INTEREST

STATEMENT 4

NAME OF COUNTRY

- UNITED KINGDOM
- IRELAND
- ETHIOPIA
- AUSTRIA
- CANADA
- SWITZERLAND
- DENMARK
- MALAYSIA
- SINGAPORE
- SWEDEN
- JAPAN
- MEXICO
- SOUTH AFRICA
- THAILAND
- GUERNSEY
- NETHERLANDS

**SCHEDULE D
(Form 1120)**

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

▶ Attach to Form 1120, 1120-C, 1120-F, 1120-FSC, 1120-H, 1120-IC-DISC, 1120-L, 1120-ND, 1120-PC, 1120-POL, 1120-REIT, 1120-RIC, 1120-SF, or certain Forms 990-T.
▶ See separate instructions.

OMB No. 1545-0123

2010

Name THE DAVID AND LUCILE PACKARD FOUNDATION	Employer identification number 94-2278431
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Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

(a) Description of property (Example: 100 shares of Z Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) (Subtract (e) from (d))
1 CARMEL PARTNERS INVESTMENT FUND III, LP	01/01/10	12/31/10	37,142.		37,142.
CONVERSUS CAPITAL, LP	01/01/10	12/31/10		128,505.	<128,505.>

2 Short-term capital gain from installment sales from Form 6252, line 26 or 37	2	
3 Short-term gain or (loss) from like-kind exchanges from Form 8824	3	
4 Unused capital loss carryover (attach computation) SEE STATEMENT 5	4	(50,442.)
5 Net short-term capital gain or (loss). Combine lines 1 through 4	5	<141,805.>

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property	(b) Date acquired	(c) Date sold	(d) Sales price	(e) Cost or other basis	(f) Gain or (loss)
6 CARMEL PARTNERS INVESTMENT FUND III, LP	VARIOUS	12/31/10	37,142.		37,142.
CONVERSUS CAPITAL, LP	VARIOUS	12/31/10	2,324,153.		2,324,153.

7 Enter gain from Form 4797, line 7 or 9	7	
8 Long-term capital gain from installment sales from Form 6252, line 26 or 37	8	
9 Long-term gain or (loss) from like-kind exchanges from Form 8824	9	
10 Capital gain distributions (see instructions)	10	
11 Net long-term capital gain or (loss). Combine lines 6 through 10	11	2,361,295.

Part III Summary of Parts I and II

12 Enter excess of net short-term capital gain (line 5) over net long-term capital loss (line 11)	12	
13 Net capital gain. Enter excess of net long-term capital gain (line 11) over net short-term capital loss (line 5)	13	2,219,490.
14 Add lines 12 and 13. Enter here and on Form 1120, page 1, line 8, or the proper line on other returns	14	2,219,490.

Note. If losses exceed gains, see Capital losses in the instructions.

SCHEDULE D

CAPITAL LOSS CARRYOVER

STATEMENT 5

LOSS YEAR	ORIGINAL LOSS SUSTAINED	LOSS PREVIOUSLY APPLIED	LOSS REMAINING
2005			
2006			
2007			
2008			
2009	50,442		50,442
CAPITAL LOSS CARRYOVER TO CURRENT TAXABLE YEAR			50,442