

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

2010

Department of the Treasury
Internal Revenue Service

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

For calendar year 2010, or tax year beginning

, and ending

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

Name of foundation COTTONWOOD FOUNDATION		A Employer identification number 26-1531086
Number and street (or P.O. box number if mail is not delivered to street address) 5050 LAGUNA BLVD, SUITE #112-528		B Telephone number (916) 552-3786
City or town, state, and ZIP code ELK GROVE, CA 95758		C If exemption application is pending, check here <input type="checkbox"/>
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		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 632,322. (Part I, column (d) must be on cash basis.)	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
		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 <small>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)</small>		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B interest on savings and temporary cash investments		964.	964.		STATEMENT 1
4 Dividends and interest from securities		21,953.	21,953.		STATEMENT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		834.			
b Gross sales price for all assets on line 6a 260,481.					
7 Capital gain net income (from Part IV, line 2)			834.		
8 Net short-term capital gain					
9 Income modifications					
10a Gross sales less returns and allowances					
b Less: Cost of goods sold					
c Gross profit or (loss)					
11 Other income		35.	35.		STATEMENT 3
12 Total. Add lines 1 through 11		23,786.	23,786.		
13 Compensation of officers, directors, trustees, etc.		0.	0.		0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees STMT 4		900.	0.		0.
c Other professional fees STMT 5		7,115.	7,115.		0.
17 Interest					
18 Taxes STMT 6		209.	0.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses STMT 7		279.	0.		0.
24 Total operating and administrative expenses. Add lines 13 through 23		8,503.	7,115.		0.
25 Contributions, gifts, grants paid		221,685.			221,685.
26 Total expenses and disbursements. Add lines 24 and 25		230,188.	7,115.		221,685.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		-206,402.			
b Net investment income (if negative, enter -0-)			16,671.		
c Adjusted net income (if negative, enter -0-)				N/A	

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only.		
		Beginning of year (a) Book Value	End of year (b) Book Value (c) Fair Market Value	
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	51,973.	33,284.	33,284.
	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			
	7 Other notes and loans receivable			
	Less: allowance for doubtful accounts			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock			
	c Investments - corporate bonds			
11 Investments - land, buildings, and equipment basis				
Less: accumulated depreciation				
12 Investments - mortgage loans				
13 Investments - other	STMT 8 747,519.	559,806.	599,038.	
14 Land, buildings, and equipment: basis				
Less: accumulated depreciation				
15 Other assets (describe)				
16 Total assets (to be completed by all filers)	799,492.	593,090.	632,322.	
Liabilities	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			
	22 Other liabilities (describe)			
23 Total liabilities (add lines 17 through 22)	0.	0.		
Net Assets or Fund Balances	24 Foundations that follow SFAS 117, check here <input type="checkbox"/>			
	and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	27 Foundations that do not follow SFAS 117, check here <input checked="" type="checkbox"/>			
	and complete lines 27 through 31.			
27 Capital stock, trust principal, or current funds	0.	0.		
28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.		
29 Retained earnings, accumulated income, endowment, or other funds	799,492.	593,090.		
30 Total net assets or fund balances	799,492.	593,090.		
31 Total liabilities and net assets/fund balances	799,492.	593,090.		

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	799,492.
2 Enter amount from Part I, line 27a	2	-206,402.
3 Other increases not included in line 2 (itemize)	3	0.
4 Add lines 1, 2, and 3	4	593,090.
5 Decreases not included in line 2 (itemize)	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	593,090.

Part IV Capital Gains and Losses for Tax on Investment Income

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

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e 260,481.		259,647.	834.

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(j) F.M.V. as of 12/31/69	(l) Adjusted basis as of 12/31/69	(k) Excess of col. (l) over col. (j), if any	
a			
b			
c			
d			
e			834.

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7	2	834.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8	3	N/A

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

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2009	39,401.	662,728.	.059453
2008	39,404.	654,520.	.060203
2007	0.	49,307.	.000000
2006			
2005			

2 Total of line 1, column (d)	2	.119656
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	.039885
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	794,337.
5 Multiply line 4 by line 3	5	31,682.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	167.
7 Add lines 5 and 6	7	31,849.
8 Enter qualifying distributions from Part XII, line 4 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.	8	221,685.

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

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	167.
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	0.
3 Add lines 1 and 2		3	167.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	167.
6 Credits/Payments:			
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a	200.	
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	200.
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached		8	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		9	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid		10	33.
11 Enter the amount of line 10 to be: Credited to 2011 estimated tax <input type="checkbox"/> 33. Refunded <input type="checkbox"/> 0.		11	0.

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?		X
If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. <input type="checkbox"/> \$ 0. (2) On foundation managers. <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input type="checkbox"/> \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS?		X
If "Yes," attach a detailed description of the activities.		
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?		X
If "Yes," attach the statement required by General Instruction T.		
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?		
6	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year?	X	
If "Yes," complete Part II, col. (c), and Part XV.		
8a Enter the states to which the foundation reports or with which it is registered (see instructions) CA		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation		
8b	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

Part VII-A Statements Regarding Activities (continued)

11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)
12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application?
Website address WWW.COTTONWOOD-FOUNDATION.ORG
14 The books are in care of ERIC GRANT Telephone no. (916) 552-3786
Located at 5050 LAGUNA BLVD, SUITE #112-528, ELK GROVE, CA ZIP+4 95758
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here
and enter the amount of tax-exempt interest received or accrued during the year 15 N/A
16 At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?
See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country

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

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

1a During the year did the foundation (either directly or indirectly):
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?
(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)?
(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.)
1b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)?
Organizations relying on a current notice regarding disaster assistance check here
1c 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 2010?
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):
a At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010?
If "Yes," list the years
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.)
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here.
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?
b If "Yes," did it have excess business holdings in 2010 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 2010.)
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?
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 2010?

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

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

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? Yes No
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? Yes No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? Yes No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? Yes No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? Yes No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? Yes No
 Organizations relying on a current notice regarding disaster assistance check here

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? Yes No
 If "Yes," attach the statement required by Regulations section 53.4945-5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
 b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No
 If "Yes" to 6b, file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? Yes No
 b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? Yes No

5b		
6b		X
7b		

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
ERIC GRANT 5050 LAGUNA BLVD, SUITE #112-528 ELK GROVE, CA 95758	PRESIDENT 2.00	0.	0.	0.
KAMERA GRANT 5050 LAGUNA BLVD, SUITE #112-528 ELK GROVE, CA 95758	SECRETARY AND 1.00	TREASURER 0.	0.	0.
TERRY SWEHLA 5050 LAGUNA BLVD, SUITE #112-528 ELK GROVE, CA 95758	DIRECTOR 1.00	0.	0.	0.

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

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

Total number of other employees paid over \$50,000 0

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)*

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services		0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount	
1 N/A		
2		
All other program-related investments. See instructions.		
3		
Total. Add lines 1 through 3		0.

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	672,603.
b	Average of monthly cash balances	1b	133,831.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	806,434.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	806,434.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	12,097.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	794,337.
6	Minimum investment return. Enter 5% of line 5	6	39,717.

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	39,717.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	167.
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	167.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	39,550.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	39,550.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	39,550.

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	221,685.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	221,685.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	167.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	221,518.

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 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				39,550.
2 Undistributed income, if any, as of the end of 2010:				
a Enter amount for 2009 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2010:				
a From 2005				
b From 2006				
c From 2007				
d From 2008	9,990.			
e From 2009	6,663.			
f Total of lines 3a through e	16,653.			
4 Qualifying distributions for 2010 from Part XII, line 4: ▶ \$	221,685.			
a Applied to 2009, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2010 distributable amount				39,550.
e Remaining amount distributed out of corpus	182,135.			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	198,788.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	198,788.			
10 Analysis of line 9:				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008	9,990.			
d Excess from 2009	6,663.			
e Excess from 2010	182,135.			

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

N/A

- 1 a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, enter the date of the ruling ▶
- b** Check box to indicate whether the foundation is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year		Prior 3 years		(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test - enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

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

SEE STATEMENT 9

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

NONE

- 2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**
- Check here if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

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

SEE STATEMENT 10

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

- c** Any submission deadlines:

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

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold, e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a FAIRFAX FINANCIAL 75 SHRS	P	10/01/09	07/27/10
b METROPOLITAN WEST LOW 1,792.115 SHRS	P	08/07/09	04/29/10
c AMGEN INCORPORATED 400 SHRS	P	03/24/08	07/27/10
d ANNALY CAPITAL MGMT 1000 SHRS	P	08/04/08	07/27/10
e CANON INC SPONSORED ADRF1 300 SHRS	P	01/18/08	07/27/10
f FAIRHOLME FUND 984.335 SHRS	P		07/27/10
g HUGOTON ROYALTY TR UBI ROYALTY TRUST 1000 SHRS	P	02/05/08	07/27/10
h JAPAN SMALLER CAP FUND 1500 SHRS	P	12/28/07	07/27/10
i LOEWS CORPORATION 500 SHRS	P	02/28/08	07/27/10
j SCRIPPS E W CO CL A NEW CLASS A 2000 SHRS	P	04/15/09	07/27/10
k THIRD AVENUE INTL VALUE FD INSTL CL 818.5840 SHRS	P	01/02/08	07/27/10
l UNITEDHEALTH GROUP INC 500 SHRS	P	03/25/08	03/24/10
m WHITE MOUNTAINS INS NEWF 100 SHRS	P	04/07/08	07/27/10
n CAPITAL GAINS DIVIDENDS			
o			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 29,851.		27,608.	2,243.
b 14,970.		13,661.	1,309.
c 21,891.		16,013.	5,878.
d 18,191.		15,113.	3,078.
e 12,291.		12,445.	-154.
f 32,000.		31,142.	858.
g 20,991.		25,614.	-4,623.
h 12,036.		13,861.	-1,825.
i 18,681.		21,581.	-2,900.
j 15,791.		3,648.	12,143.
k 12,000.		15,235.	-3,235.
l 16,571.		17,513.	-942.
m 33,170.		46,213.	-13,043.
n 2,047.			2,047.
o			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			2,243.
b			1,309.
c			5,878.
d			3,078.
e			-154.
f			858.
g			-4,623.
h			-1,825.
i			-2,900.
j			12,143.
k			-3,235.
l			-942.
m			-13,043.
n			2,047.
o			

2 Capital gain net income or (net capital loss) (If gain, also enter in Part I, line 7 If (loss), enter "-0-" in Part I, line 7)	2	834.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter "-0-" in Part I, line 8	3	N/A

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

SOURCE	AMOUNT
CHARLES SCHWAB	964.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	964.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
CHARLES SCHWAB	24,000.	2,047.	21,953.
TOTAL TO FM 990-PF, PART I, LN 4	24,000.	2,047.	21,953.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
MISCELLANEOUS INCOME	35.	35.	
TOTAL TO FORM 990-PF, PART I, LINE 11	35.	35.	

FORM 990-PF ACCOUNTING FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	900.	0.		0.
TO FORM 990-PF, PG 1, LN 16B	900.	0.		0.

FORM 990-PF	OTHER PROFESSIONAL FEES	STATEMENT	5
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT ADVISOR FEES	7,115.	7,115.		0.
TO FORM 990-PF, PG 1, LN 16C	7,115.	7,115.		0.

FORM 990-PF	TAXES	STATEMENT	6
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TAXES	209.	0.		0.
TO FORM 990-PF, PG 1, LN 18	209.	0.		0.

FORM 990-PF	OTHER EXPENSES	STATEMENT	7
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
VOICEMAIL	179.	0.		0.
WEBSITE HOSTING	30.	0.		0.
FILING FEES	70.	0.		0.
TO FORM 990-PF, PG 1, LN 23	279.	0.		0.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT	8
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DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
EQUITIES	COST	203,257.	215,854.
BOND FUNDS	COST	282,892.	310,870.
EQUITY FUNDS	COST	48,043.	51,794.
OTHER ASSETS	COST	25,614.	20,520.
TOTAL TO FORM 990-PF, PART II, LINE 13		559,806.	599,038.

FORM 990-PF

PART XV - LINE 1A
LIST OF FOUNDATION MANAGERS

STATEMENT 9

NAME OF MANAGER

ERIC GRANT
KAMERA GRANT

FORM 990-PF

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

STATEMENT 10

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

ERIC GRANT
5050 LAGUNA BLVD, SUITE #112-528
ELK GROVE, CA 95758

TELEPHONE NUMBER

916-552-3786

FORM AND CONTENT OF APPLICATIONS

INFORMATION PROVIDING SUFFICIENT DETAIL TO ASSIST IN A COMPLETE
UNDERSTANDING OF THE REQUEST.

ANY SUBMISSION DEADLINES

NONE

RESTRICTIONS AND LIMITATIONS ON AWARDS

NONE

FORM 990-PF

GRANTS AND CONTRIBUTIONS
PAID DURING THE YEAR

STATEMENT 11

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
AGIA SOFIA ACADEMY 14485 SW WALKER ROAD BEAVERTON , OR 97006	NONE SUPPORT OF EDUCATIONAL INSTITUTIONS	EDUCATIONA INSTITUTIO	10,000.
CHRYSOSTOM PRESS 3774 GRAVOIS ROAD HOUSE SPRINGS, MO 63051	NONE SUPPORT OF CHARITABLE ORGANIZATIONS	CHARITABLE ORGANIZATI	12,000.
CONCILIAR MEDIA MINISTRIES PO BOX 748 CHESTERTON, IN 46304	NONE SUPPORT OF CHARITABLE ORGANIZATIONS	CHARITABLE ORGANIZATI	10,000.
FARAH FOUNDATION PO BOX 457 WICHITA , KS 67201	NONE SUPPORT OF CHARITABLE ORGANIZATIONS	CHARITABLE ORGANIZATI	5,000.
HELLENIC COLLEGE 50 GODDARD AVE BROOKLINE, MA 02445	NONE SUPPORT OF EDUCATIONAL INSTITUTIONS	EDUCATIONA INSTITUTIO	12,500.
MARTHA AND MARY HOUSE PO BOX 1680 ESCONDIDO, CA 92033	NONE SUPPORT OF CHARITABLE ORGANIZATIONS	CHARITABLE ORGANIZATI	10,000.
MONASTERY OF ST. JOHN PO BOX 439 MANTON , CA 96059	NONE SUPPORT OF CHARITABLE ORGANIZATIONS	CHARITABLE ORGANIZATI	25,000.
ORTHODOX CHRISTIAN MISSION CENTER 220 MASON MANATEE WAY ST AUGUSTINE, FL 32086	NONE SUPPORT OF CHARITABLE ORGANIZATIONS	CHARITABLE ORGANIZATI	10,000.

COTTONWOOD FOUNDATION

26-1531086

ORTHODOX CHRISTIAN CHARITIES OF GREATER HARRISBURG 5501 OLD LOCUST LANE HARRISBURG, PA 17109	NONE SUPPORT OF CHARITABLE ORGANIZATIONS	CHARITABLE ORGANIZATI	12,500.
ORTHODOX CHRISTIAN NETWORK PO BOX 4690 FT LAUDERDALE, FL 33338	NONE SUPPORT OF CHARITABLE ORGANIZATIONS	CHARITABLE ORGANIZATI	10,000.
ORTHODOX CHRISTIAN PRISON MINISTRY 103 CARMEN DR BLANDON , PA 19510	NONE SUPPORT OF CHARITABLE ORGANIZATIONS	CHARITABLE ORGANIZATI	25,000.
ORTHODOX CHRISTIAN SCHOOL ASSOCIATION 2838 WEST WELLS CT ANTHEM , AZ 85086	NONE SUPPORT OF EDUCATIONAL INSTITUTIONS	EDUCATIONA INSTITUTIO	25,000.
ORTHODOX FELLOWSHIP OF ALL SAINTS OF CHINA 55 GARDNER ST ARLINGTON, MA 02474	NONE SUPPORT OF CHARITABLE ORGANIZATIONS	CHARITABLE ORGANIZATI	5,000.
RECONCILIATION SERVICES - FOCUS KANSAS CITY 3101 TROOST AVE KANSAS CITY, MO 64109	NONE SUPPORT OF CHARITABLE ORGANIZATIONS	CHARITABLE ORGANIZATI	15,000.
ST NICHOLAS ORTHODOX CHURCH 320 MUNSON AVE MCKEES ROCK, PA 15136	NONE SUPPORT OF RELIGIOUS ORGANIZATIONS	RELIGIOUS ORGANIZATI	9,685.
ST NICHOLAS UGANDA CHILDREN'S FUND PO BOX 285 CHARDON , OH 44024	NONE SUPPORT OF CHARITABLE ORGANIZATIONS	CHARITABLE ORGANIZATI	10,000.
UNIVERSITY OF SOUTH CAROLINA RESEARCH FOUNDATION HAMILTON 308M 1512 PENDLETON ST COLUMBIA , SC 29208	NONE SUPPORT OF EDUCATIONAL INSTITUTIONS RESEARCH	PRIVATE FOUNDATION	5,000.
FULLER THEOLOGICAL SEMINARY 135 N OAKLAND AVENUE PASADENA, CA 91182	NONE SUPPORT OF RELIGIOUS ORGANIZATIONS	RELIGIOUS ORGANIZATI	10,000.
TOTAL TO FORM 990-PF, PART XV, LINE 3A			221,685.

IRS e-file Signature Authorization for an Exempt Organization

For calendar year 2010, or fiscal year beginning _____, 2010, and ending _____, 20____

2010

Department of the Treasury Internal Revenue Service

Do not send to the IRS. Keep for your records. See instructions.

Name of exempt organization

Employer identification number

COTTONWOOD FOUNDATION

26-1531086

Name and title of officer

ERIC GRANT PRESIDENT

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line 1a, 2a, 3a, 4a, or 5a, below, and the amount on that line for the return being filed with this form was blank, then leave line 1b, 2b, 3b, 4b, or 5b, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than 1 line in Part I.

Table with 5 rows (1a-5a) and 2 columns (Form check, Total revenue/tax/amount). Row 4b contains the value 167.

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2010 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

[X] I authorize ATHERTON & ASSOCIATES, LLP to enter my PIN 10860. Enter five numbers, but do not enter all zeros.

as my signature on the organization's tax year 2010 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

[] As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2010 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature [Signature] Date 5-11-11

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

77019900118 do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2010 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature [Signature] Date 5/11/11

ERO Must Retain This Form - See Instructions Do Not Submit This Form To the IRS Unless Requested To Do So