

Form **990-T**

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

OMB No. 1545-0687

2007

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

Department of the Treasury
Internal Revenue Service (77)

For calendar year 2007 or other tax year beginning _____, and
ending _____ **See separate instructions.**

A Check box if address changed

B Exempt under section
 501(c)(3)
 408(e) 220(e)
 408A 530(a)
 529(a)

**Print
or
Type**

Name of organization (Check box if name changed and see instructions.)

LINDA PACE FOUNDATION

Number, street, and room or suite no. If a P.O. box, see page 9 of instructions.

P.O. BOX 830607

City or town, state, and ZIP code

SAN ANTONIO TX 78283

D Employer identification number
(Employees' trust, see instructions for Block D on page 9.)
04-3757853

E Unrelated business activity codes
(See instructions for Block E on page 9.)
211110 211110

C Book value of all assets at end of year
63,534,477

F Group exemption number (See instructions for Block F on page 9.)

G Check organization type 501(c) corporation 501(c) trust 401(a) trust Other trust

H Describe the organization's primary unrelated business activity.

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 **RICK R. MOORE, PRESIDENT** Telephone number **210-226-6663**

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			
2 Cost of goods sold (Schedule A, line 7)			
3 Gross profit. Subtract line 2 from line 1c			
4a Capital gain net income (attach Schedule D)			
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)			
c Capital loss deduction for trusts			
5 Income (loss) from partnerships and S corporations (attach statement) SEE STMT 1	-6,057		-6,057
6 Rent income (Schedule C)			
7 Unrelated debt-financed income (Schedule E)			
8 Interest, annuities, royalties, & rents from controlled organizations (Schedule F)			
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)			
10 Exploited exempt activity income (Schedule I)			
11 Advertising income (Schedule J)			
12 Other income (See page 11 of the instructions; attach schedule.)			
13 Total. Combine lines 3 through 12	-6,057		-6,057

Part II Deductions Not Taken Elsewhere (See page 12 of the 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		
19 Taxes and licenses	19		
20 Charitable contributions (See page 14 of the instructions for limitation rules.)	20		
21 Depreciation (attach Form 4562)	21		
22 Less depreciation claimed on Schedule A and elsewhere on return	22a		0
23 Depletion	23		
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		
29 Total deductions. Add lines 14 through 28	29		
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	30		-6,057
31 Net operating loss deduction (limited to the amount on line 30)	31		
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	32		-6,057
33 Specific deduction (Generally \$1,000, but see line 33 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		-6,057

Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation on page 15. Controlled group members (sections 1561 and 1563) check here <input type="checkbox"/> See instructions and:		
a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): (1) \$ _____ (2) \$ _____ (3) \$ _____		
b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$ _____ (2) Additional 3% tax (not more than \$100,000) \$ _____		
c Income tax on the amount on line 34		35c
36 Trusts Taxable at Trust Rates. See instructions for tax computation on page 16. Income tax on the amount on line 34 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)		36
37 Proxy tax. See page 16 of the instructions		37
38 Alternative minimum tax		38
39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies		39

Part IV Tax and Payments

40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	40a		
b Other credits (see page 17 of the instructions)	40b		
c General business credit. Check here and indicate which forms are attached: <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form(s) (specify) ▶	40c		
d Credit for prior year minimum tax (attach Form 8801 or 8827)	40d		
e Total credits. Add lines 40a through 40d		40e	
41 Subtract line 40e from line 39		41	
42 Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other		42	
43 Total tax. Add lines 41 and 42		43	0
44a Payments: A 2006 overpayment credited to 2007	44a		
b 2007 estimated tax payments	44b	20,000	
c Tax deposited with Form 8868	44c		
d Foreign organizations: Tax paid or withheld at source (see instructions)	44d		
e Backup withholding (see instructions)	44e		
f Other credits and payments: <input type="checkbox"/> Form 2439 _____ <input type="checkbox"/> Form 4136 _____ <input type="checkbox"/> Other _____ Total ▶	44f		
45 Total payments. Add lines 44a through 44f		45	20,000
46 Estimated tax penalty (see page 4 of the instructions). Check if Form 2220 is attached		46	
47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed		47	
48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid		48	20,000
49 Enter the amount of line 48 you want: Credited to 2008 estimated tax ▶ Refunded ▶		49	20,000

Part V Statements Regarding Certain Activities and Other Information (see instructions on page 18)

1 At any time during the 2007 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1. If YES, enter the name of the foreign country here ▶	Yes	No
2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see page 5 of the instructions for other forms the organization may have to file.		X
3 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 ▶

1 Inventory at beginning of year	1		6 Inventory at end of year	6	
2 Purchases	2		7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	7	
3 Cost of labor	3		8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
4a Additional sec. 263A costs (attach sch.)	4a				
b Other costs (attach schedule)	4b				
5 Total. Add lines 1 through 4b	5				

Schedule C—Rent Income (From Real Property and Personal Property Leased With Real Property)

(see instructions on page 20)

1 Description of property

(1) N/A

(2)
(3)
(4)

2 Rent received or accrued

(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)

(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)

3 Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)

(1)
(2)
(3)
(4)

Total

Total

Total deductions. Enter here and on page 1, Part I, line 6, column (B).

Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A)

Schedule E—Unrelated Debt-Financed Income (see instructions on page 20)

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

(a) Straight line depreciation (attach schedule)

(b) Other deductions (attach schedule)

(1) N/A
(2)
(3)
(4)

4 Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)

5 Average adjusted basis of or allocable to debt-financed property (attach schedule)

6 Column 4 divided by column 5

7 Gross income reportable (column 2 x column 6)

8 Allocable deductions (column 6 x total of columns 3(a) and 3(b))

(1) %
(2) %
(3) %
(4) %

Enter here and on page 1, Part I, line 7, column (A).

Enter here and on page 1, Part I, line 7, column (B).

Totals

Total dividends-received deductions included in column 8

Schedule F—Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions on page 21)

1 Name of Controlled Organization

2 Employer Identification Number

Exempt Controlled Organizations

3 Net unrelated income (loss) (see instructions)

4 Total of specified payments made

5 Part of column 4 that is included in the controlling organization's gross inc.

6 Deductions directly connected with income in column 5

(1) N/A
(2)
(3)
(4)

Nonexempt Controlled Organizations

7 Taxable Income

8 Net unrelated income (loss) (see instructions)

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

(1)
(2)
(3)
(4)

Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A).

Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B).

Totals

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

(see instructions on page 22)

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) N/A				
(2)				
(3)				
(4)				
Totals	Enter here and on page 1, Part I, line 9, column (A).			Enter here and on page 1, Part I, line 9, column (B).

Schedule I—Exploited Exempt Activity Income, Other Than Advertising Income

(see instructions on page 22)

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) N/A						
(2)						
(3)						
(4)						
Totals	Enter here and on page 1, Part I, line 10, col. (A).	Enter here and on page 1, Part I, line 10, col. (B).				Enter here and on page 1, Part II, line 26.

Schedule J—Advertising Income (see instructions on page 22)

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) N/A						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))						

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) N/A						
(2)						
(3)						
(4)						
(5) Totals from Part I	Enter here and on page 1, Part I, line 11, col. (A).	Enter here and on page 1, Part I, line 11, col. (B).				Enter here and on page 1, Part II, line 27.
Totals, Part II (lines 1-5)						

Schedule K—Compensation of Officers, Directors, and Trustees (see instructions on page 23)

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

Federal Statements

Statement 1 - Form 990-T, Part I, Line 5 - Income (Loss) from Partnerships or S-Corps

<u>Name of Partnership or S-Corp</u>	<u>Gross Income</u>	<u>Direct Deductions (Part. only)</u>	<u>Net Income</u>
NU STAR GP HOLDINGS	\$ -522	\$	\$ -522
BUCKEYE GP HOLDINGS	-329		-329
BUCKEYE PARTENRS LP UNITS	-246		-246
CALUMET SPECIALTY PRODUCT PTR	-296		-296
CROSSTEX ENERGY LP	-465		-465
ENERGY TRANSFER PARTNERS	-56		-56
ENTERPRISE GP HOLDINGS	-843		-843
ENTERPRISE PRODUCTS PARTNERS	-950		-950
HOLLY ENERGY PARTNERS	-62		-62
MAGELLAN MIDSTREAM PARTNERS	-66		-66
NUSTAR ENERGY LP	-690		-690
ONEOK PARTNRS LP	-835		-835
PLAINS ALL AMERICAN PIPE LINE	-135		-135
TC PIEPLINES	-306		-306
ICAHAN ENTERPRISES LP	-295		-295
FORTRESS INVESTMENT GROUP	39		39
TOTAL	\$ <u>-6,057</u>	\$ <u>0</u>	\$ <u>-6,057</u>

Form **990-PF**

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

OMB No. 1545-0052

2007

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 2007, or tax year beginning , and ending

G Check all that apply: Initial return Final return Amended return Address change Name change

Use the IRS label. Otherwise, print or type.	Name of foundation LINDA PACE FOUNDATION		A Employer identification number 04-3757853
	Number and street (or P.O. box number if mail is not delivered to street address)	Room/suite	B Telephone number (see page 10 of the instructions) 210-226-6663
See Specific Instructions.	City or town, state, and ZIP code SAN ANTONIO TX 78283		C If exemption application is pending, check here <input type="checkbox"/>
			D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <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			E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ \$ 62,263,412		J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)	
		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 pg. 11 of the 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) ...	59,418,881			
	2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments ...	23,449	12,463	23,449	
	4 Dividends and interest from securities	331,428	331,428	331,428	
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	2,545,962			
	b Gross sales price for all assets on line 6a <u>23251908</u>				
	7 Capital gain net income (from Part IV, line 2)		2,545,962		
	8 Net short-term capital gain			0	
	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) <u>STMT 1</u>	390,800		390,800		
12 Total. Add lines 1 through 11	62,710,520	2,889,853	745,677		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule) <u>SEE STMT 2</u>	2,874	206		2,668
	b Accounting fees (attach schedule) <u>STMT 3</u>	835	83		752
	c Other professional fees (attach schedule) <u>STMT 4</u>	97,372	14,800		82,572
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions) <u>STMT 5</u>	11,946	2,738		9,208
	19 Depreciation (attach schedule) and depletion <u>STMT 6</u>	60,228			
	20 Occupancy				
	21 Travel, conferences, and meetings	24,053			24,053
	22 Printing and publications				
	23 Other expenses (att. sch.) <u>STMT 7</u>	149,341	9,426		139,915
	24 Total operating and administrative expenses. Add lines 13 through 23	346,649	27,253		259,168
	25 Contributions, gifts, grants paid	1,034,450			1,034,450
26 Total expenses and disbursements. Add lines 24 and 25	1,381,099	27,253	0	1,293,618	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	61,329,421				
b Net investment income (if negative, enter -0-)		2,862,600			
c Adjusted net income (if negative, enter -0-)			745,677		

For Privacy Act and Paperwork Reduction Act Notice, see page 30 of the instructions.

Form **990-PF** (2007)

Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)

		Beginning of year		End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value	
Assets	1	Cash—non-interest-bearing	2,307	301,987	301,987
	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 page 16 of the instructions)			
	7	Other notes and loans receivable (att. schedule) ▶			
		Less: allowance for doubtful accounts ▶			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges		63,500	63,500
	10a	Investments—U.S. and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule) SEE STMT 8		40,781,743	39,510,678
	c	Investments—corporate bonds (attach schedule)			
	11	Investments—land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation (attach sch.) ▶				
12	Investments—mortgage loans				
13	Investments—other (attach schedule) SEE STATEMENT 9		19,885,975	19,885,975	
14	Land, buildings, and equipment basis ▶ 2,625,090				
	Less: accumulated depreciation (attach sch.) ▶ STMT 10 124,328	2,200,805	2,500,762	2,500,762	
15	Other assets (describe ▶ SEE STATEMENT 11)	510	510	510	
16	Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	2,203,622	63,534,477	62,263,412	
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 (attach schedule)			
	22	Other liabilities (describe ▶)			
23	Total liabilities (add lines 17 through 22)	0	0		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted	2,203,622	63,534,477	
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 27 through 31.				
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg., and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
30	Total net assets or fund balances (see page 17 of the instructions)	2,203,622	63,534,477		
31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	2,203,622	63,534,477		

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	2,203,622
2	Enter amount from Part I, line 27a	2	61,329,421
3	Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 12	3	1,439
4	Add lines 1, 2, and 3	4	63,534,482
5	Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 13	5	5
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	63,534,477

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 PUBLICLY TRADED SECURITIES			
b PUBLICLY TRADED SECURITIES			
c GOLDMAN SACHS-FOUNDATION ACCT			
d GOLDMAN SACHS-HORIZON			
e GOLDMAN SACHS-ALETHIA			

(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 11,361,743		11,469,717	-107,974
b 11,861,396		9,236,229	2,625,167
c 28,702			28,702
d 35			35
e 32			32

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(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			-107,974
b			2,625,167
c			28,702
d			35
e			32

2 Capital gain net income or (net capital loss)	<div style="border: 1px solid black; padding: 2px; display: inline-block;"> If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 </div>	2	2,545,962
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8	<div style="border: 1px solid black; padding: 2px; display: inline-block;"> If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8 </div>	3	

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.

(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))
2006	2,522,065	14,161	178.099357
2005	1,260,591	15,058	83.715699
2004	56,689	8,081	7.015097
2003	211,619		
2002			

2 Total of line 1, column (d)	2	268.830153
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	67.207538
4 Enter the net value of noncharitable-use assets for 2007 from Part X, line 5	4	41,970,154
5 Multiply line 4 by line 3	5	28,207,107
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	28,626
7 Add lines 5 and 6	7	28,235,733
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 on page 18.	8	1,293,618

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

Table with 11 rows for excise tax calculations. Includes categories like 'Exempt operating foundations', 'Domestic foundations that meet the section 4940(e) requirements', and 'Total credits and payments'. Total tax due is 13,752.

Part VII-A Statements Regarding Activities

Table with 10 rows for activity statements. Questions include 'During the tax year, did the foundation attempt to influence any national, state, or local legislation?' and 'Has the foundation engaged in any activities that have not previously been reported to the IRS?'. Includes Yes/No columns.

11/15 INT 386 FTP 412 TOT 14,550 Form 990-PF (2007) STMT 14

Part VII-A Statements Regarding Activities (continued)

11a	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 page 20 of the instructions)	11a		X
b	If "Yes," did the foundation have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in the attachment for line 11a?	11b		N/A
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	
Website address ▶ N/A				
14	The books are in care of ▶ RICK R. MOORE, PRESIDENT Telephone no. ▶ 210-226-6663 112 W. RISCHE			
Located at ▶ SAN ANTONIO, TX ZIP+4 ▶ 78204				
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041— Check here ▶ <input type="checkbox"/>			
and enter the amount of tax-exempt interest received or accrued during the year				15

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly):		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1b	X
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2007? N/A	1c	
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 2007, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2007? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ▶ 20 , 20 , 20 , 20		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 22 of the instructions.) N/A	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ 20 , 20 , 20 , 20		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2007 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 2007.) N/A	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2007?	4b	X

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 propoganda, or otherwise attempt to influence legislation (section 4945(e))? Yes No

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

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

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions) Yes No

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

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here **5b** X

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 **6b** X
If you answered "Yes" to 6b, also 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 **7b** N/A

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

1 List all officers, directors, trustees, foundation managers and their compensation (see page 23 of the instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 15				

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the instructions). If none, enter "NONE."

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

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

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 page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
HONDO PARTNERS INC PO BOX 830607 SAN ANTONIO TX 78283	MANAGEMENT SVCS	75,000
.....		
.....		
.....		
.....		
.....		

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 SEE STATEMENT 16	1,297,818
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 N/A	
2	
All other program-related investments. See page 24 of the instructions. 3	
Total. Add lines 1 through 3 ▶	

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	30,392,267
b	Average of monthly cash balances	1b	22,114
c	Fair market value of all other assets (see page 25 of the instructions)	1c	12,194,912
d	Total (add lines 1a, b, and c)	1d	42,609,293
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	42,609,293
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions)	4	639,139
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	41,970,154
6	Minimum investment return. Enter 5% of line 5	6	2,098,508

Part XI Distributable Amount (see page 25 of the 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	
2a	Tax on investment income for 2007 from Part VI, line 5	2a	
b	Income tax for 2007. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	

Part XII Qualifying Distributions (see page 26 of the 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	1,293,618
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	1,293,618
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 page 26 of the instructions)	5	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	1,293,618

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 page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2006	(c) 2006	(d) 2007
1 Distributable amount for 2007 from Part XI, line 7				
2 Undistributed income, if any, as of the end of 2006:				
a Enter amount for 2006 only				
b Total for prior years: 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2007:				
a From 2002				
b From 2003				
c From 2004				
d From 2005				
e From 2006				
f Total of lines 3a through e				
4 Qualifying distributions for 2007 from Part XII, line 4: ▶ \$ _____				
a Applied to 2006, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see page 27 of the instructions)				
c Treated as distributions out of corpus (Election required—see page 27 of the instructions)				
d Applied to 2007 distributable amount				
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2007 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5				
b Prior years' undistributed income. Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b. Taxable amount—see page 27 of the instructions				
e Undistributed income for 2006. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions				
f Undistributed income for 2007. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2008				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8 Excess distributions carryover from 2002 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 Excess distributions carryover to 2008. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9:				
a Excess from 2003				
b Excess from 2004				
c Excess from 2005				
d Excess from 2006				
e Excess from 2007				

Part XIV Private Operating Foundations (see page 27 of the 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 2007, enter the date of the ruling 9/24/04				
b	Check box to indicate whether the foundation is a private operating foundation described in section <input checked="" 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				
	Tax year	Prior 3 years			(e) Total
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	
	745,677				745,677
b	633,825				633,825
c	1,293,618	2,522,065	1,260,591	56,689	5,132,963
d					
e	1,293,618	2,522,065	1,260,591	56,689	5,132,963
3	Complete 3a, b, or c for the alternative test relied upon:				
a	"Assets" alternative test—enter:				
(1)		2,203,622	947,224	213,976	3,364,822
(2)		2,200,805	945,617	211,133	3,357,555
b	"Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed				
	1,399,005				1,399,005
c	"Support" alternative test—enter:				
(1)					
(2)					
(3)					
(4)					

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 page 28 of 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).)
 LINDA M. PACE (DECEASED) \$2,706,630

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.
 N/A

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 page 28 of the 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:
 N/A

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

c Any submission deadlines:
 N/A

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

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)				
a Paid during the year SEE STATEMENT 17				1,034,450
Total			▶ 3a	1,034,450
b Approved for future payment N/A				
Total			▶ 3b	

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return

LINDA PACE FOUNDATION

Identifying number

04-3757853

Business or activity to which this form relates

INDIRECT DEPRECIATION

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	125,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	500,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
(a) Description of property		(b) Cost (business use only)	(c) Elected cost
6			
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2006 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2008. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14	Special allowance for qualified New York Liberty or Gulf Opportunity Zone property (other than listed property) and cellulosic biomass ethanol plant property placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	60,228

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2007	17	0
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

Section B-Assets Placed in Service During 2007 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only-see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a	3-year property					
b	5-year property					
c	7-year property					
d	10-year property					
e	15-year property					
f	20-year property					
g	25-year property		25 yrs.		S/L	
h	Residential rental property		27.5 yrs.	MM	S/L	
i	Nonresidential real property		39 yrs.	MM	S/L	
				MM	S/L	

Section C-Assets Placed in Service During 2007 Tax Year Using the Alternative Depreciation System

20a	Class life				S/L	
b	12-year		12 yrs.		S/L	
c	40-year		40 yrs.	MM	S/L	

Part IV Summary (see instructions)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations-see instr.	22	60,228
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Schedule B
(Form 990, 990-EZ,
or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

OMB No. 1545-0047

Supplementary Information for
line 1 of Form 990, 990-EZ, and 990-PF (see instructions)

2007

Name of organization

Employer identification number

LINDA PACE FOUNDATION

04-3757853

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

 501(c)() (enter number) organization 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation 527 political organization

Form 990-PF

 501(c)(3) exempt private foundation 4947(a)(1) nonexempt charitable trust treated as a private foundation 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule—see instructions.)

General Rule—

- For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules—

- For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)
- For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use exclusively for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)
- For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use exclusively for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an exclusively religious, charitable, etc., purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year.) ▶ \$ _____

Caution: Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they **must** check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

For Paperwork Reduction Act Notice, see the Instructions
for Form 990, Form 990-EZ, and Form 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2007)

Name of organization

LINDA PACE FOUNDATION

Employer identification number

04-3757853

Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	LINDA PACE PO BOX 830607 SAN ANTONIO TX 78283	\$ 241,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	PACE 2005 CHARITABLE LEAD ANNUITY TR PO BOX 830607 SAN ANTONIO TX 78283	\$ 1,050,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	ESTATE OF MARGARET PACE WILSON 218 ENCINO SAN ANTONIO TX 78209	\$ 250,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	EDWARD RANDALL, III 4400 POST OAK PARKWAY #2580 HOUSTON TX 77027	\$ 10,240	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5	ESTATE OF LINDA M. PACE PO BOX 830607 SAN ANTONIO TX 78283	\$ 38,186,488	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
6	MISC CONTRIBUTIONS UNDER \$5000	\$ 5,240	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization LINDA PACE FOUNDATION	Employer identification number 04-3757853
---	--

Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7	ESTATE OF LINDA M. PACE PO BOX 830607 SAN ANTONIO TX 78283	\$ 19,675,913	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
—	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
—	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
—	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
—	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
—	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
—	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization

LINDA PACE FOUNDATION

Employer identification number

04-3757853

Part II Noncash Property (See Specific Instructions.)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
4	64,000 SHS UBS AG STOCK	\$ 3,008,000	11/07/07
5	SECURITY INVESTMENTS	\$ 18,333,980	7/02/07
5	WORKS OF ART	\$ 19,740,975	7/02/07
5	OFFICE BUILDING	\$ 111,533	7/02/07
		\$	
		\$	

Federal Statements

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

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
IRA DISTRIBUTION	\$ 68	\$	\$ 68
IRA DISTRIBUTION	396,639		396,639
WEDDING FEES	150		150
NU STAR GP HOLDINGS	-522		-522
BUCKEYE GP HOLDINGS	-329		-329
BUCKEYE PARTENRS LP UNITS	-246		-246
CALUMET SPECIALTY PRODUCT PTR	-296		-296
CROSSTEX ENERGY LP	-465		-465
ENERGY TRANSFER PARTNERS	-56		-56
ENTERPRISE GP HOLDINGS	-843		-843
ENTERPRISE PRODUCTS PARTNERS	-950		-950
HOLLY ENERGY PARTNERS	-62		-62
MAGELLAN MIDSTREAM PARTNERS	-66		-66
NUSTAR ENERGY LP	-690		-690
ONEOK PARTNRS LP	-835		-835
PLAINS ALL AMERICAN PIPE LINE	-135		-135
TC PIEPLINES	-306		-306
ICAHAN ENTERPRISES LP	-295		-295
FORTRESS INVESTMENT GROUP	39		39
TOTAL	<u>\$ 390,800</u>	<u>\$ 0</u>	<u>\$ 390,800</u>

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
OPPENHEIMER, BLEND, HARRISON & T	\$ 2,874	\$ 206	\$	\$ 2,668
TOTAL	\$ 2,874	\$ 206	\$ 0	\$ 2,668

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
WAYNE E. COLLIE, CPA	\$ 835	\$ 83	\$	\$ 752
TOTAL	\$ 835	\$ 83	\$ 0	\$ 752

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
CONSULTING FEES	\$ 15,072	\$	\$	\$ 15,072
INVESTMENT MANAGEMENT FEES	7,300	7,300		
MANAGEMENT FEES	75,000	7,500		67,500
TOTAL	\$ 97,372	\$ 14,800	\$ 0	\$ 82,572

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
FOREIGN TAXES	\$ 2,738	\$ 2,738	\$	\$
PROPERTY TAXES	9,208			9,208
TOTAL	\$ 11,946	\$ 2,738	\$ 0	\$ 9,208

Federal Statements

Statement 6 - Form 990-PF, Part I, Line 19 - Depreciation

Desc	Date Acquired	Cost Basis	PY Depr	Method	Life	CY Depr	Net Investment Income	Adj Net Income
TRASH RECEPTACLES	10/28/05	\$ 2,883	\$ 336	S/L	10	\$ 289	\$	\$
FENCING & TRELLIS	10/28/05	151,125	8,442	S/L	20	7,556		
STONE PATIO	10/28/05	53,427	3,066	S/L	20	2,671		
FOUNTAIN	10/28/05	181,370	10,551	S/L	20	9,069		
BATHROOM	10/28/05	228,248	6,358	S/L	40	5,706		
WEDNESDAY CHILD IN-GROUND ARTWORK	10/28/05	129,147	7,047	S/L	20	6,458		
IN-GROUND VAULT	10/28/05	2,882	320	S/L	10	288		
IRRIGATION SYSTEM	10/28/05	47,100	2,551	S/L	20	2,355		
LANDSCAPE PLANT MATERIAL & LABOR	10/28/05	289,297	16,116	S/L	20	14,465		
152 CAMP	10/28/05	128,206			0			
ICE HOUSE	10/28/05	750,377			0			
ICE HOUSE IMPROVEMENTS	1/06/06	54,788	3,653	S/L	15	3,652		
PLAYGROUND EQUIPMENT	1/19/06	73,356	4,890	S/L	15	4,891		
SIGNAGE	7/01/06	7,700	770	S/L	10	770		
LAND	10/28/05	165,000			0			
LANDSCAPE EQUIPMENT	9/27/07	924		S/L	20	12		
CHRISPARK IMPROVEMENTS (ARCHITECT FEES)	9/13/07	14,025		S/L	20	234		
PLAYGROUND EQUIPMENT REPAIR	6/01/07	1,748		S/L	15	68		

Federal Statements

Statement 6 - Form 990-PF, Part I, Line 19 - Depreciation (continued)

Desc								
	Date Acquired	Cost Basis	PY Depr	Method	Life	CY Depr	Net Investment Income	Adj Net Income
ICEHOUSE IMPROVEMENTS	5/01/07	\$ 1,863	\$	S/L	15	\$ 83	\$	\$
ICEHOUSE ARCHITECT FEES	5/30/07	14,571		S/L	15	567		
LANDSCAPE LIGHTING	2/08/07	13,028		S/L	20	597		
FENCING	1/22/07	8,000		S/L	20	367		
CREDIT ON WEDNESDAY CHILD PROJECT	2/06/07	-700		S/L	20	-32		
FOUNTAIN	10/03/07	6,279		S/L	20	78		
PATIO	11/07/07	9,838		S/L	20	82		
LANDSCAPE LIGHTING	10/18/07	258		S/L	20	2		
WEBSITE	12/31/07	1,438		S/L	15			
TELEPHONE SYSTEM	12/31/07	4,140		S/L	7			
ALARM SYSTEM	12/31/07	5,000		S/L	20			
COMPUTER EQUIPMENT	12/31/07	4,696		S/L	5			
OFFICE FURNITURE	12/31/07	1,661		S/L	7			
OFFICE BUILDING IMPROVEMENTS	12/31/07	95,382		S/L	39			
OFFICE BUILDING-LAND	12/31/07	42,500			0			
OFFICE BUILDING	12/31/07	135,533		S/L	39			

Federal Statements

Statement 6 - Form 990-PF, Part I, Line 19 - Depreciation (continued)

	Date Acquired	Desc Cost Basis	PY Depr	Method	Life	CY Depr	Net Investment Income	Adj Net Income
TOTAL		\$ 2,625,090	\$ 64,100			\$ 60,228	\$ 0	\$ 0

Federal Statements

Statement 7 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
	\$	\$	\$	\$
EXPENSES				
FEASIBILITY STUDY	40,611			40,611
GRANT OVERSIGHT EXPENSES	6,430			6,430
INSURANCE	29,478	1,880		27,598
LANDSCAPE MAINTENANCE	5,574			5,574
MEETINGS AND COMMUNITY EVENTS	8,106			8,106
MISCELLANEOUS EXPENSES	2,032	216		1,816
OFFICE SUPPLIES	801	80		721
POSTAGE	809	81		728
REPAIRS	7,541			7,541
TELEPHONE	1,812	124		1,688
TRUCK EXPENSE	617			617
TRUSTEE FEES	28,000	7,000		21,000
UTILITIES	17,530	45		17,485
TOTAL	<u>\$ 149,341</u>	<u>\$ 9,426</u>	<u>\$ 0</u>	<u>\$ 139,915</u>

Federal Statements**Statement 8 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments**

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
GOLDMAN SACHS-MONEY MARKET FUND	\$	\$ 1,522,153	COST	\$ 1,522,153
GOLDMAN SACHS-CORE PLUS FIXED INCOME		7,571,364	COST	7,643,679
GOLDMAN SACHS-ALETHIA		2,092,747	COST	2,074,368
GOLDMAN SACHS-HORIZON		4,264,343	COST	4,275,638
GOLDMAN SACHS-MLP'S ENERGY		996,851	COST	1,004,787
GOLDMAN SACHS-SNOW		2,823,994	COST	2,455,202
GOLDMAN SACHS-SOUTHERN SUN		2,201,390	COST	2,044,760
GOLDMAN SACHS-TCW LCV		5,216,669	COST	4,952,256
GOLDMAN SACHS-WESTFIELD		3,450,871	COST	3,447,266
GOLDMAN SACHS-NON-US EQUITIES		5,000,000	COST	4,994,037
GOLDMAN SACHS-PUBLIC EQUITY		1,868,760	COST	1,821,519
GOLDMAN SACHS-SPRUCEGROVE		3,000,000	COST	2,914,567
GS MEZZANINE PARTNERS		772,601	COST	360,446
TOTAL	\$ 0	\$40,781,743		\$39,510,678

Statement 9 - Form 990-PF, Part II, Line 13 - Other Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
LINDA PACE ART COLLECTIONS	\$	\$19,785,975	COST	\$19,785,975
PACE EXHIBITION SPACE		100,000	COST	100,000
TOTAL	\$ 0	\$19,885,975		\$19,885,975

Statement 10 - Form 990-PF, Part II, Line 14 - Land, Building, and Equipment

Description	Beginning Net Book	End Cost/Basis	End Accum Depr	Net Fair Mkt Value
	\$ 2,035,805	\$ 2,417,590	\$ 124,328	\$ 2,293,262
	165,000	207,500		207,500
TOTAL	\$ 2,200,805	\$ 2,625,090	\$ 124,328	\$ 2,500,762

Statement 11 - Form 990-PF, Part II, Line 15 - Other Assets

Description	Beginning of Year	End of Year	Fair Market Value
UTILITY DEPOSIT	\$ 510	\$ 510	\$ 510
TOTAL	\$ 510	\$ 510	\$ 510

Federal Statements**Statement 12 - Form 990-PF, Part III, Line 3 - Other Increases**

<u>Description</u>	<u>Amount</u>
NON-DIVIDEND DISTRIBUTIONS	\$ <u>1,439</u>
TOTAL	\$ <u><u>1,439</u></u>

Statement 13 - Form 990-PF, Part III, Line 5 - Other Decreases

<u>Description</u>	<u>Amount</u>
NON-DEDUCTIBLE PARTNERSHIP EXPENSES	\$ <u>5</u>
TOTAL	\$ <u><u>5</u></u>

42608 LINDA PACE FOUNDATION
04-3757853
FYE: 12/31/2007

Federal Statements

Statement 14 - Form 990-PF, Part VII-A, Line 10 - Substantial Contributors

<u>Name</u>	<u>Address</u>	<u>City, St Zip</u>
LINDA PACE	PO BOX 830607	SAN ANTONIO TX 78283
PACE 2005 CHARITABLE LEAD ANNUITY	PO BOX 830607	SAN ANTONIO TX 78283
ESTATE OF MARGARET PACE WILSON	218 ENCINO	SAN ANTONIO TX 78209
EDWARD RANDALL III	4400 POST OAK PARKWAY #2850	HOUSTON TX 77027
ESTATE OF LINDA PACE	PO BOX 830607	SAN ANTONIO TX 78283

Federal Statements

Statement 15 - Form 990-PF, Part VIII, Line 1 - List of Officers, Directors, Trustees,
Etc.

<u>Name and Address</u>	<u>Title</u>	<u>Average Hours</u>	<u>Compensation</u>	<u>Benefits</u>	<u>Expenses</u>
RICK MOORE 118 REGENTS PARK SAN ANTONIO TX 78230	PRES, CEO	40+	0	0	0
KATHRYN KANJO 5861 CONNER LANE GOLETA CA 93117	TRUSTEE	1	7,000	0	0
DENNIS SCHOLL 803 E. DILIDO DRIVE MIAMI FL 33139	TRUSTEE	1	7,000	0	0
JAN JARBOE RUSSELL 945 CONTOUR DRIVE SAN ANTONIO TX 78212	TRUSTEE	1	7,000	0	0
ANNE HODGES MORGAN 4701 FOUNTAINGATE DRIVE NORMAN OK 73072	TRUSTEE	1	7,000	0	0

Statement 16 - Form 990-PF, Part IX-A, Line 1 - Summary of Direct Charitable Activities

Description

GRANTS SUPPORT THE OPERATION OF ARTPACE, INC., CHRISPARK, LLC, THE PUBLIC EXHIBITION OF THE CONTEMPORARY ART COLLECTION OF ITS FOUNDER, LINDA PACE, AND THE PUBLIC EXHIBITION OF THE WORK OF CONTEMPORARY ARTISTS. THE FOUNDATION SUPPORTED THIRTEEN OTHER ORGANIZATIONS DESCRIBED IN SECTION 170(C) OF THE INTERNAL REVENUE CODE. ARTPACE, INC. PROVIDES A CENTER FOR RESIDENCY AND EXCHANGE FOR ARTISTS. CHRISPARK, LLC IS A FREE PUBLIC PARK FOR THE CITIZENS OF SAN ANTONIO.

42608 LINDA PACE FOUNDATION

04-3757853

FYE: 12/31/2007

Federal Statements

Form 990-PF, Part XV, Line 1a - Managers Who Contributed Over 2% or \$5,000

<u>Name of Manager</u>	<u>Amount</u>
LINDA M. PACE (DECEASED)	<u>2,706,630</u>
TOTAL	<u>2,706,630</u>

Federal Statements

Statement 17 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year

Name	Address	Relationship	Status	Purpose	Amount
MUSEUM OF MODERN ART	11 WEST 53RD STREET NEW YORK NY 10019-5497	NONE	PUB CHARITY	ANNUAL FUND	75
MIND SCIENCE FOUNDATION	117 W. EL PRADO DRIVE SAN ANTONIO TX 78212	NONE	PUB CHARITY	GENERAL OPERATING	1,000
WHITNEY MUSEUM OF AMERICA	945 MADION AVE AT 75TH ST NEW YORK NY 10021	NONE	PUB CHARITY	GENERAL OPERATING	15,000
MUSEUM OF MODERN ART	11 WEST 53RD STREET NEW YORK NY 10019-5497	NONE	PUB CHARITY	MEMBERSHIP	60
NEW MUSEUM	210 22TH AVENUE, FL 2 NEW YORK NY 10117	NONE	PUB CHARITY	MEMBERSHIP	5,000
UNIVERSITY OF TX HEALTH S	7703 FLOYD CURL DRIVE SAN ANTONIO TX 78229-3900	NONE	PUB CHARITY	GENERAL OPERATING	1,000
BLAFFER GALLERY, UNIVERSI	120 FINE ARTS BUILDING HOUSTON TX 77204	NONE	PUB CHARITY	KATRINA MOOREHEAD PROJ	5,000
CONFERENCE OF SOUTHWEST F	3102 MAPLE AVE, SUITE 260 DALLAS TX 75201	NONE	PUB CHARITY	MEMBERSHIP	500
SOUTHWEST SCHOOL OF ART &	300 AUGUSTA SAN ANTONIO TX 78205	NONE	PUB CHARITY	GENERAL OPERATING	950
THE ASPEN INSTITUTE	PO BOX 222 QUEENSTOWN MD 21658-0222	NONE	PUB CHARITY	GENERAL OPERATING	2,500
THE CHINATI FOUNDATION	PO BOX 1135 MARFA TX 79843	NONE	PUB CHARITY	GENERAL OPERATING	1,000
ASPEN ART MUSEUM	590 N MILL STREET ASPEN CO 81611	NONE	PUB CHARITY	GENERAL OPERATING	1,300
THE MUSEUM OF FINE ARTS	1001 BISSONNET HOUSTON TX 77005	NONE	PUB CHARITY	MEMBERSHIP	65
SAN ANTONIO PUBLIC LIBRAR	315 E. COMMERCE SAN ANTONIO TX 78205	NONE	PUB CHARITY	GENERAL OPERATING	1,000
ARTPACE INC DBA ARTPACE S	445 N. MAIN AVENUE SAN ANTONIO TX 78205	NONE	PR OP FOUND	GENERAL OPERATING	1,000,000
TOTAL					<u>1,034,450</u>

Federal Statements

Statement 18 - Form 990-PF, Part XVI-A, Line 11 - Other Revenue

<u>Description</u>	<u>Business Code</u>	<u>Unrelated Amount</u>	<u>Exclusion Code</u>	<u>Exclusion Amount</u>	<u>Related Income</u>
IRA DISTRIBUTION		\$	41	\$ 68	\$
IRA DISTRIBUTION			41	396,639	
WEDDING FEES			1	150	
NU STAR GP HOLDINGS	211110	-522	25		
BUCKEYE GP HOLDINGS	211110	-329	25		
BUCKEYE PARTENRS LP UNITS	211110	-246	25		
CALUMET SPECIALTY PRODUCT P	211110	-296	25		
CROSSTEX ENERGY LP	211110	-465	25		
ENERGY TRANSFER PARTNERS	211110	-56	25		
ENTERPRISE GP HOLDINGS	211110	-843	25		
ENTERPRISE PRODUCTS PARTNER	211110	-950	25		
HOLLY ENERGY PARTNERS	211110	-62	25		
MAGELLAN MIDSTREAM PARTNERS	211110	-66	25		
NUSTAR ENERGY LP	211110	-690	25		
ONEOK PARTNRS LP	211110	-835	25		
PLAINS ALL AMERICAN PIPE LI	211110	-135	25		
TC PIEPLINES	211110	-306	25		
ICAHAN ENTERPRISES LP	211110	-295	25		
FORTRESS INVESTMENT GROUP	211110	39	25		
TOTAL		\$ -6,057		\$ 396,857	\$ 0