

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

2011

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

Department of the Treasury Internal Revenue Service

For calendar year 2011 or other tax year beginning and ending

Form sections A through C: A Check box if address changed; B Exempt under section 501(c)(3); C Book value of all assets at end of year.

Section H: Describe the organization's primary unrelated business activity. SEE STATEMENT 15. Section I: During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidary controlled group? No.

Section J: The books are in care of MRS. BONNIE HIMMELMAN. Telephone number 301-913-5990.

Table with 3 columns: (A) Income, (B) Expenses, (C) Net. Rows 1a-13: Unrelated Trade or Business Income. Total: <511,007.>

Table with 3 columns: (A) Income, (B) Expenses, (C) Net. Rows 14-34: Deductions Not Taken Elsewhere. Total deductions: 0. Unrelated business taxable income: <511,007.>

Part III Tax Computation

Table with 3 columns: Line number, Description, and Amount. Includes rows for Organizations Taxable as Corporations (35), Trusts Taxable at Trust Rates (36), Proxy tax (37), Alternative minimum tax (38), and Total (39).

Part IV Tax and Payments

Table with 3 columns: Line number, Description, and Amount. Includes rows for Foreign tax credit (40a-40d), Total credits (40e), Other taxes (42), Total tax (43), Payments (44a-44g), Total payments (45), Estimated tax penalty (46), Tax due (47), Overpayment (48), and Refunded (49).

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

Table with 3 columns: Question number, Question text, and Yes/No response. Includes questions about foreign accounts, foreign trusts, and tax-exempt interest.

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

Table with 3 columns: Line number, Description, and Amount. Includes rows for Inventory at beginning/end of year, Purchases, Cost of labor, Additional section 263A costs, and Total.

Sign Here: Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge. Signature of officer: [Signature] Date: 4/1/12 Title: President

Paid Preparer Use Only: Print/Type preparer's name: JOYCE M. UNDERWOOD; Preparer's signature: [Signature]; Date: 12/31/12; Check self-employed: [X]; PTIN: P00022361; Firm's name: BDO USA, LLP; Firm's EIN: 13-5381590; Firm's address: 7101 WISCONSIN AVE., SUITE 800, BETHESDA, MD 20814-4827; Phone no.: (301)654-4900

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

1. Description of property

(1)			
(2)			
(3)			
(4)			
2. Rent received or accrued			3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(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)		
(1)			
(2)			
(3)			
(4)			
Total	0.	Total	0.
(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) ▶			(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) ▶ 0.

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

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)				
(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)		%		
Totals ▶			0.	0.
Total dividends-received deductions included in column 8 ▶				0.

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

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 income	6. Deductions directly connected with income in column 5
(1)					
(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)					
Totals ▶			0.	0.	
			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).	

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

(see instructions)

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

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

(see instructions)

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

Schedule J - Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

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

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

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

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

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

FORM 990-T DESCRIPTION OF ORGANIZATION'S PRIMARY UNRELATED BUSINESS ACTIVITY STATEMENT 15

GRANT MAKING 501(C)(3) PRIVATE FOUNDATION WITH UBIT REPRESENTING TRADE OR BUSINESS INCOME FROM PARTNERSHIP INVESTMENTS.

TO FORM 990-T, PAGE 1

FORM 990-T INCOME (LOSS) FROM PARTNERSHIPS STATEMENT 16

DESCRIPTION	AMOUNT
SEE ATTACHED SUMMARY OF PARTNERSHIP UBIT	<511,007.>
TOTAL TO FORM 990-T, PAGE 1, LINE 5	<511,007.>

FORM 990-T CONTRIBUTIONS STATEMENT 17

DESCRIPTION/KIND OF PROPERTY	METHOD USED TO DETERMINE FMV	AMOUNT
CONTRIBUTION CARRYOVER	N/A	384.
TOTAL TO FORM 990-T, PAGE 1, LINE 20		384.

PARTNERSHIP	K-1 Line #	TOTAL	EIN					
			98-0540458	20-4770808	20-5216201	98-0540463	98-0467780	27-0127939
			Berkshire Fund VI (OS), L.P.	Berkshire (AIV Direct) Fund VI, L.P.	Berkshire Fund VII, L.P.	Berkshire Fund VII (OS), L.P.	Blackstone SGP Capital Partners (Cayman) IV, L.P.	Blackstone RE Partners Int'l II, L.P.

UBIT

Income:								
Ordinary Income	1	(712,348)	(1,155)	1,989	2,754	(942)	(6,261)	(112,308)
Net rental real estate	2	34,862						
Other net rental	3	9						
Interest Income	5	17,349		118				
Ordinary dividends	6	2,139						
Royalties	7	56						
Net short-term	8	5,078						
Net long-term	9	29,117						
Sec 1231 gain	10	180,625						(913)
Other Income (loss)	11a	8,981						5,396
Net sec 1256 gain(loss)	11c	34,462						
Other Income(loss) - 743	11f	36,496						(30)
	20	6,206						

DEDUCTIONS							
Deductions:							
Sec 179 deduction	12	(1,710)					
Other deductions	13 A-G	(456)		(9)			
Investment interest exp	13h	(6,883)					
Other deductions	13j	(68,095)					
Deduction - 2%	13k	(18,786)					
Total foreign taxes	16M	(3,830)					(2,380)
Post 1986 dep	17a-b	(23,457)					
Other deductions	13w	(28,494)			(2,951)		
	18c	(2,308)					(66)

Total 990-T Partnership Income (571,007) (1,155) 2,098 (197) (942) (6,261) (110,301)

Sherman Fairchild Foundation, Inc.
 Form 990-T
 Summary of Partnership Income
 FYE: 12/31/2011

EIN: 13-195

PARTNERSHIP	K-1 Line #	Blackstone RE Partners Int'l II Q, L.P.	Blackstone PB Capital Partners V LP	Blackstone Capital Partners V L.P. USS Feeder, L.P.	Blackstone RGIS Capital Partners V LP	Blackstone Capital Partners GS V LP	Blackstone Capital Partners RYL Cayman V	Boston Ventures L.P. V	Boston Ventures L.P. VII
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EIN 74-3235583 26-1995844 26-0783540 20-8866363 27-4468041 98-0577613 04-3330730 20-4622363

UBIT

Income:	1	2	3	5	6	7	8	9	10	11a	11c	11f	20
Ordinary Income													
Net rental real estate		2,227											
Other net rental			(18,841)										
Interest income			(137)										
Ordinary dividends			39		1								
Royalties													
Net short-term													
Net long-term													
Sec 1231 gain									(9)				
Other income (loss)												514	
Net sec 1256 gain(loss)													
Other income(loss) - 743													

DEDUCTIONS	12	13 A-G	13h	13J	13K	16M	17a-b	13w	18c
Deductions:									
Sec 179 deduction									
Other deductions									
Investment interest exp			(528)						
Other deductions									
Deduction - 2%									
Total foreign taxes						(322)			
Post 1986 dep									
Other deductions									(17)

Total 990-T Partnership Income 1,888 (19,476) (17,798) (1,791) (14,060) 91 (19,479) (34,590)

Sherman Fairchild Foundation, Inc.
 Form 990-T
 Summary of Partnership Income
 FYE: 12/31/2011

EIN: 13-195

Partnership	K-1 Line #	GC	General Catalyst	General Catalyst	General Catalyst	HIG Bayside	HIG Bayside	HIG Bayside	LLR Equity
		Fund III, L.P.	Group IV, L.P.	Group V, L.P.	Group V- Supplemental, L.P.	Opportunity Fund, L.P.	Debt & LBO Fund II LP	Debt & LBO Fund II LP Series B	Partners II, L.P.
EIN		73-1681628	83-0438831	65-1317069	65-1317070	20-2142458	26-2239180	45-1653763	20-0111868

UBIT

Income:									
Ordinary Income	1								
Net rental real estate	2		(1,021)	(1,878)	(1,097)			(13,235)	(63,145)
Other net rental	3						1,834		
Interest Income	5								
Ordinary dividends	6								
Royalties	7								
Net short-term	8								
Net long-term	9								
Sec 1231 gain	10			(2)	(2)				73,288
Other Income (loss)	11a								
Net sec 1256 gain(loss)	11c								
Other Income(loss) - 743	11f					6,206	0		
	20								

DEDUCTIONS									
Deductions:									
Sec 179 deduction	12								
Other deductions	13 A-G								(83)
Investment interest exp	13h		(2,097)					(575)	
Other deductions	13j								
Deduction - 2%	13k		(421)					(1)	
Total foreign taxes	16M								(1,740)
Post 1986 dep	17a-b								(1,195)
Other deductions	13w								
	18c								

Total 990-T Partnership Income (2,518) (1,021) (1,880) (1,099) 6,206 1,258 (13,235) 7,125

Sherman Fairchild Foundation, Inc.
 Form 990-T
 Summary of Partnership Income
 FYE: 12/31/2011

EIN: 13-195

PARTNERSHIP	K-1 Line #	Silver Lake Partners III DE, L.P.	Silver Lake Partners III ISAT Feeder L.P.	Summit Ventures V, L.P.	Vestar Capital Partners III, L.P.	Blackstone Europe III LP
		26-4399038	98-0587446	04-3406895	13-3916064	98-0573288

UBIT

Income:					
Ordinary Income	1	13,814	8,544	7,638	1,701
Net rental real estate	2				
Other net rental	3				
Interest income	5			9	
Ordinary dividends	6				
Royalties	7				
Net short-term	8				
Net long-term	9				
Sec 1231 gain	10			(5,103)	
Other income (loss)	11a				
Net sec 1256 gain(loss)	11c				
Other income(loss) - 743	11f			364	(618)
	20				

DEDUCTIONS				
Deductions:				
Sec 179 deduction	12			
Other deductions	13 A-G			
Investment interest exp	13h			
Other deductions	13J			
Deduction - 2%	13K			
Total foreign taxes	16M			
Post 1986 dep	17a-b			
Other deductions	13w			
	18c			

Total 990-T Partnership Income	(773)	8,544	364	2,544	1,083
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Form 8868 (Rev. January 2012) Department of the Treasury Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

File a separate application for each return.

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

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

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

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

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete

Part I only

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

Form with fields for Name of exempt organization (SHERMAN FAIRCHILD FOUNDATION, INC.), Employer identification number (EIN) (13-1951698), Number, street, and room or suite no. (5454 WISCONSIN AVENUE, NO. 1205), Social security number (SSN), and City, town or post office, state, and ZIP code (CHEVY CHASE, MD 20815).

Enter the Return code for the return that this application is for (file a separate application for each return) 07

Table with 4 columns: Application Is For, Return Code, Application Is For, Return Code. Rows include Form 990, Form 990-BL, Form 990-EZ, Form 990-PF, Form 990-T (sec. 401(a) or 408(a) trust), and Form 990-T (trust other than above).

MRS. BONNIE HIMMELMAN

The books are in the care of 5454 WISCONSIN AVENUE, NO. 1205 - CHEVY CHASE, MD 20815 Telephone No. 301-913-5990 FAX No.

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

I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until NOVEMBER 15, 2012, to file the exempt organization return for the organization named above. The extension is for the organization's return for: X calendar year 2011 or tax year beginning and ending

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

Table with 3 columns: Description, 3a, 3b, 3c. Rows include nonrefundable credits (0), refundable credits and estimated tax payments made (300,000), and balance due (0).

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

LHA For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

Form 8868 (Rev. 1-2012)