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Return of Private Foundation

or Section 4947(a)(1) Nonexempt Charitable Trust

Treated as a Private Foundation

2009

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 2009, or tax year beginning MAY 1, 2009, and ending APR 30, 2010

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

Use the IRS label Otherwise, print or type. See Specific Instructions	Name of foundation CHARLES M. BAIR FAMILY TRUST 56317010		A Employer identification number 81-6075761
	C/O U.S. BANK TRUST TAX DEPARTMENT		B Telephone number 1-406-657-8139
	Number and street (or P.O. box number if mail is not delivered to street address) P.O. BOX 3168		
	City or town, state, and ZIP code PORTLAND, OR 97208-3168		
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation			
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 37,511,417.		J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	
			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"/> 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 (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(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	900,550.		N/A	
	2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	111,036.	111,036.		STATEMENT 1
	4 Dividends and interest from securities	160,064.	160,064.		STATEMENT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	<174,016.>			
	b Gross sales price for all assets on line 6a	2,039,765.			
	7 Capital gain net income (from Part IV, line 2)				
	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	27,402.	5,556.		STATEMENT 3	
12 Total. Add lines 1 through 11	1,025,036.	276,656.			
SCANNED Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	240,862.	120,431.		120,431.
	14 Other employee salaries and wages	76,716.	38,358.		38,358.
	15 Pension plans, employee benefits	5,815.	2,908.		2,908.
	16a Legal fees STMT 4	10,739.	2,147.		8,592.
	b Accounting fees STMT 5	13,330.	2,000.		11,330.
	c Other professional fees				
	17 Interest				
	18 Taxes STMT 6	34,699.	18,419.		16,280.
	19 Depreciation and depletion				
	20 Occupancy	243,782.	0.		243,782.
	21 Travel, conferences, and meetings	3,958.	0.		3,958.
	22 Printing and publications				
	23 Other expenses STMT 7	85,023.	886.		84,138.
	24 Total operating and administrative expenses. Add lines 13 through 23	714,924.	185,149.		529,777.
	25 Contributions, gifts, grants paid	1,202,045.			1,202,045.
26 Total expenses and disbursements. Add lines 24 and 25	1,916,969.	185,149.		1,731,822.	
27 Subtract line 26 from line 12	<891,933.>				
a Excess of revenue over expenses and disbursements					
b Net investment income (if negative, enter -0-)		91,507.			
c Adjusted net income (if negative, enter -0-)			N/A		

Part II Balance Sheets <small>Attached schedules and amounts in the description column should be for end-of-year amounts only</small>		Beginning of year	End of year		
		(a) Book Value	(b) Book Value	(c) Fair Market Value	
Assets	1 Cash - non-interest-bearing	2,130,172.	54,532.	54,531.	
	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				
	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 STMT 9	1,086,125.	2,018,889.	2,068,830.	
	b Investments - corporate stock STMT 10	8,959,256.	8,555,422.	9,256,048.	
	c Investments - corporate bonds				
Liabilities	11 Investments - land, buildings, and equipment basis ▶				
	Less accumulated depreciation ▶				
	12 Investments - mortgage loans				
	13 Investments - other				
	14 Land, buildings, and equipment basis ▶ 654,785.		654,785.	776,681.	
	Less accumulated depreciation ▶				
	15 Other assets (describe ▶ SEE SCHEDULE I)	17,888,841.	17,888,833.	25,355,327.	
	16 Total assets (to be completed by all filers)	30,064,394.	29,172,461.	37,511,417.	
	17 Accounts payable and accrued expenses				
	18 Grants payable				
Net Assets or Fund Balances	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.			
Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>	24 Unrestricted				
	25 Temporarily restricted				
	26 Permanently restricted				
	Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/>	27 Capital stock, trust principal, or current funds	30,064,394.	29,172,461.	
		28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
		29 Retained earnings, accumulated income, endowment, or other funds	0.	0.	
		30 Total net assets or fund balances	30,064,394.	29,172,461.	
31 Total liabilities and net assets/fund balances	30,064,394.	29,172,461.			

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	30,064,394.
2 Enter amount from Part I, line 27a	2	<891,933.>
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	29,172,461.
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	29,172,461.

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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 CAPITAL GAINS DIVIDENDS					
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 2,039,534.		2,213,781.	<174,247.>		
b 231.			231.		
c					
d					
e					
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))		
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any			
a			<174,247.>		
b			231.		
c					
d					
e					
2 Capital gain net income or (net capital loss)			2	<174,016.>	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)			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))
2008	1,367,394.	12,175,578.	.112306
2007	1,450,127.	13,499,060.	.107424
2006	2,112,683.	13,031,477.	.162122
2005	665,371.	11,773,643.	.056514
2004	4,374,505.	13,377,631.	.327001

2 Total of line 1, column (d)	2	.765367
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	.153073
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	11,413,609.
5 Multiply line 4 by line 3	5	1,747,115.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	915.
7 Add lines 5 and 6	7	1,748,030.
8 Enter qualifying distributions from Part XII, line 4	8	2,386,607.

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.

CHARLES M. BAIR FAMILY TRUST

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C/O U.S. BANK TRUST TAX DEPARTMENT

81-6075761

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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	915.
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	915.
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	915.
6	Credits/Payments		
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a	39,987.
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	39,987.
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	39,072.
11	Enter the amount of line 10 to be Credited to 2010 estimated tax <input checked="" type="checkbox"/> 39,072. Refunded <input type="checkbox"/>	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
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? 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.		X
1c 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 checked="" type="checkbox"/> \$ 0. (2) On foundation managers <input checked="" 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 checked="" type="checkbox"/> \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities		X
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?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		X
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?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV.	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input checked="" type="checkbox"/> MT		
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	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 2009 or the taxable year beginning in 2009 (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

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Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <u>WWW.CHARLESMBAIRTRUSTS.ORG</u>	13	X	
14	The books are in care of ► <u>U.S. BANK TRUST TAX DEPARTMENT</u> Telephone no ► <u>503-275-6746</u> Located at ► <u>P.O. BOX 3168, PORTLAND, OR</u> ZIP+4 ► <u>97208-3168</u>			
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

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 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here		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 2009?		X
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 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? If "Yes," list the years ►	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
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.)	N/A	
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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If "Yes," did it have excess business holdings in 2009 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 2009.)	N/A	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		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 2009?		X

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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)?

N/A

5b

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?

N/A

☐ 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?**6b**

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?

N/A

7b

X

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
SEE STATEMENT 11		240,862.	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**

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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
GUARDIAN SECURITY INC P.O. BOX 80633, BILLINGS, MT 59108	SECURITY SERVICES	165,583.
PAYNE FINANCIAL GROUP 2323 2ND AVENUE NORTH, BILLINGS, MT 59101	INSURANCE PROVIDER	64,056.

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.

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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	9,885,036.
b	Average of monthly cash balances	1b	1,702,384.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	11,587,420.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	SEE STATEMENT 12 14,486,187.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	11,587,420.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	173,811.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	11,413,609.
6	Minimum investment return. Enter 5% of line 5	6	570,680.

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	570,680.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	915.
b	Income tax for 2009 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	915.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	569,765.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	569,765.
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	569,765.

Part XII. Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	1,731,822.
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	654,785.
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	2,386,607.
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	915.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	2,385,692.

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.

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				569,765.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			0.	
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2009				
a From 2004				
b From 2005				
c From 2006				
d From 2007				
e From 2008	600,145.			
f Total of lines 3a through e	600,145.			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 2,386,607.				
a Applied to 2008, 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) **	2,386,607.			
d Applied to 2009 distributable amount				0.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a))	569,765.			569,765.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	2,416,987.			
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 2008 Subtract line 4a from line 2a Taxable amount - see instr			0.	
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	1,780,200.			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2010 Subtract lines 7 and 8 from line 6a	636,787.			
10 Analysis of line 9				
a Excess from 2005				
b Excess from 2006				
c Excess from 2007				
d Excess from 2008				
e Excess from 2009	636,787.			

** SEE STATEMENT 13

Form 990-PF (2009)

CHARLES M. BAIR FAMILY TRUST

Form 990-PF (2009)

C/O U.S. BANK TRUST TAX DEPARTMENT

81-6075761

Page 10

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 2009, 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)

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

Tax year	Prior 3 years			(e) Total
(a) 2009	(b) 2008	(c) 2007	(d) 2006	

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))

NONE

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 SCHEDULE III

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

SEE SCHEDULE III

c Any submission deadlines

SEE SCHEDULE III

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

SEE SCHEDULE III

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount		
1 Program service revenue						
a MUSEUM OPERATIONS			41	21,846.		
b						
c						
d						
e						
f						
g Fees and contracts from government agencies						
2 Membership dues and assessments						
3 Interest on savings and temporary cash investments			14	111,036.		
4 Dividends and interest from securities			14	160,064.		
5 Net rental income or (loss) from real estate						
a Debt-financed property						
b Not debt-financed property						
6 Net rental income or (loss) from personal property						
7 Other investment income						
8 Gain or (loss) from sales of assets other than inventory			18	<174,016.>		
9 Net income or (loss) from special events						
10 Gross profit or (loss) from sales of inventory						
11 Other revenue						
a ROYALTY INCOME			15	3,355.		
b NONDIVIDEND						
c DISTRIBUTIONS			14	2,201.		
d						
e						
12 Subtotal. Add columns (b), (d), and (e)		0.		124,486.		0.
13 Total. Add line 12, columns (b), (d), and (e)				124,486.		124,486.

(See worksheet in line 13 instructions to verify calculations)

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

[illegible]

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

- | | | |
|--|-------------------|------------------|
| <p>1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?</p> <p>a Transfers from the reporting foundation to a noncharitable exempt organization of</p> <p>(1) Cash</p> <p>(2) Other assets</p> <p>b Other transactions</p> <p>(1) Sales of assets to a noncharitable exempt organization</p> <p>(2) Purchases of assets from a noncharitable exempt organization</p> <p>(3) Rental of facilities, equipment, or other assets</p> <p>(4) Reimbursement arrangements</p> <p>(5) Loans or loan guarantees</p> <p>(6) Performance of services or membership or fundraising solicitations</p> <p>c Sharing of facilities, equipment, mailing lists, other assets, or paid employees</p> <p>d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.</p> | <p>Yes</p> | <p>No</p> |
| | | |
| 1a(1) | | X |
| 1a(2) | | X |
| 1b(1) | | X |
| 1b(2) | | X |
| 1b(3) | | X |
| 1b(4) | | X |
| 1b(5) | | X |
| 1b(6) | | X |
| 1c | | X |

[illegible]

- 2a** Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule		
(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

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 or fiduciary) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer or trustee <u>Cowden O Malley</u>		Date <u>9-15-10</u>		Title <u>Trust Tax Officer</u>	
	Preparer's signature <u>Jeremy Hawk</u>		Date <u>9-14-10</u>		Check if self-employed <input type="checkbox"/>	
Paid Preparer's Use Only	Firm's name (or yours if self-employed), address, and ZIP code <u>EIDE BAIILLY LLP</u> <u>401N 31ST ST SUITE 1120, PO BOX 7112</u> <u>BILLINGS, MT 59103-7112</u>		Preparer's identifying number <u>P00626792</u>		EIN <u></u>	
	Phone no <u>406-896-2400</u>		EIN <u></u>			

Form **990-PF** (2009)

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

▶ Attach to Form 990, 990-EZ, or 990-PF.

OMB No 1545-0047

2009**Name of the organization**CHARLES M. BAIR FAMILY TRUST
C/O U.S. BANK TRUST TAX DEPARTMENT**Employer identification number**

81-6075761

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 an organization 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 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.

☐For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions 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 990-EZ that received from any one contributor, during the year, 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.** An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions
for Form 990, 990-EZ, or 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2009)

Name of organization CHARLES M. BAIR FAMILY TRUST C/O U.S. BANK TRUST TAX DEPARTMENT	Employer identification number 81-6075761
--	--

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	BAIR RANCH FOUNDATION U.S. BANK TRUST, P.O. BOX 30678 BILLINGS, MT 59115-0678	\$ 900,000.	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.)

CHARLES M BAIR FAMILY TRUST

DATE: 4/30/10

PORTFOLIO DETAIL

SHARES FACE AMOUNT		MARKET VALUE	COST BASIS/ ORIGINAL COST	CUSIP NUMBER	EST ANNUAL INCOME
CASH MANAGEMENT					
54,531.11	FIRST AMERICAN GOVERNMENT OBLIGATION FUND CL Y	54,531.11	54,531.11	31846V203	0
	TOTAL CASH MANAGEMENT	54,531.11	54,531.11		0
US TREAS & AGENCY OBLIGATIONS					
200,000	FEDERAL HOME LOAN BKS 4.875 05/14/2010	200,312.00	198,373.20	3133KXKD2	9,750
250,000	FEDERAL HOME LOAN BKS 3.625 09/16/2011	260,000.00	253,062.50	3133XS4S4	9,063
250,000	F N M A M T N 1.875 02/19/2013	250,157.50	250,000.00	3136FJ4D0	4,688
100,000	F H L M C M T N 5.000 07/15/2014	110,719.00	99,943.95	3134A4UU6	5,000
100,000	FEDERAL HOME LOAN BKS M T N 5.500 08/13/2014	113,125.00	100,612.80	3133XLJP9	5,500
250,000	FEDERAL HOME LOAN BKS 4.000 08/26/2016	252,657.50	250,000.00	3133XUNL3	10,000
200,000	FEDERAL HOME LOAN BKS 4.740 07/15/2019	201,812.00	199,750.00	3133XU3F8	9,480
500,000	FEDERAL FARM CREDIT BKS 4.730 09/10/2019	508,440.00	500,000.00	31331GN88	23,650
78,837.54	F H L M C GOLD PARTN CERT POOL #612528 5.000 02/01/2022	83,724.68	79,909.24	3128MBA56	3,942
83,144.28	F N M A PARTN CERT POOL #918552 5.000 06/01/2022	87,882.67	87,238.47	31411YQD8	4,157
	TOTAL US TREAS & AGENCY OBLIGATIONS	2,068,830.35	2,018,889.42		85,230

CHARLES M BAIR FAMILY TRUST

DATE: 4/30/10

PORTFOLIO DETAIL

SHARES ICE AMOUNT		MARKET VALUE	COST BASIS/ ORIGINAL COST	CUSIP NUMBER	EST ANNUAL INCOME
CORPORATE OBLIGATIONS					
100,000	GOLDMAN SACHS GROUP INC 4.500 06/15/2010	100,322.00	101,011.00	38143UBE0	4,500
100,000	BARCLAYS BANK PLC 11/30/2010	108,570.00	100,000.00	06739JYW7	0
	ZERO CPN				
100,000	AMERICAN EXPRESS CR CORP M T N TRANCHE # TR 00047 5.000 12/02/2010	102,002.00	101,915.00	0258M0BY4	5,000
130,000	CATERPILLAR INC 6.550 05/01/2011	136,991.40	129,646.40	149123BH3	8,515
100,000	HSBC FINANCE CRP 6.750 05/15/2011	105,251.00	103,464.00	40429CAA0	6,750
100,000	GOLDMAN SACHS GROUP INC SR UNSUB 6.600 01/15/2012	106,579.00	100,561.00	38141GBU7	6,600
100,000	JP MORGAN CHASE 5.750 01/02/2013	108,372.00	104,260.00	46625HAT7	5,750
100,000	GENERAL ELECTRIC COMPANY GLOBAL NOTE 5.000 02/01/2013	107,985.00	103,600.00	369604AY9	5,000
100,000	PITNEY BOWES INC 5.000 03/15/2015	107,620.00	98,063.00	724479AG5	5,000
100,000	CISCO SYS INC 5.500 02/22/2016	112,786.00	101,488.00	17275RAC6	5,500
100,000	DU PONT E I DE NEMOURS & CO 5.250 12/15/2016	108,961.00	98,246.00	263534BQ1	5,250
100,000	GLAXOSMITHKLINE CAP INC 5.650 05/15/2018	110,799.00	100,645.00	377372AD9	5,650
150,000	PEPSICO INC 5.000 06/01/2018	160,720.50	149,089.50	713448BH0	7,500
100,000	DEERE COMPANY 4.375 10/16/2019	102,449.00	100,623.00	244199BC8	4,375
TOTAL CORPORATE OBLIGATIONS		1,579,407.90	1,492,611.90		75,390

CHARLES M BAIR FAMILY TRUST

ACCOUNT NO: 50317010
DATE: 4/30/10

PORTFOLIO DETAIL

SHARES FACE AMOUNT		MARKET VALUE	COST BASIS/ ORIGINAL COST	CUSIP NUMBER	EST ANNUAL INCOME
-----		-----	-----	-----	-----
FOREIGN OBLIGATIONS					
75,000	DEUTSCHE BK LOND 5.375 10/12/2012	80,956.50	77,879.25	2515A0HQ9	4,031
25,000	BARCLAYS BANK PLC 04/10/2015	25,000.00	25,000.00	06740LAG0	0
	ZERO CPN	-----	-----		-----
	TOTAL FOREIGN OBLIGATIONS	105,956.50	102,879.25		4,031
DOMESTIC COMMON STOCKS					
1,900	ALLSTATE CORP	62,073.00	99,831.83	020002101	1,520
2,150	AMGEN INC	123,216.50	119,861.53	031162100	0
1,140	APACHE CORP	116,006.40	51,049.20	037411105	684
775	APPLE INC	202,344.75	51,811.25	037833100	0
460	BERKSHIRE HATHAWAY INC CL B	35,420.00	36,554.39	084670702	0
1,005	BEST BUY CO INC	45,747.60	35,898.60	086516101	563
2,000	CISCO SYS INC	53,860.00	47,260.00	17275R102	0
1,000	COACH INC	41,750.00	36,560.00	189754104	300
4,000	COMCAST CORP CL A	79,080.00	92,383.46	20030N101	1,512
2,000	CONOCOPHILLIPS	118,380.00	78,425.00	20825C104	4,400
1,215	DISNEY WALT CO	44,760.60	35,823.55	254687106	425
1,900	ECOLAB INC	92,796.00	44,113.02	278865100	1,178
2,400	EXELON CORPORATION	104,616.00	125,377.23	30161N101	5,040

CHARLES M BAIR FAMILY TRUST

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ACCOUNT NO: 50317010
DATE: 4/30/10

PORTFOLIO DETAIL

SHARES PRICE AMOUNT		MARKET VALUE	COST BASIS/ ORIGINAL COST	CUSIP NUMBER	EST ANNUAL INCOME
2,000	EXXON MOBIL CORP	135,540.00	37,760.85	30231G102	3,520
433	FREEPORT MCMORAN COPPER GOLD	32,704.49	31,819.52	35671D857	260
5,500	GENERAL ELECTRIC CO	103,730.00	84,151.77	369604103	2,200
655	GENERAL MILLS INC	46,609.80	45,413.25	370334104	1,284
238	GOLDMAN SACHS GROUP INC	34,557.60	37,814.07	38141G104	333
122	GOOGLE INC CL A	64,134.79	44,540.74	38259P508	0
600	HEWLETT PACKARD CO	31,182.00	29,889.30	428236103	192
1,600	ILLINOIS TOOL WORKS	81,760.00	72,259.53	452308109	1,984
5,400	INTEL CORP	123,336.00	65,857.99	458140100	3,402
2,670	J P MORGAN CHASE CO	113,688.60	106,595.89	46625H100	534
2,200	JOHNSON JOHNSON	141,460.00	108,888.59	478160104	4,752
150	MASTERCARD INC	37,206.00	35,921.49	57636Q104	90
1,200	MCDONALDS CORP	84,708.00	66,580.81	580135101	2,640
2,340	MEDTRONIC INC	102,234.60	115,485.21	585055106	1,919
4,320	MICROSOFT CORP	131,911.20	35,219.89	594918104	2,246
4,800	ORACLE CORPORATION	124,164.00	87,703.05	68389X105	960
2,350	PEPSICO INC	153,267.00	112,318.80	713448108	4,230
5,100	PFIZER INC	85,272.00	160,674.56	717081103	3,672

SCHEDULE I

CHARLES M BAIR FAMILY TRUST

ACCOUNT NO: 50317010
DATE: 4/30/10

PORTFOLIO DETAIL

SHARES FACE AMOUNT		MARKET VALUE	COST BASIS/ ORIGINAL COST	CUSIP NUMBER	EST ANNUAL INCOME
-----		-----	-----	-----	-----
855	PRAXAIR INC	71,623.35	32,354.61	74005P104	1,539
2,350	PROCTER & GAMBLE CO	146,076.00	115,117.71	742718109	4,528
2,000	QUALCOMM INC	77,360.00	30,630.78	747525103	1,520
2,940	SCHWAB CHARLES CORP	56,712.60	52,306.96	808513105	706
1,560	STATE STR CORP	67,860.00	62,565.64	857477103	62
1,500	TARGET CORPORATION	85,305.00	44,771.02	87612E106	1,020
1,100	UNITED PARCEL SERVICE INC CL B	76,054.00	59,394.84	911312106	2,068
1,640	UNITED TECHNOLOGIES CORP	122,918.00	75,350.97	913017109	2,788
3,500	VERIZON COMMUNICATIONS INC	101,150.00	121,288.51	92343V104	6,650
1,400	WAL MART STORES INC	75,096.00	50,109.48	931142103	1,694
3,900	WELLS FARGO CO	129,129.00	94,648.98	949746101	780
925	3M CO	82,019.75	56,594.02	88579Y101	1,943
	TOTAL DOMESTIC COMMON STOCKS	3,838,820.63	2,928,977.89		75,138
	FOREIGN STOCKS				

1,050	SCHLUMBERGER LTD	74,991.00	55,305.92	806857108	882
	TOTAL FOREIGN STOCKS	74,991.00	55,305.92		882

CHARLES M BAIR FAMILY TRUST

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ACCOUNT NO: 50317010

DATE: 4/30/10

PORTFOLIO DETAIL

SHARES FACE AMOUNT -----		MARKET VALUE -----	COST BASIS/ ORIGINAL COST -----	CUSIP NUMBER -----	EST ANNUAL INCOME -----
MUTUAL FUNDS -----					
27,057.786	AMER CENT NEW OPPORTU II CL INV	194,274.90	225,000.00	025083338	0
387,228.65	COAST DIVERSIFIED FUND II LTD	590,441.00	541,202.97	COASTFD21	0
12,135.922	FIRST AMERICAN HIGH INCOME BOND FD CL Y	106,432.04	100,000.00	318929783	8,495
41,518.387	FIRST AMERICAN INTL SELECT FD CL Y	378,232.51	350,000.00	31853P743	1,412
6,668.056	FIRST AMERICAN MID CAP GRWTH OPP FD CL Y	247,918.32	285,000.00	318941598	0
18,318.146	FIRST AMERICAN REAL ESTATE SECURITIES FUND CL Y	306,462.58	295,109.49	318530268	9,599
17,768.202	FIRST AMERICAN SMALL CAP SELECT FD CL Y	228,854.44	260,733.56	318941481	107
4,000	I SHARES MSCI EAFE INDEX FUND E T F	217,640.00	314,222.00	464287465	5,764
8,000	IPATH DOW JONES UBS COMMODITY	324,960.00	397,942.85	06738C778	0
5,000	ISHARES MSCI EMERGING MKTS E T F	210,250.00	215,010.37	464287234	2,910
5,000	ISHARES S&P PREF STK INDX FD	192,650.00	181,325.20	464288687	14,150
24,139.663	LAUDUS INTL MKTMASTERS INV FUND	405,787.74	525,000.00	808509889	4,321
11,139.096	T ROWE PRICE MID CAP VALUE CL ADV	252,968.87	285,000.00	77957Y304	2,005
TOTAL MUTUAL FUNDS		3,656,873.00	3,772,435.44		48,763

FMV

Cost

Corporate Obligations	1,579,408	1,492,612
Foreign Obligations	105,957	102,879
Domestic Stocks	3,838,821	2,928,978
Foreign Stocks	74,991	55,306
Mutual Funds	3,656,873	3,772,435

Total Investments

9,256,049

8,352,210

SCHEDULE I

CHARLES M BAIR FAMILY TRUST

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ACCOUNT NO: 50317010
DATE: 4/30/10

PORTFOLIO DETAIL

SHARES FACE AMOUNT		MARKET VALUE	COST BASIS/ ORIGINAL COST	CUSIP NUMBER	EST ANNUAL INCOME
REAL ESTATE					
1	SINGLE FAMILY - BANK MANAGED SFD STATE HIGHWAY #294 MARTINSDALE MEAGHER CNTY MONTANA LOT 1, BLK 1, BAIR RANCH SUBD.IN NW1/4 & SW1/4 S11, T8N, R11E, PM	650,000.00	541,250.00	9964122G6	0
8	VARIOUS MINERAL INTEREST(S)	13,154.00	8.00	99MIN2323	0
TOTAL REAL ESTATE		663,154.00	541,258.00		0
MISCELLANEOUS ASSETS					
564,350	BAIR RANCH FOUNDATION	14,486,187.00	14,486,187.00	057993107	0
1	COLLECTIBLE GOOD PHOTOGRAVURES PRINTS AND BOOKS	50,000.00	442,956.00	991810JM5	0
1	COLLECTIBLE GOOD PAINTINGS AND WATERCOLORS	7,998,000.00	1,815,142.00	991810JN3	0
1	COLLECTIBLE GOOD SILVER AND SILVER-PLATE	716,600.00	283,951.00	991810JP8	0
1	COLLECTIBLE GOOD FURNITURE AND DECORATIONS	1,531,190.00	557,319.00	991810JQ6	0
1	COLLECTIBLE GOOD AMERICAN INDIAN ART	573,350.00	303,278.00	991810JR4	0
TOTAL MISCELLANEOUS ASSETS		25,355,327.13	17,888,833.00		0
TOTAL UNINVESTED CASH		0.00	0.00		
TOTAL INVESTMENTS		37,194,678.54	29,058,933.93		289,434

TIME OF TRADE EXECUTION AND TRADING PARTY (IF NOT DISCLOSED) WILL BE PROVIDED UPON REQUEST.

SCHEDULE I

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STATEMENT OF CAPITAL GAINS AND LOSSES
CHARLES M BAIR FAMILY TRUST

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TRUST YEAR ENDING 04/30/2010

TAX PREPARER 389
TRUST ADMINISTRATOR 1239
INVESTMENT OFFICER 1067

LEGEND F - FEDERAL S - STATE I - INHERITED
E - EXEMPT FROM STATE U - ACQ COST UNKNOWN

PROPERTY DESCRIPTION	SHARES	DATE	SALES PRICE	COST BASIS	GAIN/LOSS	TERM
0000 AOL TIME WARNER INC - 00184A105 - MINOR = 42						
SOLD		01/19/2010	207 19			
ACQ			207 19		207 19	LT15
CHANGED 05/10/10 CJO						
0000 AMERICAN INTL GROUP INC - 026874107 - MINOR = 42						
SOLD		06/24/2009	552 86			
ACQ			552 86		552 86	LT15
ADDED 07/17/09 SLW						
900 0000 BOEING CO - 097023105 - MINOR = 42						
SOLD		11/03/2009	43333 88			
ACQ	570 0000	12/10/2007	27444 79	52804 74	-25359 95	LT15
	330 0000	04/16/2008	15889 09	25164 90	-9275 81	LT15
0000 CARDINAL HEALTH INC - 14149Y108 - MINOR = 42						
SOLD		09/18/2009	1799 03			
ACQ			1799 03		1799 03	LT15
CHANGED 01/18/10 PAR						
150 0000 CONOCOPHILLIPS - 20825C104 - MINOR = 42						
SOLD		04/12/2010	8371 70			
ACQ	150 0000	01/17/2006	8371 70	9478 50	-1106 80	LT15
75000 0000 CREDIT SUISSE FB USA 4 125% 1/15/10 - 22541LAQ6 - MINOR = 28						
SOLD		01/15/2010	75000 00			
ACQ	75000 0000	03/27/2008	75000 00	75789 75	-789 75	LT15
0000 ENRON CORP - 293561106 - MINOR = 81						
SOLD		01/05/2010	2624 93			
ACQ			2624 93		2624 93	LT15
CHANGED 01/19/10 SLW						
3846 6300 F H L M C GD G12528 5 000% 2/01/22 - 3128MBA56 - MINOR = 24						
SOLD		05/15/2009	3846 63			
ACQ	3846 6300	02/01/2008	3846 63	3898 92	-52 29	LT15
2731 9300 F H L M C GD G12528 5 000% 2/01/22 - 3128MBA56 - MINOR = 24						
SOLD		06/15/2009	2731 93			
ACQ	2731 9300	02/01/2008	2731 93	2769 07	-37 14	LT15
4387 0700 F H L M C GD G12528 5 000% 2/01/22 - 3128MBA56 - MINOR = 24						
SOLD		07/15/2009	4387 07			
ACQ	4387 0700	02/01/2008	4387 07	4446 71	-59 64	LT15
2570 1600 F H L M C GD G12528 5 000% 2/01/22 - 3128MBA56 - MINOR = 24						
SOLD		08/15/2009	2570 16			
ACQ	2570 1600	02/01/2008	2570 16	2605 10	-34 94	LT15
2156 3100 F H L M C GD G12528 5 000% 2/01/22 - 3128MBA56 - MINOR = 24						
SOLD		09/15/2009	2156 31			
ACQ	2156 3100	02/01/2008	2156 31	2185 62	-29 31	LT15
2361.1400 F H L M C GD G12528 5 000% 2/01/22 - 3128MBA56 - MINOR = 24						
SOLD		10/15/2009	2361 14			
ACQ	2361 1400	02/01/2008	2361 14	2393 24	-32 10	LT15
1856 3500 F H L M C GD G12528 5 000% 2/01/22 - 3128MBA56 - MINOR = 24						
SOLD		11/15/2009	1856 35			
ACQ	1856 3500	02/01/2008	1856 35	1881 58	-25 23	LT15
2725 0200 F H L M C GD G12528 5 000% 2/01/22 - 3128MBA56 - MINOR = 24						
SOLD		12/15/2009	2725 02			
ACQ	2725 0200	02/01/2008	2725 02	2762 06	-37 04	LT15
3051 5300 F H L M C GD G12528 5 000% 2/01/22 - 3128MBA56 - MINOR = 24						
SOLD		01/15/2010	3051 53			
ACQ	3051 5300	02/01/2008	3051 53	3093 01	-41 48	LT15
2238 3200 F H L M C GD G12528 5 000% 2/01/22 - 3128MBA56 - MINOR = 24						
SOLD		02/15/2010	2238 32			
ACQ	2238 3200	02/01/2008	2238 32	2268 75	-30 43	LT15
3284 9600 F H L M C GD G12528 5 000% 2/01/22 - 3128MBA56 - MINOR = 24						
SOLD		03/15/2010	3284 96			
ACQ	3284 9600	02/01/2008	3284 96	3329 61	-44 65	LT15
1839 1800 F H L M C GD G12528 5 000% 2/01/22 - 3128MBA56 - MINOR = 24						
SOLD		04/15/2010	1839 18			
ACQ	1839 1800	02/01/2008	1839 18	1864 18	-25 00	LT15
100000 0000 F F C B DEB 6 150% 11/22/16 - 31331V2X7 - MINOR = 22						
SOLD		05/22/2009	100000 00			
ACQ	100000 0000	05/15/2006	100000 00	99950 00	50 00	LT15
100000 0000 F F C B DEB 4 750% 8/13/13 - 31331Y6E5 - MINOR = 22						
SOLD		08/13/2009	100000 00			
ACQ	100000 0000	08/07/2008	100000 00	100000 00	0 00	LT15
5868.3000 F N M A #918552 5 000% 6/01/22 - 31411YQD8 - MINOR = 24						
SOLD		05/25/2009	5868 30			
ACQ	5868 3000	02/01/2008	5868 30	5948 99	-80 69	LT15
3270 6700 F N M A #918552 5 000% 6/01/22 - 31411YQD8 - MINOR = 24						
SOLD		07/25/2009	3270 67			
ACQ	3270 6700	02/01/2008	3270 67	3315 64	-44 97	LT15
5906 3100 F N M A #918552 5 000% 6/01/22 - 31411YQD8 - MINOR = 24						
SOLD		08/25/2009	5906 31			
ACQ	5906 3100	02/01/2008	5906 31	5987 52	-81 21	LT15
3016 6200 F N M A #918552 5 000% 6/01/22 - 31411YQD8 - MINOR = 24						
SOLD		09/25/2009	3016 62			
ACQ	3016 6200	02/01/2008	3016 62	3058 10	-41 48	LT15
4283 1500 F N M A #918552 5 000% 6/01/22 - 31411YQD8 - MINOR = 24						
SOLD		10/25/2009	4283 15			
ACQ	4283 1500	02/01/2008	4283 15	4342 04	-58 89	LT15

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TRUST YEAR ENDING 04/30/2010

TAX PREPARER 389
TRUST ADMINISTRATOR 1239
INVESTMENT OFFICER 1067

LEGEND F - FEDERAL S - STATE I - INHERITED
E - EXEMPT FROM STATE U - ACQ COST UNKNOWN

PROPERTY DESCRIPTION	SHARES	DATE	SALES PRICE	COST BASIS	GAIN/LOSS	TERM
2033 1800 F N M A #918552		5 000%	6/01/22 - 31411YQD8 - MINOR = 24			
SOLD		11/25/2009	2033 18			
ACQ	2033 1800	02/01/2008	2033 18	2061 14	-27 96	LT15
987 8100 F N M A #918552		5 000%	6/01/22 - 31411YQD8 - MINOR = 24			
SOLD		12/25/2009	987 81			
ACQ	987 8100	02/01/2008	987 81	1001 39	-13 58	LT15
2966 6100 F N M A #918552		5 000%	6/01/22 - 31411YQD8 - MINOR = 24			
SOLD		01/25/2010	2966 61			
ACQ	2966 6100	02/01/2008	2966 61	3007 40	-40 79	LT15
1329 4500 F N M A #918552		5 000%	6/01/22 - 31411YQD8 - MINOR = 24			
SOLD		02/25/2010	1329 45			
ACQ	1329 4500	02/01/2008	1329 45	1347 73	-18 28	LT15
1766 0100 F N M A #918552		5 000%	6/01/22 - 31411YQD8 - MINOR = 24			
SOLD		03/25/2010	1766 01			
ACQ	1766 0100	02/01/2008	1766 01	1790 29	-24 28	LT15
1653 7800 F N M A #918552		5 000%	6/01/22 - 31411YQD8 - MINOR = 24			
SOLD		04/25/2010	1653 78			
ACQ	1653 7800	02/01/2008	1653 78	1676 52	-22 74	LT15
23143 1810 FIDELITY ADV DIVERSIFIED INTL CL A - 315920736 - MINOR = 98						
SOLD		02/10/2010	317524 44			
ACQ	3099 8140	03/24/2004	42529 45	50000 00	-7470 55	LT15
	4981 9640	03/26/2004	68352 55	81853 67	-13501 12	LT15
	8227 0670	05/12/2006	112875 36	200000 00	-87124 64	LT15
	6834 3360	08/07/2008	93767 09	125000 00	-31232 91	LT15
3086 4200 FIRST AMERICAN REAL ESTATE SECS FD Y - 318530268 - MINOR = 98						
SOLD		04/12/2010	50000 00			
ACQ	2793 2960	08/07/2008	45251 39	49667 81	-4416 42	LT15
	293 1240	04/16/2004	4748 61	4813 41	-64 80	LT15
CHANGED 05/10/10 CJO PREP NOTE EXISTS						
7492 5070 FIRST AMER SHORT TERM BOND FD CL Y - 318530797 - MINOR = 99						
SOLD		03/05/2010	75000 00			
ACQ	7492 5070	02/12/2010	75000 00	74925 07	74 93	ST
19980 0200 FIRST AMER SHORT TERM BOND FD CL Y - 318530797 - MINOR = 99						
SOLD		04/07/2010	200000 00			
ACQ	19980 0200	02/12/2010	200000 00	199800 20	199 80	ST
2497 5020 FIRST AMER SHORT TERM BOND FD CL Y - 318530797 - MINOR = 99						
SOLD		04/08/2010	25000 00			
ACQ	2497 5020	02/12/2010	25000 00	24975 02	24 98	ST
10029 9710 FIRST AMER SHORT TERM BOND FD CL Y - 318530797 - MINOR = 99						
SOLD		04/12/2010	100500 31			
ACQ	10029 9710	02/12/2010	100500 31	100299 71	200 60	ST
100000.0000 INTL LEASE FIN CORP 5 250%		1/10/13 - 45974VZK9 - MINOR = 28				
SOLD		01/29/2010	83175 00			
ACQ	100000 0000	05/07/2007	83175 00	99940 00	-16765 00	LT15
1430 0000 MICROSOFT CORP - 594918104 - MINOR = 3101						
SOLD		01/26/2010	42399 68			
ACQ	240 0000	08/15/2002	7116 03	5996 28	1119 75	LT15
	204 0000	01/16/2003	6048 63	5677 32	371 31	LT15
	500 0000	01/29/2004	14825 06	13870 00	955 06	LT15
	50 0000	01/17/2006	1482 51	1355 50	127 01	LT15
	436 0000	08/09/2006	12927 45	10738 68	2188 77	LT15
4000 0000 STAPLES INC COMMON STOCK - 855030102 - MINOR = 42						
SOLD		02/10/2010	94608 40			
ACQ	3000 0000	01/13/2005	70956 30	64870 80	6085 50	LT15
	1000 0000	01/17/2006	23652 10	22240 00	1412 10	LT15
.0000 TELE COMMUNICATIONS SYSTEMS INC - 87929J103 - MINOR = 42						
SOLD		04/02/2010	91 48			
ACQ			91 48		91 48	LT15
CHANGED 06/28/10 PAR						
150000 0000 TOYOTA MOTOR CREDIT 4 000%		6/25/10 - 89233P233 - MINOR = 28				
SOLD		06/25/2009	150000 00			
ACQ	150000 0000	06/13/2008	150000 00	150000 00	0 00	LT15
225 0000 UNITED PARCEL SERVICE INC CL B - 911312106 - MINOR = 42						
SOLD		04/12/2010	14570 75			
ACQ	60 0000	04/24/2002	3885 53	3625 20	260 33	LT15
	125 0000	12/02/2002	8094 86	7988 75	106 11	LT15
	40 0000	03/21/2002	2590 36	2413 60	176 76	LT15
75000 0000 U S TREASURY NT 2 250%		1/31/15 - 912828MH0 - MINOR = 21				
SOLD		03/05/2010	74747 80			
ACQ	75000 0000	02/10/2010	74747 80	74765 88	-18 08	ST-W
25000 0000 U S TREASURY NT 2 250%		1/31/15 - 912828MH0 - MINOR = 21				
SOLD		04/07/2010	24592 69			
ACQ	25000 0000	02/10/2010	24592 69	24921 96	-329 27	ST
150000 0000 U S TREASURY NT 2 250%		1/31/15 - 912828MH0 - MINOR = 21				
SOLD		04/12/2010	148106 92			
ACQ	150000 0000	02/10/2010	148106 92	149531 75	-1424 83	ST
1350 0000 WAL MART STORES INC - 931142103 - MINOR = 42						
SOLD		02/10/2010	71954 09			
ACQ	612 0000	10/21/2004	32619 19	32013 72	605 47	LT15
	570 0000	01/18/2007	30380 62	27752 81	2627 81	LT15
	168 0000	11/29/2006	8954 29	7931 15	1023 14	LT15
250 0000 WAL MART STORES INC - 931142103 - MINOR = 42						
SOLD		04/12/2010	13722 46			
ACQ	250 0000	11/29/2006	13722 46	11802 30	1920 16	LT15

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TRUST ADMINISTRATOR 1239
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LEGEND F - FEDERAL S - STATE I - INHERITED
E - EXEMPT FROM STATE U - ACQ COST UNKNOWN

PROPERTY DESCRIPTION	SHARES	DATE	SALES PRICE	COST BASIS	GAIN/LOSS	TERM
150000 0000 WAL MART STORES	6 875%	8/10/09	- 931142BE2	- MINOR = 28		
SOLD		08/10/2009	150000 00			
ACQ 150000 0000		01/20/2000	150000 00	150000 00	0 00	LT15
170 0000 WELLS FARGO & CO NEW		949746101	- MINOR = 42			
SOLD		04/12/2010	5519 80			
ACQ 70 0000		04/05/2004	2272 86	1982 75	290 11	LT15
100 0000		04/20/2004	3246 94	2805 53	441 41	LT15
TOTALS			2039533 90	2213781 37		

SUMMARY OF CAPITAL GAINS/LOSSES

FEDERAL	SHORT TERM	LONG TERM 28%	LONG TERM 15%	ST WASH SALE	LT WASH SALE	1250 GAIN
SUBTOTAL FROM ABOVE	-1253 79	0 00	-172975 60	-18 08	0 00	0 00*
COMMON TRUST FUND	0 00	0 00	0 00			0 00
CAPITAL GAIN DIVIDENDS	231 43	0 00	0 00			0 00
	-1022 36	0 00	-172975 60	-18 08	0 00	0 00
STATE						
SUBTOTAL FROM ABOVE	-1253 79	0 00	-172975 60	-18 08	0 00	0 00*
COMMON TRUST FUND	0 00	0 00	0 00			0 00
CAPITAL GAIN DIVIDENDS	231 43	0 00	0 00			0 00
	-1022 36	0 00	-172975 60	-18 06	0 00	0 00

* - 1250 GAIN DETAILED ON TRANS PAGES, NOT ABOVE

CAPITAL LOSS CARRYOVER

FEDERAL	0 00	0 00
MONTANA	N/A	N/A

**CHARLES M. BAIR
FAMILY TRUST**

U S Bank, N A, Trustee
303 North Broadway
P O Box 30678
Billings, MT 59115
(406)-657-8139

GRANT APPLICATION

Name of Your Organization _____
Your Qualified Taxpayer ID _____
Address _____
City _____ State _____ Zip Code _____
Contact Person's Name/Phone _____
Contact Person's Title _____

TYPE OF ORGANIZATION

- ☐ 501(c)(3) Organization (not a Private Foundation) ☐ Private Non-Operating Foundation
☐ Government Entity ☐ Private Operating Foundation ☐ Non-Exempt Organization
*For all types, please include your organization's IRS determination letter with your application

PROJECT CATEGORY

- ☐ Educational Institution ☐ Hospitals or Organization Providing Health Related Services ☐ Cultural Organization
☐ Civic Service Organization ☐ Human Service Organization

Project Title and Brief Description _____

County(ies) to be Served _____

Client Group To Be Served _____ Size of Group _____

Type of Request: ☐ Capital ☐ Operating Support ☐ Special Project

Anticipated Project Period _____ to _____

Total Project Cost \$ _____ Total Prior Grant Awards from Trust \$ _____

Amount Requested from the Charles M. Bair Family Trust \$ _____

Amount & Source of Pledge/Commitments to Date \$ _____

Other Funding Sources (and Amounts) that Applicant has sought for this Project: _____

Attachments Included: _____

Signature _____ Date _____

Your application must include the following information:

- Proposed project summary
- IRS letter of determination (see guidelines for exceptions)
- Form 990 or 99EZ
- Current operating budget and balance sheet

Incomplete applications will be returned. Please review the application guidelines carefully.

Charles M Bair Family Trust Grant Application as amended April 2005

SCHEDULE III

ELIGIBLE CATEGORIES

Organizations that the Charles M. Bair Family Trust Board of Advisors may consider are as follows:

Educational Institutions, both public and private, that are located in Montana, with an emphasis placed upon colleges and universities

Hospitals and organizations providing health-related services, including medical research organizations, health maintenance organizations, blood banks, and hospices.

Cultural organizations, including organizations involved in the performing or visual arts, historical centers, museums and zoos.

Civic service organizations, including organizations that promote community development and provide public services

Human service organizations, including organizations providing services to children, senior citizens, handicapped persons and poor and distressed persons.

INELIGIBLE CATEGORIES

The Board will not generally award grants to the organizations or for the uses listed below:

- Political organizations, candidates and campaigns
- Propaganda campaigns for political causes or lobbying activities
- Churches, conventions or associations of churches
- Non-charitable organizations, even if the grant is intended to be used for charitable purposes
- Grants or loans to individuals
- Grants for conferences, symposiums or travel expenses
- Corporate memberships or contributions to associations that directly benefit corporate entities
- Supporting organizations described in Section 509(a)(3) of the Internal Revenue Code.

CHARLES M. BAIR

FAMILY TRUST

CHARLES M. BAIR

FAMILY TRUST

U.S. Bank,
National Association

303 North Broadway

P.O. Box 30678

Billings, Montana 59115

(406) 657-8139

Guidelines as of October 2007

APPLICATIONS GUIDELINES

SCHEDULE III

ABOUT THE TRUST

The Charles M Bair Family Trust was established to commemorate the legacy of one of Montana's greatest and most influential families. The Bair family's dedication to philanthropic work in Montana is carried on, in accordance with the wishes of the last surviving member of the family, Alberta M Bair, who died in May 1993.

Today, the Trust strives to continue the direction and initiatives maintained by Alberta M Bair and her late sister, Marguerite, in granting financial contributions to qualifying organizations. Grant applications and accompanying certification of tax-exempt status are reviewed by a Board of Advisors (The Board).

The Board consists of a designee from U S Bank, a designee from U S Bank, personal trust department, a designee of the law firm of Moulton, Bellingham, Longo & Mather, P C., and two members at large from Meagher, Wheatland and Yellowstone Counties, but with not more than one member to be from the first two counties named above.

The Board has discretion to determine the amount of funding from the Trust available for charitable, religious, scientific, literary or educational purposes, within the meaning of Section 501(c)(3) of the Internal Revenue Code and its corresponding regulations.

The Board is also vested with the authority to select annually recipients who receive funding from the Trust. The only limitation placed on grant recipients is that charitable organizations must be located or domiciled within the State of Montana. Strong preference will also be given to applicants from Yellowstone, Meagher or Wheatland Counties in Montana.

HOW TO APPLY

Before applying, an organization should review the information in this brochure to determine the organization's eligibility for a grant from the Charles M Bair Family Trust.

The organization should carefully answer each question listed on the application.

GUIDELINES

The grant application must be accompanied by a typewritten summary of two pages or less that describes the applicant organization and the specific program or project for which it is seeking a grant.

Applicants must be organized under Section 501(c)(3) or Section 170(c)(1) of the Internal Revenue Code. Applicants must attach to the grant application a tax determination letter from the Internal Revenue Service verifying its organization's tax-exempt status as either a non profit entity or a government agency. **The EIN and tax determination letter must be that of the applicant.** One organization cannot sponsor another organization's grant request or create partnership for a grant because one entity has not met requirements of IRS section 501(c)(3) or Section 170(c)(1).

If an applicant organization is a Section 501(c)(3) organization that is not a private foundation, it must also attach to the grant application a copy of its latest annual information return (Form 990 or Form 990-EZ or 990PF). **If the applicant organization is not required to file a tax return, an explanation that it is not and why must accompany the application.**

An applicant organization must submit a copy of its current operating budget and balance sheet and briefly describe how its on-going funding will be achieved.

Six copies of the grant application and typewritten summary pages with one set of supporting evidence as required should be mailed as directed below. **Please do not staple material.**

GRANT APPLICATION DEADLINE

March 1st Annually. If March 1st falls on a weekend, the grant applications will be due the following business day.

Applications must be postmarked by the above dates and received no later than three days afterward for consideration within the current funding cycle.

Charles M. Bair Family Trust

U.S. Bank Trust, N. A.

303 North Broadway, P.O. Box 30678

Billings, Montana 59115

Website: charlesmbairtrusts.org

Telephone: (406) 657-8139

Email: penny.doak@usbank.com

APPLICATIONS MUST INCLUDE

- The organization's IRS letter of determination
- Form 990 or 990EZ (or an explanation as to why the organization is not required to file)
- Current operating budget and balance sheet
- The county of service listed on application
- Separate thorough project explanation

INCOMPLETE APPLICATIONS

Incomplete applications will be returned to grant applicants and considered, if completed application is re-submitted by the March 1st deadline.

NOTIFICATION OF GRANT AWARDS

The Board will send a written response to grant applicants within 90 days of the grant application cycle deadline. The Board may, at its discretion, give priority to time-sensitive requests.

ANNUAL REVIEWS

Grant awards will be reviewed annually. To assist in such reviews, documentation from grant recipient's confirming the uses funds is required. **Grants must be used for the purpose as stated in the original application. Any grantee failing to timely file grant reports will become ineligible for future grant consideration.** All grant recipients must consent to The Board's use of their names and purposes in publicizing grant awards.

SCHEDULE III

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

SOURCE	AMOUNT
INTEREST	111,036.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	111,036.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
CAPITAL GAIN DIVIDENDS	231.	231.	0.
DIVIDENDS	107,798.	0.	107,798.
US GOVERNMENT INTEREST & DIVIDENDS	52,266.	0.	52,266.
TOTAL TO FM 990-PF, PART I, LN 4	160,295.	231.	160,064.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
MUSEUM OPERATIONS	21,846.	0.	
ROYALTY INCOME	3,355.	3,355.	
NONDIVIDEND DISTRIBUTIONS	2,201.	2,201.	
TOTAL TO FORM 990-PF, PART I, LINE 11	27,402.	5,556.	

FORM 990-PF LEGAL FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
CRIST LAW FIRM, LLC	1,595.	319.		1,276.
MATOVICH & KELLER, P.C.	4,177.	835.		3,342.
MOULTON, BELLINGHAM	4,967.	993.		3,974.
TO FM 990-PF, PG 1, LN 16A	10,739.	2,147.		8,592.

FORM 990-PF	ACCOUNTING FEES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
EIDE BAILLY LLP	11,330.	1,700.		9,630.	
US BANK	2,000.	300.		1,700.	
TO FORM 990-PF, PG 1, LN 16B	13,330.	2,000.		11,330.	

FORM 990-PF	TAXES			STATEMENT	6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
FOREIGN TAXES	2,139.	2,139.		0.	
PAYROLL TAXES	32,560.	16,280.		16,280.	
TO FORM 990-PF, PG 1, LN 18	34,699.	18,419.		16,280.	

FORM 990-PF	OTHER EXPENSES			STATEMENT	7
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
MUSEUM INSURANCE	42,650.	0.		42,650.	
OFFICER LIABILITY INSURANCE	5,235.	0.		5,235.	
MUSEUM ARCHITECT FEES	1,587.	0.		1,587.	
MISCELLANEOUS	5,905.	886.		5,020.	
ADVERTISING	9,017.	0.		9,017.	
CONSTRUCTION - MUSEUM	4,924.	0.		4,924.	
MUSEUM OPERATING EXPENSES	9,908.	0.		9,908.	
OFFICE EXPENSES	5,522.	0.		5,522.	
DUES & SUBSCRIPTIONS	275.	0.		275.	
TO FORM 990-PF, PG 1, LN 23	85,023.	886.		84,138.	

FOOTNOTES

STATEMENT 8

SECTION 4942(H)(2) ELECTION
AS TO THE TREATMENT OF QUALIFYING DISTRIBUTIONS

PERSUANT TO IRS SEC. 4942(H)(2) AND REG. 53-4942(A)-3(D)(2),
THE CHARLES M. BAIR FAMILY TRUST HEREBY ELECTS TO TREAT
CURRENT YEAR QUALIFYING DISTRIBUTIONS IN EXCESS OF THE
IMMEDIATELY PRECEDING YEAR'S UNDISTRIBUTED INCOME AS BEING
MADE OUT OF CORPUS.

TAX YEAR	AMOUNT
CORPUS	1,875,729

FORM 990-PF	U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS			STATEMENT	9
DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE	
SEE SCHEDULE I	X		2,018,889.	2,068,830.	
TOTAL U.S. GOVERNMENT OBLIGATIONS			2,018,889.	2,068,830.	
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS					
TOTAL TO FORM 990-PF, PART II, LINE 10A			2,018,889.	2,068,830.	

FORM 990-PF	CORPORATE STOCK		STATEMENT	10
DESCRIPTION			BOOK VALUE	FAIR MARKET VALUE
SEE SCHEDULE I			8,555,422.	9,256,048.
TOTAL TO FORM 990-PF, PART II, LINE 10B			8,555,422.	9,256,048.

FORM 990-PF

PART VIII - LIST OF OFFICERS, DIRECTORS
TRUSTEES AND FOUNDATION MANAGERS

STATEMENT 11

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
BILL JONES 174 JONES RD. HARLOWTON, MT 59036	CHAIRMAN 15.00	12,150.	0.	0.
KAREN FAGG 3053 THOUSAND OAKS ST. BILLINGS, MT 59102	VICE CHAIR 15.00	12,150.	0.	0.
U.S. BANK TRUST NATIONAL ASSOCIATION BILL DAVIES - DESIGNEE, P.O. BOX 30678 BILLINGS, MT 59115	SECRETARY 15.00	0.	0.	0.
U.S. BANK TRUST NATIONAL ASSOCIATION BILL LUCAS - DESIGNEE, P.O. BOX 30678 BILLINGS, MT 59115	TRUSTEE 15.00	206,662.	0.	0.
MOULTON BELLINGHAM JOHN JONES - DESIGNEE, 27 NORTH 27TH STREET BILLINGS, MT 59102	MEMBER 15.00	9,900.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		240,862.	0.	0.

FORM 990-PF

REDUCTION EXPLANATION
PART X, LINE 1E

STATEMENT 12

EXPLANATION FOR REDUCTION CLAIMED FOR BLOCKAGE OR OTHER FACTORS

THE CHARLES M. BAIR FAMILY TRUST HAS A MEMBERSHIP INTEREST IN ANOTHER PRIVATE FOUNDATION, THE BAIR RANCH FOUNDATION. THE BAIR RANCH FOUNDATION MAKES ANNUAL DISTRIBUTIONS BASED ON THE VALUE OF ITS ASSETS. THE CONTRIBUTIONS MADE TO THE CHARLES M. BAIR FAMILY TRUST FROM THE BAIR RANCH FOUNDATION ARE TREATED AS PASS THROUGH CONTRIBUTIONS. ACCORDINGLY, THE VALUE OF THE MEMBERSHIP INTEREST IS NOT INCLUDED AS IT IS CONSIDERED AN EXEMPT ASSET AND TO INCLUDE THE VALUE HERE WOULD RESULT IN DUPLICATION.

AS TO THE VALUE OF THE MEMBERSHIP INTERESTS, BOOK VALUE HAS BEEN UTILIZED THROUGHOUT THIS RETURN OF PRIVATE FOUNDATION. THE MEMBERSHIP INTEREST IS NOT TRANSFERRABLE OR SELLABLE AND THESE RESTRICTIONS CREATE A SITUATION WHEREBY THE TRUE VALUE IS NOT EASILY DETERMINABLE. SINCE IT IS AN EXEMPT ASSET THE VALUE IS NOT A SIGNIFICANT ISSUE. ACCORDINGLY, BOOK VALUE HAS BEEN USED.

FORM 990-PF

ELECTION UNDER REGULATIONS SECTION
53.4942(A)-3(D)(2) TO TREAT
EXCESS QUALIFYING DISTRIBUTIONS
AS DISTRIBUTIONS OUT OF CORPUS

STATEMENT 13

TREASURY REG. SECTION 53.4942(A)-3(C)(2)(IV) ELECTION TO TREAT UNUSED
PRIOR YEAR CORPUS DISTRIBUTIONS AS CURRENT YEAR CORPUS DISTRIBUTIONS:

PERSUANT TO TREAS. REG. SEC. 53.4942(A)-3(C)(2)(IV), THE CHARLES M.
BAIR FAMILY TRUST HEREBY ELECTS TO TREAT AS A CURRENT DISTRIBUTION OUT
OF CORPUS THE FOLLOWING UNUSED PRIOR TAX YEAR(S)' DISTRIBUTIONS THAT
WERE TREATED AS CORPUS DISTRIBUTIONS UNDER TREAS. REG. SEC.
53.4942(A)-3(D)(1)(III) IN SUCH PRIOR TAXABLE YEAR(S):

TAX YEAR
CORPUS

AMOUNT
1,780,200

FORM 990-PF

GRANTS AND CONTRIBUTIONS
PAID DURING THE YEAR

STATEMENT 14

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
ALBERTA BAIR THEATER PO BOX 1556 BILLINGS, MT 59103	FOR PURPOSES AS OUTLINED IN THE GRANT OUTLINES	PUBLIC	15,000.
BILLINGS CATHOLIC SCHOOLS 120 SOUTH 34TH STREET BILLINGS, MT 59101	FOR PURPOSES AS OUTLINED IN THE GRANT OUTLINES	PUBLIC	15,000.
BILLINGS CLINIC FOUNDATION PO BOX 3566 BILLINGS, MT 59103	FOR PURPOSES AS OUTLINED IN THE GRANT OUTLINES	PUBLIC	17,500.
BOYS AND GIRLS CLUB OF BILLINGS AND YELLOWSTONE COUNTY 505 ORCHARD LANE BILLINGS, MT 59107	FOR PURPOSES AS OUTLINED IN THE GRANT OUTLINES	PUBLIC	10,000.
COMMUNITY DAYCARE & ENRICHMENT CENTER 310 NORTH 27TH STREET BILLINGS, MT 59101	FOR PURPOSES AS OUTLINED IN THE GRANT OUTLINES	PUBLIC	5,000.
HABITAT FOR HUMANITY - MID-YELLOWSTONE VALLEY 180 24TH STREET W, STE. H BILLINGS, MT 59102	FOR PURPOSES AS OUTLINED IN THE GRANT OUTLINES	PUBLIC	5,000.
HARLOWTON SCHOOLS #16 SCHOOL TO WORK PO BOX 288 HARLOWTON, MT 59036	FOR PURPOSES AS OUTLINED IN THE GRANT OUTLINES	PUBLIC	10,000.
INTERFAITH HOSPITALITY NETWORK OF YELLOWSTONE COUNTY 40 10TH STREET WEST BILLINGS, MT 59102	FOR PURPOSES AS OUTLINED IN THE GRANT OUTLINES	PUBLIC	3,000.

MEAGHER COUNTY ARTS COUNCIL INC. P.O. BOX 755 WHITE SULPHUR SPRING, MT 59645	FOR PURPOSES AS OUTLINED IN THE GRANT OUTLINES	PUBLIC	3,500.
MEAGHER COUNTY SENIOR CENTER P.O. BOX 682 WHITE SULPHUR SPRING, MT 59645	FOR PURPOSES AS OUTLINED IN THE GRANT OUTLINES	PUBLIC	3,000.
MEAGHER COUNTY PO BOX 309 WHITE SULPHUR SPRING, MT 59645	FOR PURPOSES AS OUTLINED IN THE GRANT OUTLINES	PUBLIC	14,000.
MONTANA BIG SKY MARCH OF DIMES 643 GRAND AVENUE SUITE B BILLINGS, MT 59101	FOR PURPOSES AS OUTLINED IN THE GRANT OUTLINES	PUBLIC	3,000.
MOUNTAINVIEW MEDICAL CENTER INC P.O. BOX Q WHITE SULPHUR SPRING, MT 59645	FOR PURPOSES AS OUTLINED IN THE GRANT OUTLINES	PUBLIC	4,795.
RIVERSTONE HEALTH FOUNDATION P.O. BOX 1562 BILLINGS, MT 59103	FOR PURPOSES AS OUTLINED IN THE GRANT OUTLINES	PUBLIC	25,000.
ROCKY MOUNTAIN COLLEGE 1511 POLY DRIVE BILLINGS, MT 59102	FOR PURPOSES AS OUTLINED IN THE GRANT OUTLINES	PUBLIC	45,000.
ST JOHN'S LUTHERN MINISTRIES 3940 RIMROCK ROAD BILLINGS, MT 59102	FOR PURPOSES AS OUTLINED IN THE GRANT OUTLINES	PUBLIC	25,000.
ST. VINCENT FOUNDATION P.O. BOX 35200 BILLINGS, MT 591075200	FOR PURPOSES AS OUTLINED IN THE GRANT OUTLINES	PUBLIC	17,500.
UPPER MUSSELSHELL HISTORIC SOCIETY P.O. BOX 364 HARLOWTON, MT 59036	FOR PURPOSES AS OUTLINED IN THE GRANT OUTLINES	PUBLIC	13,000.

WESTERN HERITAGE CENTER 2822 MONTANA AVENUE BILLINGS, MT 59101	FOR PURPOSES AS OUTLINED IN THE GRANT OUTLINES	PUBLIC	5,000.
WHEATLAND COUNTY PO BOX 527 HARLOWTON, MT 59036	FOR PURPOSES AS OUTLINED IN THE GRANT OUTLINES	PUBLIC	27,000.
WHEATLAND MEMORIAL HOSPITAL P.O. BOX 287 HARLOWTON, MT 59036	FOR PURPOSES AS OUTLINED IN THE GRANT OUTLINES	PUBLIC	25,000.
WHITE SULPHUR SPRING YOUTH BASEBALL P.O. BOX 823 WHITE SULPHUR SPRING, MT 59645	FOR PURPOSES AS OUTLINED IN THE GRANT OUTLINES	PUBLIC	6,300.
WHITE SULPHUR SPRINGS SCHOOL DISTRICT P.O. BOX C WHITE SULPHUR SPRING, MT 59645	FOR PURPOSES AS OUTLINED IN THE GRANT OUTLINES	PUBLIC	10,000.
YELLOWSTONE ART MUSEUM 401 NORTH 27TH STREET BILLINGS, MT 59101	FOR PURPOSES AS OUTLINED IN THE GRANT OUTLINES	PUBLIC	869,000.
YELLOWSTONE BOYS & GIRLS RANCH 2050 OVERLAND AVE BILLINGS, MT 59102	RETURNED FROM PRIOR YEAR	PUBLIC	7,450.
YOUNG FAMILIES - HEAD START P.O. BOX 51269 BILLINGS, MT 59105	FOR PURPOSES AS OUTLINED IN THE GRANT OUTLINES	PUBLIC	8,000.
YWCA OF BILLINGS 909 WYOMING AVENUE BILLINGS, MT 59101	FOR PURPOSES AS OUTLINED IN THE GRANT OUTLINES	PUBLIC	10,000.
TOTAL TO FORM 990-PF, PART XV, LINE 3A			<u>1,202,045.</u>