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Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

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

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

OMB No 1545-0052

2010

For calendar year 2010, or tax year beginning 01-01-2010 , and ending 12-31-2010

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

Name of foundation
EDWARD M & HENRIETTA M KNABUSCH
CHARITABLE TRUST 2

A Employer identification number
38-6643328

Number and street (or P O box number if mail is not delivered to street address) Room/suite
MONROE BANK TRUST 102 E FRONT ST

B Telephone number (see page 10 of the instructions)
(734) 242-2068

City or town, state, and ZIP code
MONROE, MI 48161

C If exemption application is pending, check here ☐
D 1. Foreign organizations, check here ☐
2. Foreign organizations meeting the 85% test, check here and attach computation ☐
E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

H Check type of organization ☑ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 4,986,862

J Accounting method ☑ Cash ☐ Accrual
☐ Other (specify) _
(Part I, column (d) must be on cash basis.)

Part I Analysis of Revenue and Expenses

(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))

		Line	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc , received (attach schedule)				
	2	Check ▶ ☑ if the foundation is **not** required to attach Sch B				
	3	Interest on savings and temporary cash investments	161	161		
	4	Dividends and interest from securities	91,011	91,011		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	10,732			
	b	Gross sales price for all assets on line 6a 636,851				
	7	Capital gain net income (from Part IV, line 2)		10,732		
	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) (attach schedule)				
	11	Other income (attach schedule)				
	12	**Total.** Add lines 1 through 11	101,904	101,904		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc				
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)	375	187		188
	b	Accounting fees (attach schedule)	1,954	977		977
	c	Other professional fees (attach schedule)	19,058	9,529		9,529
	17	Interest				
	18	Taxes (attach schedule) (see page 14 of the instructions)				
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule)				
	24	**Total operating and administrative expenses.** Add lines 13 through 23	21,387	10,693		10,694
	25	Contributions, gifts, grants paid	423,224			423,224
	26	**Total expenses and disbursements.** Add lines 24 and 25	444,611	10,693		433,918
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	-342,707			
	b	**Net investment income** (if negative, enter -0-)		91,211		
	c	**Adjusted net income** (if negative, enter -0-)				

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

			Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing		710	710
	2	Savings and temporary cash investments	323,315	127,178	127,178
	3	Accounts receivable ▶ Less allowance for doubtful accounts ▶			
	4	Pledges receivable ▶ Less allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7	Other notes and loans receivable (attach schedule) ▶ 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 (attach schedule)	74,988	110,913	112,537
	b	Investments—corporate stock (attach schedule)	4,305,138	4,136,431	4,746,437
	c	Investments—corporate bonds (attach schedule)			
	11	Investments—land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)			
	14	Land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶			
	15	Other assets (describe ▶)			
	16	**Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	4,703,441	4,375,232	4,986,862
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶)		14,498	
	23	**Total liabilities** (add lines 17 through 22)		14,498	
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here** ▶ ☐ **and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ ☑ **and complete lines 27 through 31.**			
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg , and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	4,703,441	4,360,734	
	30	**Total net assets or fund balances** (see page 17 of the instructions)	4,703,441	4,360,734	
	31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	4,703,441	4,375,232	

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	4,703,441
2	Enter amount from Part I, line 27a	2	-342,707
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	4,360,734
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	4,360,734

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	See Additional Data Table			
b				
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	See Additional Data Table			
b				
c				
d				
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) **or** Losses (from col (h))
a	See Additional Data Table			
b				
c				
d				
e				

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 }	2	10,732
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8	3	-6,497

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☑ No
If "Yes," the foundation does not qualify under section 4940(e) Do not complete this part

1 Enter the appropriate amount in each column for each year, see page 18 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2009	421,783	3,977,463	0 106043
2008	735,182	5,538,031	0 132752
2007	810,809	7,986,477	0 101523
2006	865,145	10,162,268	0 085133
2005	822,528	10,763,572	0 076418

2	**Total** of line 1, column (d)	2	0 501869
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	0 100374
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	4,839,770
5	Multiply line 4 by line 3	5	485,787
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	912
7	Add lines 5 and 6	7	486,699
8	Enter qualifying distributions from Part XII, line 4	8	433,918

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions on page 18

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ 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 ▶ ☐ and enter 1% of Part I, line 27b			1	1,824
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	
3	Add lines 1 and 2			3	1,824
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			4	
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-			5	1,824
6	Credits/Payments				
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a	2,992		
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	2,992
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ 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	1,168
11	Enter the amount of line 10 to be **Credited to 2011 estimated tax** ▶ 1,168	**Refunded** ▶		11	

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?	1a		No
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		No
	*If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		No
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year **(1)** On the foundation ▶ $ ________ **(2)** On foundation managers ▶ $ ________			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ________			
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.*	2		No
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*	3		No
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		No
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		No
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	Yes	
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*	7	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ MI			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? *If "No," attach explanation*	8b	Yes	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? *If "Yes," complete Part XIV*	9		No
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		No

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 page 20 of the instructions).	11		No
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	Yes	

Website address ▶N/A

14 The books are in care of ▶MONROE BANK TRUST Telephone no ▶(734) 241-3431

Located at ▶102 E FRONT STREET MONROE MI ZIP+4 ▶48161

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 |

16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		

See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes", enter the name of the foreign country ▶

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

	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.	Line	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? ☐ Yes ☑ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☑ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☑ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☑ 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)? ☐ Yes ☑ 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). ☐ Yes ☑ 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)?	1b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
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 2010?	1c		
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? ☐ Yes ☑ No			
	If "Yes," list the years ▶ 20____, 20____, 20____, 20____			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see page 20 of the instructions)	2b		
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20____, 20____, 20____, 20____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☑ No			
b	If "Yes," did it have excess business holdings in 2010 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969, **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010.)*	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?	4b		No

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)? (see page 22 of the instructions) ☐ Yes ☑ No			
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☑ No			
b	If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)?	**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? ☐ 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**		**No**
	If "Yes" to 6b, file Form 8870.			
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☐ No			
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?	**7b**		

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

1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).

(a) Name and address	**(b)** Title, and average hours per week devoted to position	**(c)** Compensation **(If not paid, enter -0-)**	**(d)** Contributions to employee benefit plans and deferred compensation	**(e)** Expense account, other allowances
GREGORY D WHITE 1050 N MACOMB ST MONROE, MI 48162	TRUSTEE 1 00	0	0	0
JOHN F WEAVER 102 E FRONT ST MONROE, MI 48161	TRUSTEE 1 00	0	0	0
CHARLES T KNABUSCH JR 8518 HONEYSUCKLE DR COLINSVILLE, MS 39325	TRUSTEE 1 00	0	0	0

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

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

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

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

3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE".

(a) Name and address of each person paid more than $50,000	**(b)** Type of service	**(c)** Compensation
NONE		

Total number of others receiving over $50,000 for professional services . . . . ▶

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	
2	
3	
4	

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

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

Part X **Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
a	Average monthly fair market value of securities	1a	4,826,816
b	Average of monthly cash balances	1b	86,656
c	Fair market value of all other assets (see page 24 of the instructions)	1c	0
d	**Total** (add lines 1a, b, and c)	1d	4,913,472
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	4,913,472
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions)	4	73,702
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	4,839,770
6	**Minimum investment return.** Enter 5% of line 5	6	241,989

Part XI **Distributable Amount** (see page 25 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ▶ ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6			1	241,989
2a	Tax on investment income for 2010 from Part VI, line 5	2a	1,824		
b	Income tax for 2010 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	1,824
3	Distributable amount before adjustments Subtract line 2c from line 1			3	240,165
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	240,165
6	Deduction from distributable amount (see page 25 of the instructions)			6	
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1			7	240,165

Part XII **Qualifying Distributions** (see page 25 of the instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes		
a	Expenses, contributions, gifts, etc —total from Part I, column (d), line 26	1a	433,918
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	433,918
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	433,918

Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

Part XIII Undistributed Income (see page 26 of the instructions)

		(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7					240,165
2 Undistributed income, if any, as of the end of 2010					
a Enter amount for 2009 only.					
b Total for prior years 20___ , 20___ , 20___					
3 Excess distributions carryover, if any, to 2010					
a From 2005.					
b From 2006.	141,575				
c From 2007.	418,065				
d From 2008.	464,446				
e From 2009.	224,926				
f Total of lines 3a through e.		1,249,012			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ $ 433,918					
a Applied to 2009, but not more than line 2a					
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)					
c Treated as distributions out of corpus (Election required—see page 26 of the instructions). . .					
d Applied to 2010 distributable amount.					240,165
e Remaining amount distributed out of corpus		193,753			
5 Excess distributions carryover applied to 2010					
(If an amount appears in column (d), the same amount must be shown in column (a).)					
6 Enter the net total of each column as indicated below:					
a Corpus Add lines 3f, 4c, and 4e Subtract line 5		1,442,765			
b Prior years' undistributed income Subtract line 4b from line 2b					
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed.					
d Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions . . .					
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions					
f Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011					0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)					
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)					
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a		1,442,765			
10 Analysis of line 9					
a Excess from 2006. . . .	141,575				
b Excess from 2007. . . .	418,065				
c Excess from 2008. . . .	464,446				
d Excess from 2009. . . .	224,926				
e Excess from 2010. . . .	193,753				

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, enter the date of the ruling. . . . . . . ▶

b Check box to indicate whether the organization is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

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

Part XV Supplementary Information (Complete this part only if the organization had $5,000 or more in assets at any time during the year—see page 27 of the instructions.)

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000) (See section 507(d)(2))

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 page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

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

ANDREW M WEISENBURGER
102 E FRONT ST
MONROE, MI 48161
(734) 242-2068

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

THERE IS NO SPECIFIC FORMAT FOR SUBMITTING A REQUEST

c Any submission deadlines

THERE IS NO DEADLINE FOR SUBMITTING A REQUEST

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

THE TRUSTEE HAS DISCRETION AS SET FORTH IN THE TRUST DOCUMENT "THE CHARITABLE TRUST NO 2" THE DISTRIBUTIONS ARE RESTRICTED TO ORGANIZATIONS DESCRIBED IN SECTION 170(C) OF THE INTERNAL REVENUE CODE

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
See Additional Data Table				
Total . . . . ▶ **3a**				423,224
b *Approved for future payment*				
Total . . . . ▶ **3b**				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
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	161	
4 Dividends and interest from securities			14	91,011	
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	10,732	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)				101,904	

13 **Total.** Add line 12, columns (b), (d), and (e) 13 101,904

(See worksheet in line 13 instructions on page 28 to verify calculations)

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes) (See page 28 of the instructions)

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

		Yes	No
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?			
a Transfers from the reporting foundation to a noncharitable exempt organization of			
(1) Cash	1a(1)		No
(2) Other assets	1a(2)		No
b Other transactions			
(1) Sales of assets to a noncharitable exempt organization	1b(1)		No
(2) Purchases of assets from a noncharitable exempt organization	1b(2)		No
(3) Rental of facilities, equipment, or other assets	1b(3)		No
(4) Reimbursement arrangements	1b(4)		No
(5) Loans or loan guarantees	1b(5)		No
(6) Performance of services or membership or fundraising solicitations	1b(6)		No
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		No

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

(a) Line No	**(b)** Amount involved	**(c)** Name of noncharitable exempt organization	**(d)** Description of transfers, transactions, and sharing arrangements

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

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

****** | 2011-03-12 | ******

Signature of officer or trustee | Date | Title

Paid Preparer's Use Only

Preparer's Signature ▶ DAVID K HEHL	Date 2011-03-28	Check if self-employed ▶ ☐	PTIN
Firm's name ▶	COOLEY HEHL WOHLGAMUTH & CARLTON PLLC	Firm's EIN ▶	
Firm's address ▶	1 SOUTH MONROE MONROE, MI 48161	Phone no (734) 241-7200	

Additional Data

Software ID:
Software Version:
EIN: 38-6643328
Name: EDWARD M & HENRIETTA M KNABUSCH CHARITABLE TRUST 2

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

	(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)
A	30,000SHS MBT FINANCIAL CORP	P	1996-01-01	2010-12-22
B	10,352SHS GOLDMAN SACHS ENHANCED	P	2009-11-16	2010-03-04
C	5,000SHS LA-Z-BOY	P	1990-01-01	2010-01-19
D	9,634SHS VANGUARD S/T BOND INDEX	P	2009-07-23	2010-03-29
E	2,500SHS ISHARES BARCLAYS 1-3 YEAR	P	2008-03-27	2010-04-16
F	600SHS EXELON	P	2009-08-25	2010-05-25
G	75,000SHS FEDERAL FARM CREDIT BANK	P	2009-12-02	2010-06-07
H	216SHS FRONTIER COMMUNICATIONS CORP	P	2009-08-25	2010-09-02

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

	(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	61,236		75,000	-13,764
B	100,103		100,000	103
C	55,696		33,333	22,363
D	101,133		99,711	1,422
E	208,461		210,550	-2,089
F	22,704		30,738	-8,034
G	75,000		74,988	12
H	1,693		1,799	-106

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
A				-13,764
B				103
C				22,363
D				1,422
E				-2,089
F				-8,034
G				12
H				-106

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
ALZHEIMER ASSOCIATION 310 N MAIN ST STE 100 CHELSEA, MI 48118	N/A	PUBLIC	HEALTH	20,000
COMMUNITY FOUNDATION OF M 28 S MACOMB ST MONROE, MI 48161	N/A	PUBLIC	COMMUNITY/CIVIC	8,000
GOD WORKS PO BOX 962 MONROE, MI 48161	N/A	PUBLIC	FOOD FOR THE NEEDY	25,000
TRINITY LUTHERAN SCHOOL 315 SCOTT ST MONROE, MI 48161	N/A	PUBLIC	RELIGIOUS EDUCATION	20,000
GRACE LUTHERAN CHURCH 630 N MONROE ST MONROE, MI 48162	N/A	PUBLIC	RELIGIOUS	20,000
MERCY MEMORIAL HOSPICE 725 N MONROE ST MONROE, MI 48162	N/A	PUBLIC	HEALTH	30,000
PHILADELPHIA HOUSE 218 WASHINGTON ST MONROE, MI 48161	N/A	PUBLIC	SHELTER FOR THE NEEDY	25,000
ARTHUR LESOW COMMUNITY CE 120 EASTCHESTER MONROE, MI 48161	N/A	PUBLIC	YOUTH DEVELOPMENT	5,000
HUMANE SOCIETY OF MONROE 833 TELEGRAPH RD MONROE, MI 48162	N/A	PUBLIC	ANIMAL SHELTER	15,000
UNITED WAY OF MONROE 216 N MONROE ST MONROE, MI 48162	N/A	PUBLIC	GENERAL	10,000
GREAT SAUX TRAIL BSA-OPER 1979 HURON PARKWAY ANN ARBOR, MI 48104	N/A	PUBLIC	YOUTH DEVELOPMENT	8,000
HABITAT OF HUMANITY FOR M 14930 LAPLAISANCE RD MONROE, MI 48161	N/A	PUBLIC	HOUSING FOR THE NEEDY	40,000
MCF - MISS MONROE CNTY 28 S MACOMB ST MONROE, MI 48161	N/A	PUBLIC	SCHOLARSHIP	2,000
MCF - DARE PROGRAM 28 S MACOMB ST MONROE, MI 48161	N/A	PUBLIC	YOUTH DEVELOPMENT	15,000
YOUNG LIFE CAMPAIGN-MONRO PO BOX 94 IDA, MI 48140	N/A	PUBLIC	YOUTH DEVELOPMENT	5,000
Total . . . . ▶ **3a**				423,224

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
MONROE COUNTY IDC 10 WASHINGTON ST MONROE, MI 48161	N/A	PUBLIC	COMMUNITY DEVELPMENT	30,000
GABBY'S LADDER 431 E ELM MONROE, MI 48162	N/A	PUBLIC	GRIEF ASSISTANCE	40,000
TRINITY LUTHERAN CHURCH 315 SCOTT ST MONROE, MI 48161	N/A	PUBLIC	RELIGIOUS	20,000
RIVER RAISIN CENTRE FOR T 114 S MONROE ST MONROE, MI 48161	N/A	PUBLIC	COMMUNITY/CIVIC	9,000
FAMILY COUNSELING & SHELT 14930 LAPLAISANCE 106 MONROE, MI 48161	N/A	PUBLIC	HEALTH & WELFARE	20,000
DEPT OF ARMY JUNIOR ROTC 2200 W GRAND BLVD DETROIT, MI 48208	N/A	PUBLIC	YOUTH DEVELOPMENT	15,000
CAMP FIRE USA 25 S MONROE ST MONROE, MI 48161	N/A	PUBLIC	YOUTH DEVELOPMENT	8,000
MONROE COUNTY OPPORTUNITY 1140 S TELEGRAPH RD MONROE, MI 48161	N/A	PUBLIC	COMMUNITY DEVELOPMENT	25,000
CHOCTAW AREA TRAILBSA 4818 NORTH PARK DRIVE MERIDIAN, MS 39305	N/A	PUBLIC	YOUTH DEVELOPMENT	4,000
CITY OF NEWTON 203 E CHURCH STREET NEWTON, MS 39345	N/A	PUBLIC	COMMUNITY DEVELOPMENT	4,224
Total . . . . ▶ **3a**				423,224

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TY 2010 Accounting Fees Schedule

Name: EDWARD M & HENRIETTA M KNABUSCH
CHARITABLE TRUST 2

EIN: 38-6643328

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
COOLEY HEHL WOHLGAMUTH & CARLTON	1,954	977		977

TY 2010 Compensation Explanation

Name: EDWARD M & HENRIETTA M KNABUSCH
CHARITABLE TRUST 2

EIN: 38-6643328

Person Name	Explanation
GREGORY D WHITE	
JOHN F WEAVER	
CHARLES T KNABUSCH JR	

TY 2010 Investments Corporate Stock Schedule

Name: EDWARD M & HENRIETTA M KNABUSCH CHARITABLE TRUST 2

EIN: 38-6643328

Name of Stock	End of Year Book Value	End of Year Fair Market Value
650SHS ABBOTT LABS	28,892	31,142
175SHS APPLE	30,264	56,448
750SHS AUTOMATIC DATA PROC	32,872	34,710
600SHS BP PLC	34,326	26,502
450SHS BECTON DICKINSON	29,830	38,034
500SHS CHEVRON	34,162	45,625
175,000/170,000 SHS LA-Z-BOY INC	1,133,334	1,533,400
90,000/60,000 SHS MBT FINANCIAL COR	150,000	106,800
1,000 SHS COLGATE PALMOLIVE	53,450	80,370
11,750SHS DODGE & COX	150,471	155,455
4,000/1,600 SHS EMERSON ELECTRIC	54,512	91,472
600SHS EXELON		
400/800SHS EXPRESS SCRIPTS	29,039	43,240
500SHS EXXON MOBIL	37,475	36,560
600SHS FPL GROUP		
4,000SHS GENERAL ELECTRIC CO	136,040	73,160
500/1,000SHS GENERAL MLS	33,784	35,590
10,352SHS GS ENHANCED INC		
4,460/4,487SHS GOLDMAN SACHS ABSOL	40,692	41,909
75SHS GOOGLE	34,300	44,548
3,500SHS JOHN HANCOCK PFD	66,586	65,380
1,000SHS HEWLETT PACKARD	47,042	42,100
600SHS ILLINOIS TOOL WORKS	26,997	32,040
550 SHS INT'L BUSINESS MACHINES	44,765	80,718
2,000 SHS ISHARES BARCLAYS TIPS	208,639	215,040
2,500 SHS ISHARES BARCLAYS AGGREGATE	251,199	264,375
950 SHS ISHARES TR GOLDMAN SACHS	100,966	103,018
400 SHS ISHARES JP MORGAN EMERGING	42,028	42,832
700SHS JP MORGAN CHASE	29,189	29,694
1,000 SHS JOHNSON & JOHNSON	64,790	61,850

Name of Stock	End of Year Book Value	End of Year Fair Market Value
500SHS KINDER MORGAN	28,395	35,130
500SHS MAGELLAN MIDSTREAM	26,008	28,250
500SHS MCDONALDS	28,245	38,380
1,000SHS MERCK & CO	37,440	36,040
600SHS NEXTERA ENERGY	34,506	31,194
750SHS NORTHERN TR	40,954	41,557
1,250 ORACLE SYSTEMS	27,786	39,125
2,000/1,500 SHS NOBLE CORP	53,587	53,655
2,500/2,000 SHS ISHARES TR US TREAS		
2,500 SHS ISHARES TR LEHMAN		
2,500 SHS ISHARES 1-3YR TREAS		
500SHS ISHARES 2000 INDEX	29,035	39,120
15349.353 SHS PIMCO TOTAL RETURN	166,273	166,540
8,533SHS PIMCO HY	70,381	79,354
500SHS PEPSICO	28,429	32,665
600SHS PHILIPMORRIS	28,235	35,118
875SHS SPDR LEHMAN INTL	50,542	51,153
800SHS UNITED TECH CORP	47,965	62,976
9,634 SHS VANGUARD SH TRM 132		
1,000/1,500SHS VANGUARD EUROPE	51,223	54,225
15,306SHS VANGUARD SH TRM 39	149,541	164,847
10,370SHS VANGUARD INTM TRM	101,689	102,867
1,800/2,500SHS VANGUARD EMG MKT	93,263	120,365
900SHS VERIZON	26,686	32,202
400SHS VISA	29,978	28,152
625SHS WAL-MART	30,924	33,706
400SHS TRANSOCEAN LTD	29,702	27,804

TY 2010 Investments Government Obligations Schedule

Name:	EDWARD M & HENRIETTA M KNABUSCH CHARITABLE TRUST 2
EIN:	38-6643328
US Government Securities - End of Year Book Value:	110,913
US Government Securities - End of Year Fair Market Value:	112,537
State & Local Government Securities - End of Year Book Value:	
State & Local Government Securities - End of Year Fair Market Value:	

TY 2010 Legal Fees Schedule

Name: EDWARD M & HENRIETTA M KNABUSCH
CHARITABLE TRUST 2

EIN: 38-6643328

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
SHUMAKER, LOOP & KENDRICK, LLP	375			

TY 2010 Other Liabilities Schedule

Name: EDWARD M & HENRIETTA M KNABUSCH
CHARITABLE TRUST 2

EIN: 38-6643328

Description	Beginning of Year - Book Value	End of Year - Book Value
LA-Z-BOY INC. APR 16 2011		14,498

TY 2010 Other Professional Fees Schedule

Name: EDWARD M & HENRIETTA M KNABUSCH
CHARITABLE TRUST 2

EIN: 38-6643328

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
MONROE BANK & TRUST FEES	19,058	9,529		9,529

**EDWARD M. AND HENRIETTA M.
KNABUSCH CHARITABLE TRUST NO. 2
E.I. NO. 38-6643328
FORM 990-PF, 2010
PART VII-B, LINE 5c
REPORT ON EXPENDITURE RESPONSIBILITY GRANTS**

Pursuant to Treasury Regulation 53.4945-5(d), the Taxpayer provides the following report relating to prior year grants made by the Taxpayer that are still outstanding:

The name and address of the Grantee is the Edward M. & Henrietta M. Knabusch Scholarship Foundation, c/o Monroe Bank & Trust, 102 East Front Street, Monroe, Michigan 48161.

The respective dates and amounts of each grant are December 24, 1999, 25,000 shares of common stock in La-Z-Boy, Incorporated valued at $400,000, December 20, 2000, 25,000 shares of common stock in La-Z-Boy, Incorporated valued at $382,125, December 13, 2001, $400,000, and December 24, 2002, $400,000.

The exclusive purpose of the grants has been to fund awards of scholarships for post-secondary education.

The total net amount expended by the Grantee in 2010 for scholarships was $39,357 A portion of one scholarship paid during the year was returned to the Grantee. The balance of another scholarship from 2007 not used also was returned to the Grantee. The $39,357 was applied to the grant received from the Taxpayer on December 24, 1999.

To the knowledge of the Taxpayer, no portion of the granted funds and stock have been diverted from the purpose of the grants.

The most recent report of the Grantee was for the year ended December 31, 2010.