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Form **990-PF**

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

OMB No 1545-0052

2010

Department of the Treasury
Internal Revenue Service

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

For calendar year 2010, or tax year beginning , and ending

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

Name of foundation THE TE CRAIG, SD HEARD AND LD HEARD MEMORIAL TRUST 30-01-1003071917		A Employer identification number 59-7279007
Number and street (or P O box number if mail is not delivered to street address) P.O. BOX 831041	Room/suite	B Telephone number 214-209-1981
City or town, state, and ZIP code DALLAS, TX 75283-1041		C If exemption application is pending, check here <input type="checkbox"/>
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 11,737,438. (Part I, column (d) must be on cash basis.)	J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (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)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities		127,948.	127,948.		STATEMENT 1
5a Gross rents		4,500.	4,500.		STATEMENT 2
b Net rental income or (loss) 2,902.					STATEMENT 3
6a Net gain or (loss) from sale of assets not on line 10		67,710.			
b Gross sales price for all assets on line 6a 2,734,825.					
7 Capital gain net income (from Part IV, line 2)			67,710.		
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		9,115.	9,115.		STATEMENT 4
12 Total. Add lines 1 through 11		209,273.	209,273.		
13 Compensation of officers, directors, trustees, etc		99,342.	99,342.		0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees STMT 5		2,100.	2,100.		0.
b Accounting fees STMT 6		6,723.	6,723.		0.
c Other professional fees STMT 7		1,448.	1,448.		0.
17 Interest					
18 Taxes STMT 8		1,000.	1,000.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses					
24 Total operating and administrative expenses. Add lines 13 through 23		110,613.	110,613.		0.
25 Contributions, gifts, grants paid		590,410.			590,410.
26 Total expenses and disbursements. Add lines 24 and 25		701,023.	110,613.		590,410.
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements		<491,750.>			
b Net investment income (if negative, enter -0-)			98,660.		
c Adjusted net income (if negative, enter -0-)				N/A	

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LHA For Paperwork Reduction Act Notice, see the instructions.

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	95,680.	122,999.	122,999.
	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			
	b Investments - corporate stock			
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis			
Less accumulated depreciation				
12 Investments - mortgage loans				
13 Investments - other	STMT 10	4,532,990.	4,014,912.	4,443,037.
14 Land, buildings, and equipment basis	1,099,625.			
Less accumulated depreciation		1,099,625.	1,099,625.	7,120,000.
15 Other assets (describe OIL & GAS INTEREST)		1,703.	1,703.	51,402.
16 Total assets (to be completed by all filers)		5,729,998.	5,239,239.	11,737,438.
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe)			
23 Total liabilities (add lines 17 through 22)		0.	0.	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input type="checkbox"/>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input checked="" type="checkbox"/>			
	27 Capital stock, trust principal, or current funds		0.	0.
	28 Paid-in or capital surplus, or land, bldg, and equipment fund		0.	0.
	29 Retained earnings, accumulated income, endowment, or other funds		5,729,998.	5,239,239.
30 Total net assets or fund balances		5,729,998.	5,239,239.	
31 Total liabilities and net assets/fund balances		5,729,998.	5,239,239.	

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	5,729,998.
2 Enter amount from Part I, line 27a	2	<491,750.>
3 Other increases not included in line 2 (itemize) SEE STATEMENT 9	3	991.
4 Add lines 1, 2, and 3	4	5,239,239.
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	5,239,239.

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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 PUBLICALLY TRADED SECURITIES - SEE STATEMENT	P		
b LONG TERM CAPITAL GAINS			
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 2,734,825.		2,682,409.	52,416.
b			15,294.
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))
(l) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (l) over col (j), if any	
a			52,416.
b			15,294.
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	67,710.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) If (loss), enter -0- in Part I, line 8		3	N/A

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

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2009	582,976.	11,598,251.	.050264
2008	915,259.	15,522,647.	.058963
2007			
2006			
2005			

2 Total of line 1, column (d)	2	.109227
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	.054614
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	11,600,660.
5 Multiply line 4 by line 3	5	633,558.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	987.
7 Add lines 5 and 6	7	634,545.
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions	8	590,410.

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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 type="checkbox"/> and enter 1% of Part I, line 27b	1	1,973.
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	1,973.
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	1,973.
6	Credits/Payments		
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a	2,774.
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	2,774.
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	801.
11	Enter the amount of line 10 to be Credited to 2011 estimated tax 801. Refunded <input type="checkbox"/>	11	0.

Part VII-A Statements Regarding Activities

	Yes	No
1a		X
1b		X
If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		
1c		X
d		
(1) On the foundation <input type="checkbox"/> \$ 0. (2) On foundation managers <input type="checkbox"/> \$ 0.		
e		
managers <input type="checkbox"/> \$ 0.		
2		X
If "Yes," attach a detailed description of the activities		
3		X
If "Yes," attach a conformed copy of the changes		
4a		X
4b		
N/A		
5		X
If "Yes," attach the statement required by General Instruction T.		
6		X
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?		
7	X	
If "Yes," complete Part II, col. (c), and Part XV.		
8a		
TX		
8b	X	
9		X
If "Yes," complete Part XIV		
10		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 ▶ N/A	13	X	
14 The books are in care of ▶ <u>US TRUST - BANK OF AMERICA</u> Telephone no ▶ <u>214-209-1981</u> Located at ▶ <u>P.O. BOX 831041, DALLAS, TX</u> ZIP+4 ▶ <u>75283-0241</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 ▶ <u>15</u> N/A			
16 At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes," enter the name of the foreign country ▶			16
			Yes No X X

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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(6) Agree to pay money or property to a government official? (Exception Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here		N/A	1b	
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	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 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? If "Yes," list the years ▶ _____		<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	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 ▶ _____				
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?				
b If "Yes," did it have excess business holdings in 2010 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010.)		N/A	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?			4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?			4b	X

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

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

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? Yes No

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

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

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

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

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

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) N/A

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

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

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? Yes No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? Yes No

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
BANK OF AMERICA P.O. BOX 830241 DALLAS, TX 75283	TRUSTEE 2.00	99,342.	0.	0.

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

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

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

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

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

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

Total number of others receiving over \$50,000 for professional services ▶ 0

Part IX-A Summary of Direct Charitable Activities

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

Part IX-B Summary of Program-Related Investments

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

Total. Add lines 1 through 3 ▶ 0.

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

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a Average monthly fair market value of securities	1a	4,324,031.
b Average of monthly cash balances	1b	281,887.
c Fair market value of all other assets	1c	7,171,402.
d Total (add lines 1a, b, and c)	1d	11,777,320.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2 Acquisition indebtedness applicable to line 1 assets	2	0.
3 Subtract line 2 from line 1d	3	11,777,320.
4 Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	176,660.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	11,600,660.
6 Minimum investment return. Enter 5% of line 5	6	580,033.

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		580,033.
2a Tax on investment income for 2010 from Part VI, line 5	2a	1,973.
b Income tax for 2010 (This does not include the tax from Part VI.)	2b	
c Add lines 2a and 2b	2c	1,973.
3 Distributable amount before adjustments Subtract line 2c from line 1	3	578,060.
4 Recoveries of amounts treated as qualifying distributions	4	0.
5 Add lines 3 and 4	5	578,060.
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	578,060.

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	590,410.
b Program-related investments - total from Part IX-B	1b	0.
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the		
a Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	590,410.
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	0.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	590,410.

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 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				578,060.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			0.	
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2010				
a From 2005				
b From 2006				
c From 2007				
d From 2008	140,597.			
e From 2009	3,892.			
f Total of lines 3a through e	144,489.			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ 590,410.				
a Applied to 2009, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2010 distributable amount				578,060.
e Remaining amount distributed out of corpus	12,350.			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	156,839.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b Taxable amount - see instructions		0.		
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount - see instr			0.	
f Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	156,839.			
10 Analysis of line 9				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008	140,597.			
d Excess from 2009	3,892.			
e Excess from 2010	12,350.			

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, enter the date of the ruling ▶ 01/01/08
 b Check box to indicate whether the foundation is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year		Prior 3 years		(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities					
3 Subtract line 2d from line 2c					
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

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

c Any submission deadlines

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

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 1

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
COLUMBIA LARGE CAP INDEX	8,281.	0.	8,281.
COLUMBIA MARSICO FOCUSED EQUITIES	415.	0.	415.
COLUMBIA MARSICO GROWTH FUND	166.	0.	166.
COLUMBIA SHORT TERM BOND FUND	18,004.	0.	18,004.
COLUMBIA SMALL CAP INDEX FUND	1,314.	0.	1,314.
COLUMBIA TOTAL RETURN BOND FUND	58,055.	0.	58,055.
EATON VANCE LARGE CAP VALUE FUND	1,695.	0.	1,695.
PIMCO TOTAL RETURN FUND	40,018.	0.	40,018.
TOTAL TO FM 990-PF, PART I, LN 4	127,948.	0.	127,948.

FORM 990-PF RENTAL INCOME STATEMENT 2

KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME
FARM INCOME	1	4,500.
TOTAL TO FORM 990-PF, PART I, LINE 5A		4,500.

FORM 990-PF RENTAL EXPENSES STATEMENT 3

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
TAXES		1,000.	
PROFESSIONAL SERVICES		598.	
- SUBTOTAL -	1		1,598.
TOTAL RENTAL EXPENSES			1,598.
NET RENTAL INCOME TO FORM 990-PF, PART I, LINE 5B			2,902.

FORM 990-PF OTHER INCOME STATEMENT 4

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
ROYALTY INCOME	10,449.	10,449.	
PRODUCTION TAX	<212.>	<212.>	
LOE	<166.>	<166.>	
AD VALOREM TAXES	<142.>	<142.>	
MANAGEMENT FEES	<814.>	<814.>	
TOTAL TO FORM 990-PF, PART I, LINE 11	9,115.	9,115.	

FORM 990-PF LEGAL FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEE	2,100.	2,100.		0.
TO FM 990-PF, PG 1, LN 16A	2,100.	2,100.		0.

FORM 990-PF ACCOUNTING FEES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEE	6,723.	6,723.		0.
TO FORM 990-PF, PG 1, LN 16B	6,723.	6,723.		0.

FORM 990-PF	OTHER PROFESSIONAL FEES			STATEMENT 7
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ADMINISTRATION FEE	850.	850.		0.
PROFESSIONAL SERVICES	598.	598.		0.
TO FORM 990-PF, PG 1, LN 16C	1,448.	1,448.		0.

FORM 990-PF	TAXES			STATEMENT 8
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TAXES	1,000.	1,000.		0.
TO FORM 990-PF, PG 1, LN 18	1,000.	1,000.		0.

FORM 990-PF	OTHER INCREASES IN NET ASSETS OR FUND BALANCES	STATEMENT 9
DESCRIPTION		AMOUNT
BOOK/TAX TIMING DIFFERENCES ON INVESTMENT INCOME		991.
TOTAL TO FORM 990-PF, PART III, LINE 3		991.

FORM 990-PF	OTHER INVESTMENTS		STATEMENT 10
DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
15,803.965 SHS COLUMBIA LARGE CAP INDEX FUND	COST	286,526.	383,878.
11,290.172 SHS COLUMBIA MARSICO FOCUSED EQUITIES FUND	COST	175,449.	262,045.
12,735.899 SHS COLUMBIA MARSICO GROWTH FUND	COST	265,659.	263,506.
25,448.979 SHS COLUMBIA SMALL CAP INDEX FUND	COST	111,879.	137,111.
34,891.265 SHS COLUMBIA SHORT TERM BOND FUND	COST	236,493.	346,470.

THE TE CRAIG, SD HEARD AND LD HEARD MEMO

59-7279007

80,668.172 SHS COLUMBIA TOTAL RETURN BOND FUND	COST	774,035.	805,875.
538 SHS PROPSEER COOPERATIVE GIN ASSN	COST	538.	0.
23,209.296 SHS CAMBIAR SMALL CAP FUND	COST	349,300.	407,323.
12,743.521 SHS COLUMBIA SMALL CAP GROWTH FUND	COST	349,300.	402,695.
27,476.885 EATON VANCE LARGE CAP VALUE FUND	COST	465,733.	502,003.
85,910.653 PIMCO TOTAL RETURN FUND	COST	1,000,000.	932,131.
TOTAL TO FORM 990-PF, PART II, LINE 13		<u>4,014,912.</u>	<u>4,443,037.</u>



ACCT 2680 011003071917
 FROM 01/01/2010
 TO 12/31/2010

BANK OF AMERICA, NA
 STATEMENT OF CAPITAL GAINS AND LOSSES
 TUA KHC/TE CRAIG HEARD MEM
 (30-01-100-3071917)
 TRUST YEAR ENDING 12/31/2010

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 RUN 02/15/2011
 02 27 48 PM

TAX PREPARER 840
 TRUST ADMINISTRATOR 345
 INVESTMENT OFFICER 801

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
1056 5240 COLUMBIA MARSICO GROWTH FUND CLASS Z SHARES - 19765H180 - MINOR = 3505						
SOLD		04/20/2010	20000 00			
ACQ	1056 5240	02/28/1993	20000.00	23421 15	-3421 15	LT15
1139 3940 COLUMBIA MARSICO GROWTH FUND CLASS Z SHARES - 19765H180 - MINOR = 3505						
SOLD		06/28/2010	19187.40			
ACQ	1139 3940	02/28/1993	19187.40	25258 22	-6070 82	LT15
16557.7380 COLUMBIA MARSICO GROWTH FUND CLASS Z SHARES - 19765H180 - MINOR = 3505						
SOLD		09/28/2010	303172 18			
ACQ	16557 7380	02/28/1993	303172.18	367053.88	-63881 70	LT15
933 2710 COLUMBIA MARSICO FOCUSED EQUITIES FUND CLASS Z SH - 19765H230 - MINOR = 3505						
SOLD		04/20/2010	20000 00			
ACQ	933 2710	06/14/1999	20000 00	14503 03	5496 97	LT15
998 2720 COLUMBIA MARSICO FOCUSED EQUITIES FUND CLASS Z SH - 19765H230 - MINOR = 3505						
SOLD		06/28/2010	18947 20			
ACQ	998 2720	06/14/1999	18947 20	15513 15	3434 05	LT15
14380 5120 COLUMBIA MARSICO FOCUSED EQUITIES FUND CLASS Z SH - 19765H230 - MINOR = 3505						
SOLD		09/28/2010	295950 94			
ACQ	14380 5120	06/14/1999	295950 94	223473 15	72477 79	LT15
1681 2180 COLUMBIA LARGE CAP INDEX FUND CLASS Z SHARES - 19765H321 - MINOR = 3505						
SOLD		06/28/2010	35070 20			
ACQ	1681 2180	07/30/1999	35070.20	43459 48	-8389.28	LT15
10612 4100 COLUMBIA LARGE CAP INDEX FUND CLASS Z SHARES - 19765H321 - MINOR = 3505						
SOLD		09/28/2010	237505 73			
ACQ	10612 4100	07/30/1999	237505 73	274330 79	-36825 06	LT15
17039 0170 COLUMBIA LARGE CAP INDEX FUND CLASS Z SHARES - 19765H321 - MINOR = 3505						
SOLD		09/28/2010	381333 20			
ACQ	17039 0170	06/14/1999	381333 20	429724.00	-48390 80	LT15
1499 4690 COLUMBIA SHORT TERM BOND FUND CLASS Z SHARES - 19765H362 - MINOR = 3515						
SOLD		04/20/2010	14904 72			
ACQ	1499 4690	05/12/1977	14904 72	11292 12	3612 60	LT15
1518 6400 COLUMBIA SHORT TERM BOND FUND CLASS Z SHARES - 19765H362 - MINOR = 3515						
SOLD		04/20/2010	15095 28			
ACQ	1518 6400	10/31/1972	15095.28	11409 78	3685 50	LT15
2524 0000 COLUMBIA SHORT TERM BOND FUND CLASS Z SHARES - 19765H362 - MINOR = 3515						
SOLD		06/28/2010	25113 80			
ACQ	2524 0000	10/31/1972	25113 80	18963 21	6150 59	LT15
3913 8030 COLUMBIA SHORT TERM BOND FUND CLASS Z SHARES - 19765H362 - MINOR = 3515						
SOLD		09/28/2010	39138 03			
ACQ	3913 8030	10/31/1972	39138 03	29405 02	9733.01	LT15
12426 3950 COLUMBIA SHORT TERM BOND FUND CLASS Z SHARES - 19765H362 - MINOR = 3515						
SOLD		09/28/2010	124263.95			
ACQ	12426 3950	01/31/1973	124263 95	93174 32	31089 63	LT15
11197.2190 COLUMBIA SHORT TERM BOND FUND CLASS Z SHARES - 19765H362 - MINOR = 3515						
SOLD		09/28/2010	111972 19			
ACQ	11197 2190	10/31/1971	111972 19	83385 42	28586 77	LT15
2938 9730 COLUMBIA SHORT TERM BOND FUND CLASS Z SHARES - 19765H362 - MINOR = 3515						
SOLD		09/28/2010	29389 73			
ACQ	2938 9730	02/12/1976	29389 73	21764 14	7625 59	LT15
5849 2570 COLUMBIA TOTAL RETURN BOND FUND CLASS Z SH - 19765H453 - MINOR = 3515						
SOLD		06/28/2010	58024 63			
ACQ	5849 2570	05/12/1999	58024 63	57381 21	643 42	LT15
5576 3760 COLUMBIA TOTAL RETURN BOND FUND CLASS Z SH - 19765H453 - MINOR = 3515						
SOLD		09/28/2010	56488 69			
ACQ	5576 3760	05/12/1999	56488 69	54704 25	1784.44	LT15
61855 6700 COLUMBIA TOTAL RETURN BOND FUND CLASS Z SH - 19765H453 - MINOR = 3515						
SOLD		09/28/2010	626597 94			
ACQ	61855 6700	09/26/2006	626597 94	600000 00	26597 94	LT15
3852 2330 COLUMBIA TOTAL RETURN BOND FUND CLASS Z SH - 19765H453 - MINOR = 3515						
SOLD		09/28/2010	39023.12			
ACQ	3852 2330	05/31/1996	39023 12	37241.52	1781 60	LT15
947 9690 COLUMBIA SMALL CAP INDEX FUND CLASS Z SHARES - 19765J814 - MINOR = 3505						
SOLD		06/28/2010	13660 24			
ACQ	947 9690	02/27/2001	13660 24	13366 36	293 88	LT15
16566 3270 COLUMBIA SMALL CAP INDEX FUND CLASS Z SHARES - 19765J814 - MINOR = 3505						
SOLD		09/28/2010	249985 88			
ACQ	16566 3270	02/27/2001	249985.88	233585.22	16400 66	LT15
TOTALS			2734825.05	2682409 42		

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	0 00	0 00	52415 63	0 00	0 00	0 00*
COMMON TRUST FUND	0 00	0 00	0 00			0 00
CAPITAL GAIN DIVIDENDS	0 00	0.00	15293 83			0 00
	0 00	0 00	67709 46	0 00	0 00	0 00