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

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

, 2010, and ending

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

WELCH FAMILY FOUNDATION, INC.
1100 ONEOK PLAZA 100 WEST FIFTH ST.
TULSA, OK 74103

A Employer identification number

73-1502461

B Telephone number (see the instructions)

(918) 595-4860

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, column (c), line 16) J Accounting method: Cash Accrual
 Other (specify) _____

► \$ 1,587,288.

(Part I, column (d) must be on cash basis.)

Part II 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 the instructions))

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
R E V E N U E	1 Contributions, gifts, grants, etc, received (att sch)	464,145.			
	2 Ck ► <input type="checkbox"/> if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments	1,296.	1,296.		
	4 Dividends and interest from securities.	33,905.	33,905.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on line 10	10,395.			
	b Gross sales price for all assets on line 6a	474,540.			
	7 Capital gain net income (from Part IV, line 2)		10,395.		
	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/(loss) (att sch)				MD
	11 Other income (attach schedule)				L
	12 Total. Add lines 1 through 11	509,741.	45,596.	0.	
	13 Compensation of officers, directors, trustees, etc.	0.			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule) See St 1	1,375.	687.		688.
	b Accounting fees (attach sch) See St 2	1,395.	697.		698.
	c Other prof fees (attach sch)				
	17 Interest	2,699.	2,699.		
	18 Taxes (attach schedule)(see instr) See Stm 3	864.	394.		
	19 Depreciation (attach sch) and depletion	352.	176.		
	20 Occupancy	747.	374.		373.
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) See Statement 4	293.	97.		96.
	24 Total operating and administrative expenses. Add lines 13 through 23	7,725.	5,124.		1,855.
	25 Contributions, gifts, grants paid Part XV	31,500.			31,500.
	26 Total expenses and disbursements. Add lines 24 and 25.	39,225.	5,124.	0.	33,355.
	27 Subtract line 26 from line 12: a Excess of revenue over expenses and disbursements	470,516.			
	b Net investment income (if negative, enter -0-)		40,472.		
	c Adjusted net income (if negative, enter -0-)			0.	

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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
ASSETS	1	34,251.	130,632.	130,632.
	2			
	3			
	4			
	5			
	6			
	7			
	8			
	9			
	10a			
	b	725,039.	850,156.	1,121,930.
	c		342,087.	334,726.
	11			
	12			
	13			
	14	1,503.		
Less accumulated depreciation (attach schedule)		352.		
15				
16	759,642.	1,322,875.	1,587,288.	
LIABILITIES	17			
	18			
	19			
	20			
	21			
	22			
	23	0.	0.	
	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.			
	24			
	25			
	26			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.			
	27			
	28			
	29			
30	759,642.	1,322,875.		
31	759,642.	1,322,875.		
	759,642.	1,322,875.		

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	759,642.
2	Enter amount from Part I, line 27a ..	2	470,516.
3	Other increases not included in line 2 (itemize) ► See Statement 6	3	92,717.
4	Add lines 1, 2, and 3. ..	4	1,322,875.
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	1,322,875.

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 shares MLC Company)			(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1 a 8788 EMERSON ELECTRIC CO			D	7/08/10	11/02/10
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 474,540.		464,145.	10,395.		
b					
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Column (h)) gain minus column (k), but not less than -0- or Losses (from column (h))		
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any			
a			10,395.		
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	10,395.	
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 the instructions) If (loss), enter -0- in Part I, line 8		3	0.	

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 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 (column (b) divided by column (c))
2009	35,961.	1,019,718.	0.035266
2008	41,785.	671,182.	0.062256
2007	35,000.	807,794.	0.043328
2006	35,000.	734,702.	0.047638
2005	33,680.	703,407.	0.047881

2 Total of line 1, column (d)

2 0.236369

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 0.047274

4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5

4 1,081,586.

5 Multiply line 4 by line 3

5 51,131.

6 Enter 1% of net investment income (1% of Part I, line 27b)

6 405.

7 Add lines 5 and 6

7 51,536.

8 Enter qualifying distributions from Part XII, line 4

8 33,355.

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.

Part VI **Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 – see the instructions)**

1 a	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 instr.)		1
1		809.
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	
2		0.
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (b)	
3		809.
2		0.
4		0.
5		809.
5	Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-	
6	Credits/Payments:	
a	2010 estimated tax pmts and 2009 overpayment credited to 2010	6a
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
8	Enter any penalty for underpayment of estimated tax. Check here <input checked="" 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
11	Enter the amount of line 10 to be: Credited to 2011 estimated tax ► Refunded	11

Part VII-A **Statements Regarding Activities**

	Yes	No
1 a		X
b		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.		
c		X
d		
(1) On the foundation . ► \$ _____ 0. (2) On foundation managers ► \$ _____ 0.		
e		
2		X
3	X	
4a		X
4b	N/A	
5		X
6	X	
7	X	
8a		
OK		
b		
9		
10		X

1 a 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?

b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?

c Did the foundation file **Form 1120-POL** for this year?

d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year:
 (1) On the foundation . ► \$ _____ 0. (2) On foundation managers ► \$ _____ 0.

e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► \$ _____ 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.

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

4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?
 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.

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?

7 Did the foundation have at least \$5,000 in assets at any time during the year? If 'Yes,' complete Part II, column (c), and Part XV

8a Enter the states to which the foundation reports or with which it is registered (see the instructions) ► _____

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

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)? If 'Yes,' complete Part XIV

10 Did any persons become substantial contributors during the tax year? If 'Yes,' attach a schedule listing their names and addresses

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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	13	X
14	The books are in care of ► DAVID MCKINNEY Telephone no ► (918) 595-4860 Located at ► 1100 ONEOK PLAZA 100 WEST FIFTH ST. TULSA OK ZIP + 4 ► 74103		
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
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 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 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 checked="" type="checkbox"/> Yes	<input 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 the instructions)? Organizations relying on a current notice regarding disaster assistance check here ►	1b	X
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 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 ► 20__ , 20__ , 20__ , 20__ .	<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 the instructions)	2b	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. ► 20__ , 20__ , 20__ , 20__ .		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If 'Yes,' did it have excess business holdings in 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	N/A
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)? (see 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 instructions)?

5b N/A

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

6b X

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

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

7b

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?

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 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
DAVID MCKINNEY 100 WEST 5TH ST., SUITE 1100 TULSA, OK 74103	DIR. & PRES. 3.00	0.	0.	0.
PEGGY WELCH 1446 SOUTH NEWPORT AVENUE TULSA, OK 74120	DIR. VP & SEC 1.00	0.	0.	0.
WILLIAM J. WELCH, JR. 6510 SOUTH FULTON TULSA, OK 74136	Director 0.50	0.	0.	0.
DOUGLAS S. WELCH 5124 SOUTH LAKEWOOD AVENUE TULSA, OK 74135	Director 0.50	0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1— see 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

► 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 (see 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

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 (see 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 instructions

3 _____

Total. Add lines 1 through 3 ► 0.

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Form 990-PF (2010)

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
 b Average of monthly cash balances
 c Fair market value of all other assets (see instructions).
 d **Total** (add lines 1a, b, and c)
 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
 3 Subtract line 2 from line 1d
 4 Cash deemed held for charitable activities Enter 1-1/2% of line 3
 (for greater amount, see instructions)
 5 **Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4
 6 **Minimum investment return.** Enter 5% of line 5

1a	1,045,205.
1b	52,852.
1c	
1d	1,098,057.
2	0.
3	1,098,057.
4	16,471.
5	1,081,586.
6	54,079.

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.
 2a Tax on investment income for 2010 from Part VI, line 5
 b Income tax for 2010. (This does not include the tax from Part VI.) 2a 809. 2b
 c Add lines 2a and 2b
 3 Distributable amount before adjustments Subtract line 2c from line 1
 4 Recoveries of amounts treated as qualifying distributions
 5 Add lines 3 and 4
 6 Deduction from distributable amount (see instructions)
 7 **Distributable amount as adjusted** Subtract line 6 from line 5. Enter here and on Part XIII, line 1

1	54,079.
2a	809.
2b	
2c	809.
3	53,270.
4	
5	53,270.
6	
7	53,270.

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

1a	33,355.
1b	
2	
3a	
3b	
4	33,355.
5	
6	33,355.

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 instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				53,270.
2 Undistributed income, if any, as of the end of 2010:				
a Enter amount for 2009 only			31,399.	
b Total for prior years: 20____, 20____, 20____		0.		
3 Excess distributions carryover, if any, to 2010:				
a From 2005				
b From 2006				
c From 2007				
d From 2008				
e From 2009				
f Total of lines 3a through e.		0.		
4 Qualifying distributions for 2010 from Part XII, line 4 ► \$ 33,355.			31,399.	
a Applied to 2009, but not more than line 2a				
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				1,956.
e Remaining amount distributed out of corpus		0.		
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		0.		
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 instructions				0.
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				51,314.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)		0.		
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see instructions)		0.		
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a.		0.		
10 Analysis of line 9:				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009				
e Excess from 2010				

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 2010, enter the date of the ruling				
b	Check box to indicate whether the foundation is a private operating foundation described in section <input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 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.				
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)(ii)				
(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 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:

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
<i>a Paid during the year</i>				
WHITWORTH UNIVERSITY 300 WEST HAWTHORNE ROAD SPOKANE, WA 99251	NONE	EXEMPT	SUPPORT FOR EDUCATIONAL & RELIGIOUS PROGRAMS	5,000.
UNIVERSITY OF TULSA 800 SOUTH TUCKER DRIVE TULSA, OK 74104	NONE	EXEMPT	SUPPORT FOR EDUCATIONAL & RELIGIOUS PROGRAMS	10,000.
CAMP LOUGHridge 4900 WEST 71ST STREET TULSA, OK 74131	NONE	EXEMPT	SUPPORT FOR RELIGIOUS AND YOUTH PROGRAMS	10,000.
HELPING HANDS, INC 700 SOUTH BOSTON AVENUE TULSA, OK 74119	NONE	EXEMPT	SUPPORT FOR SERVICES PROVIDED TO THE NEEDY	500.
LITERACY & EVANGELISM INTERNATIONAL 1800 SOUTH JACKSON AVENUE TULSA, OK 74107	NONE	EXEMPT	SUPPORT FOR RELIGIOUS & EDUCATIONAL PROGRAMS	6,000.
Total				► 3a 31,500.
<i>b Approved for future payment</i>				
Total				► 3b

Part XVI-A Analysis of Income-Producing Activities

	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (see the instructions)
	(a) Business code	(b) Amount	(c) Exclu- sion 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	1,296.	
4 Dividends and interest from securities			14	33,905.	
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	10,395.	
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)				45,596.	
13 Total. Add line 12, columns (b), (d), and (e)				13	45,596.

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

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

Department of the Treasury
Internal Revenue Service

OMB No 1545-0047

Schedule of Contributors

► Attach to Form 990, 990-EZ, or 990-PF

2010

Name of the organization
WELCH FAMILY FOUNDATION, INC.

Employer identification number
73-1502461

Organization type (check one):

Filers of:

Form 990 or 990-EZ

Section:

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 their 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).

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

Schedule B (Form 990, 990-EZ, or 990-PF) (2010)

Name of organization

WELCH FAMILY FOUNDATION, INC.

Employer identification number

73-1502461

Part I **Contributors** (see instructions.)

(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	WILLIAM J. WELCH TRUST 2200 S. UTICA PLACE, SUITE 550 TULSA, OK 74114	\$ 464,145	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution)
(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
—	—	\$ —	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
—	—	\$ —	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
—	—	\$ —	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
—	—	\$ —	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
—	—	\$ —	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization

WELCH FAMILY FOUNDATION, INC.

Employer identification number

73-1502461

Part II Noncash Property (see instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	SECURITIES	\$ 464,145.	10/20/10
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
	\$		
	\$		
	\$		
	\$		
	\$		

BAA

Name of organization

WELCH FAMILY FOUNDATION, INC.

Employer identification number

73-1502461

Part III: Exclusively religious, charitable, etc, individual contributions to section 501(c)(7), (8), or (10) organizations aggregating more than \$1,000 for the year. Complete cols (a) through (e) and the following line entry

For organizations completing Part III, enter total of *exclusively religious, charitable, etc, contributions of \$1,000 or less* for the year (Enter this information once See instructions)

► \$

N/A

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
N/A			
(e) Transfer of gift Transferee's name, address, and ZIP + 4 Relationship of transferor to transferee			
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift Transferee's name, address, and ZIP + 4 Relationship of transferor to transferee			
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift Transferee's name, address, and ZIP + 4 Relationship of transferor to transferee			
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift Transferee's name, address, and ZIP + 4 Relationship of transferor to transferee			

2010

Federal Statements

Page 1

Client WEL01

WELCH FAMILY FOUNDATION, INC.

73-1502461

5/09/11

11:35AM

Statement 1
Form 990-PF, Part I, Line 16a
Legal Fees

	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
LEGAL FEES	\$ 1,375.	\$ 687.	\$ 0.	\$ 688.
Total	<u>\$ 1,375.</u>	<u>\$ 687.</u>	<u>\$ 0.</u>	<u>\$ 688.</u>

Statement 2
Form 990-PF, Part I, Line 16b
Accounting Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
ACCOUNTING FEES	\$ 1,395.	\$ 697.	\$ 0.	\$ 698.
Total	<u>\$ 1,395.</u>	<u>\$ 697.</u>	<u>\$ 0.</u>	<u>\$ 698.</u>

Statement 3
Form 990-PF, Part I, Line 18
Taxes

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
FEDERAL EXCISE TAX	\$ 470.	\$ 394.	\$ 0.	\$ 0.
FOREIGN TAX				
Total	<u>\$ 864.</u>	<u>\$ 394.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

Statement 4
Form 990-PF, Part I, Line 23
Other Expenses

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
INVESTMENT EXPENSES - BELBROOK	\$ 284.	\$ 92.	\$ 0.	\$ 92.
INVESTMENT EXPENSES - WELLS FARGO	\$ 9.	\$ 5.	\$ 0.	\$ 4.
Total	<u>\$ 293.</u>	<u>\$ 97.</u>	<u>\$ 0.</u>	<u>\$ 96.</u>

2010**Federal Statements****Page 2****Client WEL01****WELCH FAMILY FOUNDATION, INC.****73-1502461**

5/09/11

03 11PM

**Statement 5
Form 990-PF, Part II, Line 14
Land, Buildings, and Equipment**

<u>Category</u>	<u>Basis</u>	<u>Accum. Deprec.</u>	<u>Book Value</u>	<u>Fair Market Value</u>
Machinery and Equipment	\$ 1,503.	\$ 1,503.	\$ 0.	\$ 0.
Total	<u>\$ 1,503.</u>	<u>\$ 1,503.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

**Statement 6
Form 990-PF, Part III, Line 3
Other Increases**

BASIS RELATED TO PRIOR YEAR'S CONTRIBUTIONS

Total \$ 92,717.

**2006 Amendments to Bylaws
of
Welch Family Foundation**

The Bylaws of the Welch Family Foundation, as previously amended, are hereby amended in the following respects:

Article III, Sections 1 and 2, are amended to read as follows:

Section 1. The property, affairs, activities and concerns of the Foundation shall be vested in a Board of Directors consisting of at least 3 and not more than 15 Directors. A Supermajority of the Directors (see Article IV, Section 15, below) may increase or decrease the number of Directors within such limits by a resolution adopted at any Board meeting. After a Director is elected, he/she shall serve until he/she dies, resigns, is legally disqualified or is removed pursuant to Article IV, Section 11.

Section 2. If any vacancy or vacancies occur in the Board of Directors for any reason, a Supermajority of the Board of Directors then serving, though less than a quorum, may elect candidates for successor Directors ("Candidates"). Within 30 days after a newly-elected Candidate is notified of his/her election, he/she must sign and return to the Foundation the Statement of Faith described in Article XVI, Section 5, of these Bylaws (the "Statement Requirement"). No such Candidate shall serve as a Director, or have any rights, vote or authority as a Director, unless and until he/she complies with the Statement Requirement within such 30-day period. If a Candidate does not comply with the Statement Requirement within such 30-day period, he/she shall be deemed never to have been elected as a Director, his/her election shall be null, void and of no effect, and the Director position that he/she would have filled shall be vacant. If and when the Candidate satisfies the Statement Requirement within such 30 days, he/she shall become a Director to serve until he/she dies, resigns, is legally disqualified or is removed pursuant to Article IV, Section 11.

A new Article III, Section 4, is amended to read as follows:

Section 4. Whenever any descendant of William Jordan Welch, determined according to the Oklahoma laws of descent and distribution in effect at the time of the adoption of the 2006 Amendments to these Bylaws (a "Welch Descendant") is over the age of 18 and qualifies as a Director, at least one Director shall be a Welch Descendant. In the event that no Welch Descendant is a Director, after a written notice to the Chairman of the Board that any Director or Welch Descendant is demanding that this Section 4 be enforced and the Board of Directors' failure to elect a qualified Welch

Descendant within 90 days thereafter, any Welch Descendant may institute an action in the Tulsa County District Court to enforce the requirements of this Section 4; and thereupon the Tulsa County District Court shall have the authority to designate which Welch Descendant will be a Director (even if the designation of such Director requires an increase in the number of Directors).

Article IV, Section 1, is amended to read as follows:

Section 1. The Directors of the Foundation shall consist of the two (2) original Directors named in the Articles of Incorporation and such other Directors as may be elected and take office as provided in Article III.

Article IV, Section 4, is amended to read as follows:

Section 4. The annual meeting of the Directors of the Foundation shall be held for the purpose of the election of officers and the transaction of such other business as may properly be presented for action at the meeting. The annual meeting normally shall be held at the Foundation's principal office at 2:00 p.m. on the fourth Tuesday of each April of each year, if not a legal holiday and if a legal holiday, at 2:00 p.m. on the next succeeding Tuesday not a legal holiday. A normal annual meeting may be held without notice to the Directors. The location, date or time of the annual meeting may be changed, by giving at least 10 days' prior written notice to the Directors, as follows:

(a) The Chairman may designate any other location within Tulsa County, Oklahoma as the meeting place. Alternatively, a Supermajority of the Directors may designate any location within or without Tulsa County, Oklahoma, as the meeting place.

(b) The Chairman may designate any other date or time for the annual meeting unless one-third of the Directors object to such date or time within 5 days after the Chairman notifies the Directors of the different date or time.

Article IV, Section 11, is amended to read as follows:

Section 11. Any Director (the "Affected Director") may be removed from the Board of Directors for any of the following Causes; each subsection states a "Removal Percentage" for a removal for each Cause. The number of Directors required to vote in favor of removing the Affected Director for a Cause is the Removal Percentage of all Directors (excluding the Affected Director); for example, if there are 7 Directors, the number of all directors

excluding the Affected Director is 6 Directors and the Removal Percentage for Subsection (a) is over 50%, which means that at least 4 Directors must approve the removal of a Director for the Cause described in Subsection (a):

- (a) Failure or refusal to reaffirm the Statement of Faith as provided in Article IV, Section 13, within 30 days after the Chairman of the Board (or, for the Chairman's failure or refusal, the Vice Chairman) notifies the Affected Director, in writing, that he/she must reaffirm the Statement of Faith within such 30 days or he/she will be removed from the Board. The Removal Percentage for this Cause is more than 50%.
- (b) Conviction of a felony. The Removal Percentage for this Cause is more than 50%.
- (c) Theft of property from the Foundation. The Removal Percentage for this Cause is 66%.
- (d) Jeopardizing the Foundation's tax-exempt status. The Removal Percentage for this Cause is 66%.
- (e) Failing to attend or participate in a majority of the Board meetings over a two-year period. The Removal Percentage for this Cause is 66%.
- (f) Acting with, participating in, or benefitting from a conflict of interest with the Foundation without first disclosing the conflict of interest as required by Article IX, Section 3. The Removal Percentage for this Cause is 66%.
- (g) Conduct detrimental to the Foundation's best interests. The Removal Percentage for this Cause is 66%.

The notice of any meeting at which the removal of the Affected Director is considered must state that a purpose of the meeting is to remove the Affected Director named in the notice, and must identify the purported Causes listed above for which a removal will be considered. A notice of such meeting must be mailed to all Directors, including the Affected Director, at least 7 days before the meeting. If the Affected Director is present at such meeting, the Affected Director must be afforded the opportunity to make a

presentation of at least 20 minutes (as extended by the Board in the Board's sole discretion) to oppose his/her removal. The Directors may hold an executive session to consider and vote on the removal of the Affected Director and may exclude the Affected Director from the executive session. The Affected Director will not be entitled to counsel at such meeting. The Directors' vote to remove an Affected Director will be final and conclusive.

New Article IV, Sections 13, 14, 15 and 16, are added to read as follows:

Section 13. Annually, the Directors will be required to sign a reaffirmation of the Foundation's Statement of Faith and Purposes in the form attached as Article XVI, Section 5, of these Bylaws. The Chairman of the Board or his/her designee shall mail a copy of and a reminder to sign such Statement of Faith to each Director with the notice of the Foundation's annual meeting; provided that such Statement of Faith and reminder may be mailed at any other time during a year.

Section 14. Any Director may participate in a Director meeting by means of a telephone or other technological device which allows each participating Director to hear, and be heard by, each other participating Director.

Section 15. The approval of certain actions described in these Bylaws requires a "Supermajority" vote of the Directors. A "Supermajority" vote is a vote of 3/4 of the entire number of Directors who are then qualified and acting as Directors and who are not abstaining from or disqualified from acting with respect to the proposition on which the vote is being taken. In addition to the other actions for which these Bylaws require a Supermajority vote, the following actions also require a Supermajority vote of the Directors:

- (a) The approval of gifts or pledges of more than 15% of the net value of the Foundation's assets to all charities and recipients within any calendar year.
- (b) The approval of pledges that will cause the aggregate of all past and current pledges, that are payable in future calendar years, to exceed 15% of the net value of the Foundation's assets.
- (c) The approval of the acquisition, sale, alienation, exchange, lease, encumbrance, transfer or other disposition of the Foundation's assets, land, buildings, or equipment that has a market value in excess of \$500,000, provided that sales of marketable securities are not subject to such a Supermajority approval.
- (d) The approval of any contract or transaction that directly or indirectly benefits any Director or officer.

- (e) The incurrence of more than \$500,000 in indebtedness to be outstanding for more than 30 days.
- (f) The institution of any state or federal bankruptcy or insolvency proceeding of any kind, with respect to the Foundation.
- (g) The approval of the Foundation's dissolution, liquidation or merger, or the sale of all or substantially all of the Foundation's assets.

Section 16. Written Consents The Board or any committee may act without a meeting if, before or after the action, all of the members of the Board or committee (respectively) consent to the action in writing. Such a written consent will be deemed a waiver of all required notices, waiting periods and meetings. In addition, the Board may act without a meeting without a unanimous written consent if, before or after the action, the number of Board Members, that would permit the action if all Board members had attended a Board Meeting, consent to the action in writing; provided that (a) all Board members who do not sign such written consent shall be mailed a copy of such consent within 10 days after such consent is signed by a sufficient number of Board members; and (b) whenever these Bylaws require a notice to Directors with a specified minimum period of time before the meeting, such notice must be given to all Directors at least the minimum period of time stated in these Bylaws before such consent by less than all Directors may be signed. Written consents shall be filed with any minutes of the proceedings, and shall have the same effect as if a vote had been taken on the action.

Article VI, Section 5, is amended to read as follows:

Section 5. The Foundation's officers shall hold office until (a) they resign and their successors are elected and qualify, or (b) the effective date of removal by the Directors. Any officer, employee or agent of the Foundation may be removed at any time by the affirmative vote of the entire number of Directors who are then qualified and acting as Directors and who are not abstaining from or disqualified from acting with respect to the proposition on which the vote is being taken; a Director who also is an officer, employee or agent shall be disqualified from voting on his/her removal as such officer, employee or agent. If any position of officer, employee or agent should be vacant, the vacancy may be filled by the majority vote of the Directors who are present at a meeting at which a quorum is present.

Article VIII, Section 1, is amended to read as follows:

Section 1. These Bylaws may be amended, repealed or altered in whole or in part by a Supermajority vote of the Directors at any meeting held pursuant to due call and notice. Such proposed change to the Bylaws shall be mailed

to the address of each Director last stated in the Foundation's records of directors' addresses at least 10 days before the date of the meeting to consider the change to the Bylaws.

Article IX, Section 3, is added to read as follows:

Section 3. Before the Corporation enters into a transaction described in Section 2 of this Article (in this Section called a "Transaction"), each Director who has a direct or indirect interest or involvement in the Transaction shall notify the Corporation, in writing or orally at a Directors' meeting, of the nature of the Director's interest or involvement in the Transaction.

Article XV, Sections 1 and 8, are amended to read as follows:

1. Investments shall be made and held as follows:
 - A. 90% - 100% of the portfolio shall be held in common stocks.
 - B. The rest of the portfolio shall be held in United States governmental bonds, fixed-income securities the payment of which is guaranteed by the United States, and other fixed income securities that are rated by Standard and Poors or Moody's as "AA-" or "Aa4" or better and that have a maturity of less than 7 years.
8. Within the limits of the guidelines listed above, the Directors and (as delegated by the Directors) the Officers of the Foundation may cause the Foundation's funds to be invested in any securities described in Section 1 of this Article, which the Directors or Officers may deem advisable and in the best interests of the Foundation.

Article XVI is amended to read as follows; italicized language is new:

ARTICLE XVI

DISBURSEMENT POLICIES

There shall be three main categories of donees and beneficiaries. *The successor to any donee or beneficiary shall continue to be a donee or beneficiary if the Directors determine that such donee or beneficiary continues the primary mission of the predecessor donee or beneficiary, and if such successor is an exempt organization under Section 501 of the Internal Revenue Code of 1986, as amended (the "Code") and is a publicly supported organization under Section 509 of the Code. The "Distributable Amount" is*

the minimum annual distribution that the Internal Revenue Code of 1986, as amended (the "Code") requires the Foundation to make, if any, reduced by all deductions and credits allowed by the Code. If, however, the Foundation's net income is greater than the amount that the Code requires to be distributed, the "Distributable Amount" is all of the Foundation's net income. The Directors may determine the Foundation's "net income" pursuant to the Oklahoma Uniform Principal and Income Act, 60 Okl. Stat. § 175.101 et seq., as amended after this amendment to the Bylaws.

Section 1. Principal Beneficiaries. The principal group of donees and beneficiaries shall consist of the First Presbyterian Church of Tulsa, Oklahoma; Camp Loughridge; and The University of Tulsa.

If the aggregate Distributable Amount for a year is less than \$100,000, the Directors may elect to allocate all of the Distributable Amount among the principal beneficiaries as the Directors may elect. If the aggregate Distributable Amount for a year exceeds \$100,000, then the annual gifts to the principal group of donees and beneficiaries shall be distributed under the following guidelines:

- A. The First Presbyterian Church of Tulsa, Oklahoma. The annual gift made to the First Presbyterian Church of Tulsa, Oklahoma (the "Church") shall be limited by an amount which equals the total operating budget of the Church, and shall be designated by the Directors for evangelical Christian mission causes selected by the Directors. The Church may receive a gift of up to 25% of the Distributable Amount without making a grant request. In addition to the gift of up to 25% of the Distributable Amount, for any year, the Directors may elect to make further gifts to the Church in response to the Church's grant request submitted in writing before November 1st of any year.
- B. Camp Loughridge. The annual gift made to the Camp Loughridge shall be designated by the Directors for maintenance, repairs, camper scholarships, and equipment as selected by the Directors. Camp Loughridge may receive a gift of up to 25% of the Distributable Amount without making a grant request. In addition to the gift of up to 25% of the Distributable Amount, for any year, the Directors may elect to make further gifts to Camp Loughridge in response to Camp Loughridge's grant request submitted in writing before November 1st of any year.

C. The University of Tulsa. The annual gift made to The University of Tulsa (the "University") shall be designated for McFarlin Library, Special Collections of Reformed and Renewal Theology. *The University may receive a gift of up to 25% of the Distributable Amount for such purpose without making a grant request. In addition to the gift of up to 25% of the Distributable Amount, for any year, the Directors may, without receiving a grant request, elect to make and designate further gifts to the University for any one or more of the following as designated by the Directors: Student Development (Hestwood Choir, tutoring, band instruments, uniforms, trips, etc.) and football and basketball recruiting. The aggregate additional gifts described in the previous sentence may never exceed 10% of the amount given to McFarlin Library for that year. In addition to the gifts described above, for any year, the Directors may elect to make further gifts to the University in response to the University's grant request submitted in writing before November 1st of any year.*

As a result of the additional gifts in excess of 25% of the Distributable Amount (27.5% for the University) that are authorized in this Section 1, the Directors may distribute all of the Distributable Amount to the Primary Beneficiaries without making any distributions to the Secondary or Tertiary Beneficiaries.

Section 2. Secondary Beneficiaries. The secondary group of donees and beneficiaries (the "Secondary Beneficiaries") shall consist of:

Presbyterians for Renewal;

I'm Third Foundation (KAA);

Christian Camps of Pittsburgh, Inc. (Summer's Best Two Weeks); and

Goodland Children's Home

One church, that has a second-career preacher on its staff, may be selected by the Directors to be a Secondary Beneficiary for any year or years, provided that if, for any year, the Directors do not select such a church, no such church will be deemed a Secondary Beneficiary; and provided that the Directors may select a different church to be a Secondary Beneficiary from year to year.

The Secondary Beneficiaries may each receive gifts of up to 2% of the Distributable Amount. If all qualified Secondary Beneficiaries have received 2% of the Distributable Amount, then the Directors may approve additional gifts to any one or more of the Secondary Beneficiaries and may, therefore, reduce or fail to authorize any distributions to one or more of the Tertiary Beneficiaries.

Section 3. Tertiary Beneficiaries. The third group of donees and beneficiaries (the "Tertiary Beneficiaries") shall consist of:

The University of Oklahoma Library (which gifts shall be restricted for the Western History Collection);

Oklahoma State University School of Broadcasting and Journalism;

Cottey College;

Literacy and Evangelism International;

Campus Crusade for Christ;

Tulsa Chapter of Habitat for Humanity (which shall be restricted for use by and for the benefit of such Tulsa Chapter and no part of which shall be controlled by or used for the payment of overhead or charges of any national or regional organization);

Boston Avenue Helping Hand Fund;

The Presbyterian Church USA (Global Mission Fund);

Tulsa Area United Way;

Youth Services of Tulsa; and

Tulsa Zoo Friends.

These Tertiary Beneficiaries may each receive gifts of up to 1% of the Distributable Amount. If all qualified Tertiary Beneficiaries have received 1% of the Distributable Amount, then the Directors may approve additional gifts to any one or more of the Tertiary Beneficiaries without approving additional gifts to other Tertiary Beneficiaries.

Section 4. Overall Terms and Conditions. The judgment of the Board of Directors [deleted: and officers] of the Foundation as to the amount of the Distributable Amount to be distributed to each beneficiary, as to the specific purposes for such gifts, and as to all other matters pertaining to the

distribution of the Foundation's *Distributable Amount*, shall be final and conclusive upon all persons. The Board of Directors *[deleted: and officers]* of the Foundation are authorized to discontinue, at any time, distributions of *part of the Distributable Amount* to any one or more beneficiaries, and to distribute such discontinued beneficiary's gift to any of the remaining beneficiaries. *[Deleted: Except for funds distributed to the three Principal Beneficiaries, the Board of Directors deleted: and the Officers]* The Directors of the Foundation shall have power to specify to each beneficiary to which a gift is made, the specific purpose for which the funds are to be used by the beneficiary, within the following guidelines:

- A. *The purposes for the gifts to the Principal Beneficiaries must be consistent with the conditions of Section 1.*
- B. Except for funds distributed to the University of Oklahoma Library, Oklahoma State University School of Broadcasting and Journalism, Tulsa Zoo Friends, and the Tulsa Area United Way, all funds *distributed to Secondary or Tertiary Beneficiaries* are to be used for projects consistent with the *Statement of Faith contained in Section 5 of this Article.*
- C. *[Moved; changes in text are italicized:]* At the time of the adoption of this Amendment, all of the donees and beneficiaries are private nonprofit corporations that qualify as exempt organizations under Section 501 of the Code and as publicly supported organizations under Section 509 of the Code. If any of the donees and beneficiaries fails at any time to qualify as an exempt organization under Section 501 of the Code, or as a publicly supported organization under Section 509 of the Code, or if any donee or beneficiary *other than the University of Oklahoma Library or the Oklahoma State University School of Broadcasting and Journalism*, receives its major support either through state taxation or state legislative appropriations, distributions *from the Foundation* to such donee or beneficiary shall be discontinued. For the purpose of this Subsection, the term "support" shall have the same meaning as is found in Section 509(d) of the Code. The disqualified donee or beneficiary's share of *distributions* shall be distributed to the remaining beneficiaries as determined by the Foundation's Board of Directors *[deleted: and Officers]*. If a donee or beneficiary becomes disqualified by reason of this Subsection, but thereafter re-qualifies, such donee or beneficiary shall be qualified and entitled to receive distributions from the point of time at which said requalification occurs.

D. *In the unlikely event that the Directors do not direct the payment of the entire Distributable Amount to the Primary, Secondary and Tertiary Beneficiaries, then unless a Supermajority of the Directors directs a payment to another beneficiary or beneficiaries that satisfy the requirements of Subsections 4(A and B) above, then the amount of the Distributable Amount shall be distributed pro rata among all beneficiaries in the following percentages: 1% to each Tertiary Beneficiary; 2% to each Secondary Beneficiary; and 1/3 of the remainder to each Primary Beneficiary. For the purpose of this Subsection, the term "support" shall have the same meaning as is found in Section 509(d) of the Code. If a donee or beneficiary becomes disqualified by reason of this Subsection, but thereafter re-qualifies, such donee or beneficiary shall be qualified and entitled to receive distributions from the point of time at which said requalification occurs. During the disqualification of a donee or beneficiary, distributions of net income to such donee or beneficiary shall cease. The disqualified donee or beneficiary's share of distributions shall be distributed to the remaining beneficiaries as determined by the Foundation's Board of Directors [deleted: and Officers].*

Section 5. Statement of Faith. The following is the Foundation's Statement of Faith to which each Director must subscribe as described in the Bylaws, and which must guide the actions of each beneficiary except for the exceptions stated in Article XVI. Subsection 4(A) of the Bylaws and except for The University of Tulsa:

Statement of Faith

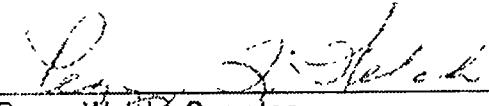
1. We affirm our belief in one eternal God, Creator and Lord of the World, Father, Son, and Holy Spirit, who governs all things according to the purpose of His will.
2. We affirm the divine inspiration, truthfulness and authority of both the Old and New Testament Scriptures in their entirety as the ONLY written word of God, without error in all that it affirms, and the only infallible rule of faith and practice.
3. We affirm that there is only one Savior and only one Gospel, although there is a wide divergency of evangelistic approaches, and that Jesus Christ is the only God-man, and the only mediator between God and all people of the earth.
4. We affirm that God is both the Creator and the Judge of all persons. We therefore share His concern for justice and reconciliation throughout human society, and for the liberation of men and women from every kind of oppression.

5. We affirm that mission is the proclamation of the Gospel and the working of social ministries of compassion of that Gospel.
6. We affirm our belief in the Apostle's Creed, and consider it as a valid and trustworthy guide regarding Christian beliefs and principles.

CERTIFICATE OF SECRETARY

I certify that I am the presently elected and acting Secretary of the Welch Family Foundation, a nonprofit Oklahoma Corporation, and that the above Amendments to the Corporation's Bylaws are the Amendments to the Corporation's Bylaws that were duly and properly adopted at a meeting of the Corporation's Directors held on the 12th day of November, 2006.

Dated: November 12, 2006



Peggy Welch, Secretary

(SEAL)

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2010 Amendments to Bylaws
of the

WELCH FAMILY FOUNDATION

Articles XV and XVI of the Bylaws of the Welch Family Foundation are deleted and are amended, restated and replaced by the following:

ARTICLE XV
INVESTMENT AND RELATED POLICIES

1. Investment Policy.

(a) **General Standards.** The Foundation adopts the "modern portfolio theory" of investing. This theory considers historical and reasonably-anticipated future investment performance, volatility, income, capital gains or losses, risks, correlations, tax consequences, and other aspects of various classes of investments. The Investment Policy also should be based on considerations of general economic conditions, historical, current and reasonably-anticipated inflation or deflation, the role of each investment in the overall investment portfolio, the expected net total return of investments as a whole, any other Foundation resources (including anticipated bequests), appropriate levels of diversification, the extent to which the Foundation reasonably can accept risks, the availability of personnel to implement and monitor the Investment Policy, accounting and other monitoring activities, and the needs to make current or future distributions or to preserve capital. After the overall Investment Policy is established, the Foundation may make one or more investments that might not be prudent or might involve excessive risks if the investment were considered by itself, but that – when considered in the overall context of the Investment Policy – are consistent with the Investment Policy's goals and diversification of investments. The Investment Policy should diversify appropriately among classes of investments, specific investments, risks, anticipated rewards, and other investment aspects. After considering the above factors, the Foundation determines that the Article XV, Section 1, of its Bylaws are the Foundation's Investment Policy.

(b) **Simplified Investment Policy.** Until all Foundation investments (sometimes called the "Portfolio") have an estimated current value (not averaged over the previous years) of at least \$6,250,000, the Foundation will use a Simplified Investment Policy. The Board has concluded that this Simplified Investment Policy is appropriate given the nature, amount and timing of additional gifts or bequests to the Foundation. The "Simplified Investment Policy" is as follows:

- (i) Generally, investments will be made and held as follows:
 - (A) 80% - 100% of the portfolio will be held in common stocks.
 - (B) The rest of the portfolio will be held in United States governmental bonds, fixed-income securities or CDs the payment of which is guaranteed by the United States, other fixed-income securities that are rated by Standard and Poors or Moody's as AA- or Aa4 or better and that have a maturity of less than 7 years, and high-quality money market funds or bank accounts.
- (ii) The investment goal is long term growth with dividend income. "Long term" means more than five years.
- (iii) Dividends and interest may be reinvested to increase total return, or retained to use for annual disbursements.
- (iv) Stocks will be selected after considering the Diversified Stock Income ("DSIP") strategy. The DSIP strategy considers stocks that:
 - (A) Appear to be in sound financial condition;
 - (B) Have investment-grade debt (if they have debt);
 - (C) Have dividends that produce an attractive current yield, are well-covered by operating cash flow, and appear to be likely to increase over time; and
 - (D) Preferably operate in defensive industries.

Typically, these stocks will be found in the larger corporations traded on the New York Stock Exchange, the NASDAQ, or the American Stock Exchange.

- (v) If a stock is listed on the Wells Fargo Advisors' Diversified Stock Income Plan list (the "DSIP List"), it will be deemed to be appropriate for purchase and to satisfy the criteria listed in Subsection (iv) above.
- (vi) The Foundation will review individual stocks at least quarterly.
- (vii) The Foundation has considered the likelihood that the Foundation will receive additional donations. The Foundation determines that this likelihood, and the relatively conservative nature of a diversified portfolio of DSIP securities compared to a standard equity portfolio, make a high concentration in DSIP securities to be appropriate for the Simplified Investment Policy.

(c) **Later Investment Policy.** After the Foundation's Portfolio value reaches approximately \$6,250,000, the Foundation's investment policy to the following:

(i) **Equities.** The Foundation will invest the Portfolio in the following approximate percentages of investment classes. The specific investments may include DSIP or other stocks, Exchange-Traded or other mutual funds, and accounts managed by investment advisors:

(A) **United States domestic "Large Cap" equities:** A range of 15% to 25%.

(I) Each of Large Cap "Growth" and "Value" classes of equities may range from 6% to 12%, but some part of the "Large Cap" component also may be invested in Large-Cap "Core" equities.

(B) **Domestic "Mid Cap" equities:** A range of 10% to 16%

(C) **Domestic "Small Cap" equities:** A range of 7% to 16%.

(D) **Equities in foreign, industrially-developed, markets:** A range of 6% to 12%.

(E) **Equities in foreign emerging markets:** A range of 3% to 7%.

(F) **Total equity investments** - A range of 41% to 70%.

(ii) **Fixed Income.** The balance will be invested in one or more fixed-income investments such as money market funds, savings accounts, federally-insured certificates of deposit, corporate or governmental bonds (with an S&P rating of A+ or better at the time of purchase), or similar investments; provided that as part of the fixed-income component of the Portfolio, the Foundation may invest up to 5% of the Portfolio value in one or more mutual funds or other collective investment funds that invest in a diversified portfolio of high-yield fixed-income investments of less than investment grade.

(A) **Bonds.** Unless the Foundation's Directors or the Investment Committee specifically determines that a bond mutual fund is in the Foundation's best interests, the Foundation will not invest in such bond fund; instead, the Foundation will invest in individual bonds. No more than 5% of the value of the Portfolio value will be invested in all fixed-income obligations of a single issuer that is not backed by the full faith and credit of the United States (a "Corporate" issuer). The Foundation will not invest more than 10% of the Portfolio value in fixed-income obligations of Corporate issuers that are in the same industry.

(B) Purpose. In addition to providing liquidity, the Foundation anticipates that the fixed-income component should provide predictable income and relative stability. The Foundation generally anticipates that fixed-income investments will be selected with a "buy and hold to maturity" intention, not with the intention of trading or speculation. The Foundation recognizes that fixed-income securities may fluctuate in value based on changes in prevailing interest rates or economic climates. When the Foundation determines the portion of the Portfolio, that is invested in fixed-income securities, the Foundation may or may not base its determinations on the unpaid principal of such securities that are not in jeopardy of default instead of the fair market value of those securities.

(iii) Rebalancing. As a general rule, the Portfolio should be rebalanced at least annually, at a time determined by a Foundation Representative, so that the percentage of the value of each Portfolio category is approximately equal to the percentages described in the then-existing Investment Policy. The Representative may elect not to rebalance completely or at all on an annual basis, or may elect to rebalance more frequently, for reasons deemed appropriate by the Representative such as a substantial gift to the Foundation or a material disruption in investments or the economy.

(A) A Foundation "**Representative**" refers to the Foundation's President, Chairman of the Investment Committee, or another person or entity that is authorized to take investment actions for the Foundation. See Subsection (f) below.

(d) Overall Investment Policy Terms. Notwithstanding the guidelines included in Subsections (b or c) above:

(i) A Representative may direct the sale of one or more securities, and the investment in other stocks or in fixed-income or other investments, when the Representative believes that urgent overall economic issues or specific industry or company issues make it advisable to take such actions -- even if the sales or purchases are inconsistent with the above Policy.

(ii) A Representative may sell any security when it is removed from the DSIP List.

(iii) Whenever a Policy authorizes the purchase of a percentage of the Portfolio value, the value may be based on any recent date such as, for example, the end of either of the last two months, before the purchase, for which a Portfolio valuation report has been furnished to the Foundation. Review of Policy.

(iv) Within the limits of the guidelines listed above, the Foundation may cause the Foundation's funds to be invested in any securities that appear consistent with the Investment Policy, which the Investment Committee or a Representative deem advisable and in the interest of the Foundation.

(v) The Board requests its President to remind the Board to review the Investment Policy at one of the Board's meetings during each year.

(e) **The Investment Committee.** The Board establishes an Investment Committee consisting of persons appointed from time to time by the Board. Investment Committee members may or may not be Board members. The Investment Committee may recommend changes to this Investment Policy, may modify the Investment Policy between Board meetings to the extent that the Investment Committee deems such modifications to be necessary for the security of the Portfolio, and may determine, purchase, sell, and rebalance investment vehicles, specific investments, and actions, to implement the Investment Policy.

(f) **Delegation to Representatives.** The Board or the Investment Committee may, from time to time, delegate management and/or investment functions to any one or more Representatives after the Board or Investment Committee reviews (i) the prudence of deciding to outsource investment functions, (ii) the advisability of selecting the Representative, (iii) establishing the scope of the delegation, (iv) reviewing the reasonableness of fees and (v) establishing monitoring functions regarding the Representative's performance and compliance. Any Representative, that is delegated part of the Foundation's investment activities, has the duties described in 60 O.S. §300.15 as amended. Each Representative, that is delegated any investment function, must submit, in writing, to the jurisdiction of Oklahoma's state or federal courts relating to its actions on behalf of the Foundation.

2. **UPMIFA and Other Laws.** The Foundation intends that its investment and other policies be consistent with the Uniform Prudent Management of Institutional Funds Act as enacted in Oklahoma and as amended from time to time, currently codified at 60 O.S. §300.11 et. seq. (the "Act" or the "UPMIFA"). The Investment Policy and the following policies will be interpreted according to the Board's intent. As contemplated by the Act:

(a) **Records.** The Foundation will maintain records as required by federal or state law. This Policy does not attempt to list all of the records that the Foundation must maintain according to law. At a minimum, however, in addition to other records required by law, the Foundation will retain the following records:

(i) **Gift Instruments.**

(A) **Instruments stating the terms of general gifts to the Foundation** - The period of time required by law or ten years after receipt by the Foundation, whichever is longer.

(B) **Instruments stating the terms of gifts to a restricted endowment** - The longest of the period required by law, ten years after receipt by the Foundation, and eight years after such restricted endowment is terminated

(ii) **Gift Records.** The name, address, tax ID number, date received, amount and character of the gift, and any separate fund to which given – The longer of the period of time required by law and twenty years. (Before any gift records are destroyed, the Foundation should consult with its legal and tax counsel who are serving the Foundation at that time.)

(iii) **Policy.** This Policy, all amendments, records of Foundation actions to create Representatives, all Board actions related to investments, and all Investment Committee minutes – In perpetuity.

(iv) **Investments.**

(A) **Tax returns**, and information required to be attached to those returns – In perpetuity.

(B) **Records of purchases or sales** of investments – The longer of the period of time required by law and fifteen years. (Before any such records are destroyed, the Foundation should consult with its legal and tax counsel who are serving the Foundation at that time.)

(C) **Quarterly reports** of the investments, estimated values, and any liabilities, of each Endowment and Board-Restricted Fund – Same as (B) above.

(D) **Annual reports** of the investments, estimated values, and any liabilities, of each investment fund – The longer of the period of time required by law and twenty years (Before any such records are destroyed, the Foundation should consult with its legal and tax counsel who are serving the Foundation at that time.)

(v) **Receipts, Disbursements, and Modifications or Terminations.**

(A) Records of amounts **deposited to or withdrawn** from each investment fund, and the **nature of each withdrawal** – The longer of the period of time required by law and twenty years; such records for a restricted fund will be retained (if longer than the time stated above) until eight years have elapsed after such restricted fund has terminated. (Before any such records are destroyed, the Foundation should consult with its legal and tax counsel who are serving the Foundation at that time.)

(B) Records of modifications or terminations of any investment fund or policies relating to grants or beneficiaries – In perpetuity.

(vi) **Allocation Among Funds.** Records to indicate the pro rata portion of the overall investment fund that is allocated to any restricted fund -- the longer of the period of time required by law and twenty years. (Before any such records are destroyed, the Foundation should consult with its legal and tax counsel who are serving the Foundation at that time.)

(b) **Accounting to Donors; Access to Records.** Except to the extent that the Foundation agrees to furnish information in a Gift Instrument that the Foundation has accepted, the Foundation has no duty:

- (i) To furnish accountings or information related to the Foundation generally or to any restricted or investment fund, or
- (ii) To allow access to or copies of the Foundation's general or restricted or investment-related books or records,

to any donor, representative of a donor, or successor to any donor even if a donor has made a Gift Instrument or has contributed to the Foundation generally or with any restrictions. The Foundation's furnishing of any such accountings, information, access or copies will not create a continuing obligation to do so.

(c) **Establishment of Separate Endowments and Endowment Rules.** If a donor proposes to make a designated or restricted grant to the Foundation, the Directors will consider the adoption of formal endowment, gift instrument, and accounting policies with respect to different classifications of restricted gifts. Until the Directors adopt such policies, the Foundation's Bylaws and Board-approved policies, as amended from time to time, will govern the Foundation's actions and grants.

3. **Indemnification; Limitation of Liability.** The following protections and exemptions are in addition to and not a limitation of any other protections or exemptions provided by law, the Certificate of Incorporation, any other Bylaw, or any other resolution or contract:

(a) **Indemnification.** The Foundation will indemnify, and pay for the defense of, all Board and Investment Committee members to the fullest extent permitted by Oklahoma nonprofit corporate law.

(b) **General Exemption From Liability.** No Director, Investment Committee member, or Representative who serves the Foundation without compensation (any of whom is a "Protected Person") will be personally liable to the Foundation, its Directors, or any donor, for monetary damages for breach of fiduciary duty, provided that such Protected Person will continue to be personally liable:

- (i) For any breach of such Protected Person's individual duty of loyalty to the Foundation to the extent that such duty exists;
- (ii) For acts or omissions not in such Protected Person's individual good faith or that involve intentional misconduct or a knowing violation of law; or
- (iii) For any transaction from which such Protected Person individually derived an improper personal benefit.

(c) **Exempt-Status Exemption from Liability.** In addition to and not in limitation of the foregoing exemption from liability, while the Foundation holds a valid exemption from federal income taxes under, Code § 501(a), and is listed as a 501(c) organization (or its successor) under the Code, no Protected Person will be personally liable for damages resulting from:

- (i) Any negligent act or omission of such Protected Person; or
- (ii) Any negligent act or omission of another Protected Person.

This immunity will not extend to any such person's intentional torts or grossly negligent acts or omissions personal to such person.

(d) **Hindsight.** No Protected Person will be liable based on hindsight if the facts, known to that Protected Person at the time of his/her actions or inactions, do not establish that the Protected Person breached a duty for which the Protected Person has liability.

(e) **Types of Damages.** No Protected Person will be liable for incidental or consequential damages.

(f) **Presumption.** Each Protected Person will be rebuttably presumed to have considered all factors described in this Policy, or required by law, with respect to such Protected Person's actions or inactions, even if there is no documentation that all such factors were considered.

(g) **Burden of Proof.** The burden of proof, relating to any claim of liability of a Protected Person, will be on the person asserting such liability.

ARTICLE XVI
DISBURSEMENT POLICIES

1. Categories of Beneficiaries. There will be two main categories of donees and beneficiaries that are eligible to receive donations from the Foundation (“**Beneficiaries**”). The successor to any Beneficiary will continue to be a Beneficiary if the Directors determine that such Beneficiary continues the primary mission of the predecessor Beneficiary, and if such successor is an exempt organization under Section 501 of the Internal Revenue Code of 1986, as amended (the “**Code**”) and is a publicly-supported organization under Section 509 of the Code.

(a) **Principal Beneficiaries.** The “**Principal Beneficiaries**” and the purposes for charitable contributions to them are:

- (i) Whitworth University for one or more of the purposes described on Appendix XVI-A selected by the Directors from time to time;
- (ii) The University of Tulsa for one or more of the purposes described on Appendix XVI-B selected by the Directors from time to time;
- (iii) The First Presbyterian Church of Tulsa, Oklahoma for one or more of the purposes described on Appendix XVI-C selected by the Directors from time to time; and
- (iv) Camp Loughridge, located in Tulsa County, Oklahoma.

(b) **Secondary Beneficiaries.** The “**Secondary Beneficiaries**” are Pittsburgh Seminary; Tulsa Area United Way; Boston Avenue Helping Hands; Goodland Academy; The University of Oklahoma for the restricted benefit of its Western History Collection; Presbyterians for Renewal; Literacy and Evangelism International; and College of the Ozarks located at Point Lookout, Missouri.

2. Distributable Amount. The “**Distributable Amount**” is the minimum annual distribution that the Code requires the Foundation to make, if any, reduced by all deductions and credits allowed by the Code. If, however, for any calendar year, the Foundation’s net income is greater than the amount that the Code requires to be distributed, the Directors may, in their discretion, authorize a “Distributable Amount” for the next year equal to all of the Foundation’s net income. The Directors may determine the Foundation’s net income pursuant to the Oklahoma Uniform Principal and Income Act, 60 O.S. § 175.101 et seq., as amended after this amendment to the Bylaws.

(a) **Simplified Distributions.** If the aggregate Distributable Amount for a calendar year is less than \$100,000, the Directors may allocate the Distributable Amount among the Principal and Secondary Beneficiaries as the Directors may elect.

(b) **Larger Distributions.** If the aggregate Distributable Amount for a calendar year exceeds \$100,000, then the annual gifts to the Beneficiaries will be distributed in amounts that approximately equal the following percentages:

- (i) 80% of the Distributable Amount to Whitworth University;
- (ii) 10% of the Distributable Amount to The University of Tulsa;
- (iii) 4% of the Distributable Amount to The First Presbyterian Church of Tulsa;
- (iv) 2% of the Distributable Amount to Camp Loughridge; and
- (v) The remaining Distributable Amount to one or more of the Primary or Secondary Beneficiaries, and in amounts, approved by the Directors from time to time.

3. **Overall Terms and Conditions.** Subject to and limited by the criteria and limitations described in Sections (1 and 2) above:

- (a) The judgment of the Foundation's Directors regarding the amount of the Distributable Amount to be distributed to each Beneficiary, the specific purposes for such gifts, and all other matters pertaining to the distribution of the Foundation's Distributable Amount, will be final and conclusive upon all persons.
- (b) The Directors may specify, to each Beneficiary to which a gift is made, the specific purpose for which the funds are to be used by the Beneficiary, subject to the following guidelines:
 - (i) The purposes for the gifts to the Principal Beneficiaries must be consistent with the conditions of Section 1.
 - (ii) Except for funds distributed to the University of Oklahoma and the Tulsa Area United Way, all funds distributed to Secondary Beneficiaries are to be used for projects consistent with the Statement of Faith contained in Section 5 of this Article.
 - (iii) At the time of the adoption of the 2009 Amendment to this Article, all of the listed beneficiaries are private nonprofit entities that are exempt from taxation under Section 501(c)(3) of the Code, as publicly supported organizations under Section 509 of the Code, and as entities to which a private foundation's donation counts as a distribution of its Distributable Amount. If any Beneficiary fails at any time to qualify under the criteria listed in the previous sentence, or if any Beneficiary other than the University of Oklahoma or the Tulsa Area United Way, receives its major support either through state taxation or state legislative appropriations, distributions from the Foundation to such Beneficiary will be discontinued. For the purpose of this Subsection, the term **Asupport@** will have the same

meaning as is found in Section 509(d) of the Code. The disqualified Beneficiary's share of distributions will be distributed to the remaining Beneficiaries as determined by the Foundation's Board of Directors. If a Beneficiary becomes disqualified by reason of this Subsection, but thereafter re-qualifies, such Beneficiary will be qualified and entitled to receive distributions from the point of time at which said requalification occurs.

(c) In the unlikely event that the Directors do not designate donations of the entire Distributable Amount, then the undesignated part of the Distributable Amount will be distributed among the Principal Beneficiaries in the percentages listed in Subsection 2(b) and the remainder of the undesignated Distributable Amount will be distributed equally to each Secondary Beneficiary.

4. (Intentionally Omitted.)

5. **Statement of Faith.** The following is the Foundation's Statement of Faith to which each Director must subscribe as described in the Bylaws, and which must guide the actions of each Beneficiary except for the exceptions stated in Section 2 of this Article (provided that only the projects, to which the Foundation donates at The University of Tulsa, are required to be governed by this Statement of Faith):

Statement of Faith

(a) We affirm our belief in one eternal God, Creator and Lord of the World, Father, Son, and Holy Spirit, who governs all things according to the purpose of His will.

(b) We affirm the divine inspiration, truthfulness and authority of both the Old and New Testament Scriptures in their entirety as the ONLY written word of God, without error in all that it affirms, and the only infallible rule of faith and practice.

(c) We affirm that there is only one Savior and only one Gospel, although there is a wide divergence of evangelistic approaches, and that Jesus Christ is the only God-man, and the only mediator between God and all people of the earth.

(d) We affirm that God is both the Creator and the Judge of all persons. We therefore share His concern for justice and reconciliation throughout human society, and for the liberation of men and women from every kind of oppression.

(e) We affirm that mission is the proclamation of the Gospel and the working of social ministries of compassion of that Gospel.

We affirm our belief in the Apostle's Creed, and consider it as a valid and trustworthy guide regarding Christian beliefs and principles.

CERTIFICATE OF SECRETARY

I certify that I am the presently elected and acting Secretary of the Welch Family Foundation, a nonprofit Oklahoma Corporation, and that the above Amendments to the Corporation's Bylaws were duly and properly adopted at a meeting of the Corporation's Directors held on the 25th day of March, 2010.

Dated this 25th day of March, 2010.



Peggy L. Welch, Secretary

(SEAL)