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

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

2010

For calendar year 2010, or tax year beginning January 1, 2010, and ending December 31, 20 10

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

Name of foundation Towe Foundation		A Employer identification number 81-6014378
Number and street (or P.O. box number if mail is not delivered to street address) 754 S. Rosemary Dr.	Room/suite	B Telephone number (see page 10 of the instructions) 979-846-7093
City or town, state, and ZIP code Bryan, Tx 77802		C If exemption application is pending, check here <input type="checkbox"/> D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 43978.08	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)	1286.25			
	2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	-0-	-0-	N/A	N/A
	4 Dividends and interest from securities	681.41	681.41		
	5a Gross rents	-0-	-0-		
	b Net rental income or (loss)	-0-			
	6a Net gain or (loss) from sale of assets not on line 10	-0-			
	b Gross sales price for all assets on line 6a	-0-			
	7 Capital gain net income (from Part IV, line 2)		-0-		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances	N/A	N/A		
b Less: Cost of goods sold	-0-				
c Gross profit or (loss) (attach schedule)	-0-				
11 Other income (attach schedule)	-0-	-0-			
12 Total. Add lines 1 through 11	1962.66	681.41			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	-0-	-0-		-0-
	14 Other employee salaries and wages	-0-	-0-		-0-
	15 Pension plans, employee benefits	-0-	-0-		-0-
	16a Legal fees (attach schedule)	-0-	-0-		-0-
	b Accounting fees (attach schedule)	-0-	-0-		-0-
	c Other professional fees (attach schedule)	-0-	-0-		-0-
	17 Interest	-0-	-0-		-0-
	18 Taxes (attach schedule) (see page 14 of the instructions)	-0-	-0-		-0-
	19 Depreciation (attach schedule) and depletion	-0-	-0-		
	20 Occupancy	-0-	-0-		-0-
	21 Travel, conferences, and meetings	-0-	-0-		-0-
	22 Printing and publications	45.00	22.50		22.50
	23 Other expenses (attach schedule)	175.00	-0-		-0-
	24 Total operating and administrative expenses. Add lines 13 through 23	220.00	22.50		22.50
25 Contributions, gifts, grants paid	600.00			600.00	
26 Total expenses and disbursements. Add lines 24 and 25	820.00	22.50		622.50	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	1142.66				
b Net investment income (if negative, enter -0-)		658.91			
c Adjusted net income (if negative, enter -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	(c) Fair Market Value	
Assets	1	Cash—non-interest-bearing	-262.77	373.48	373.48
	2	Savings and temporary cash investments	-0-	-0-	-0-
	3	Accounts receivable ▶	-0-		
		Less: allowance for doubtful accounts ▶	-0-	-0-	-0-
	4	Pledges receivable ▶	-0-		
		Less: allowance for doubtful accounts ▶	-0-	-0-	-0-
	5	Grants receivable	-0-	-0-	-0-
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)	-0-	-0-	-0-
	7	Other notes and loans receivable (attach schedule) ▶	-0-		
		Less: allowance for doubtful accounts ▶	-0-	-0-	-0-
	8	Inventories for sale or use	-0-	-0-	-0-
	9	Prepaid expenses and deferred charges	-0-	-0-	-0-
	10a	Investments—U.S. and state government obligations (attach schedule)	-0-	-0-	-0-
	b	Investments—corporate stock (attach schedule)	-0-	-0-	-0-
	c	Investments—corporate bonds (attach schedule)	-0-	-0-	-0-
	11	Investments—land, buildings, and equipment: basis ▶	-0-		
	Less: accumulated depreciation (attach schedule) ▶	-0-	-0-	-0-	
12	Investments—mortgage loans	-0-	-0-	-0-	
13	Investments—other (attach schedule) <i>USA -</i>	46271.14	46952.55	43604.60	
14	Land, buildings, and equipment: basis ▶	-0-			
	Less: accumulated depreciation (attach schedule) ▶	-0-	-0-	-0-	
15	Other assets (describe ▶ -0-)	-0-	-0-	-0-	
16	Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	46008.37	47326.03	43978.08	
Liabilities	17	Accounts payable and accrued expenses	-0-	-0-	
	18	Grants payable	-0-	-0-	
	19	Deferred revenue	-0-	-0-	
	20	Loans from officers, directors, trustees, and other disqualified persons	-0-	-0-	
	21	Mortgages and other notes payable (attach schedule)	-0-	-0-	
	22	Other liabilities (describe ▶ -0-)	-0-	-0-	
	23	Total liabilities (add lines 17 through 22)	-0-	-0-	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 27 through 31.				
	27	Capital stock, trust principal, or current funds	46008.37	47326.03	
	28	Paid-in or capital surplus, or land, bldg., and equipment fund	-0-	-0-	
29	Retained earnings, accumulated income, endowment, or other funds	-0-	-0-		
30	Total net assets or fund balances (see page 17 of the instructions)	46008.37	47326.03		
31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	46008.37	47326.03		

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 46008.37
2	Enter amount from Part I, line 27a	2 1142.66
3	Other increases not included in line 2 (itemize) ▶ <i>Cash Advance added back, no effect on net assets</i>	3 175.00
4	Add lines 1, 2, and 3	4 47326.03
5	Decreases not included in line 2 (itemize) ▶ -0-	5 -0-
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6 47326.03

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

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary – see instructions)			
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		13.	18
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b). <i>658,91 x .02 = 13.18</i>			
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		-0-	
3	Add lines 1 and 2		13.	18
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		-0-	
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		13.	18
6	Credits/Payments:			
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a	-0-	
b	Exempt foreign organizations—tax withheld at source	6b	-0-	
c	Tax paid with application for extension of time to file (Form 8868)	6c	-0-	
d	Backup withholding erroneously withheld	6d	-0-	
7	Total credits and payments. Add lines 6a through 6d		-0-	
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached		N/A	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		13.	18
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid		-0-	
11	Enter the amount of line 10 to be: Credited to 2011 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>		N/A	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		✓
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?		✓
<i>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.</i>		
1c 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. ▶ \$ <u>N/A</u> (2) On foundation managers. ▶ \$ <u>N/A</u>		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ \$ <u>N/A</u>		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>		✓
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? <i>If "Yes," attach a conformed copy of the changes</i>		✓
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		✓
4b If "Yes," has it filed a tax return on Form 990-T for this year?		N/A ✓
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>		✓
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? <i>If "Yes," complete Part II, col. (c), and Part XV</i>	✓	
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ <u>Montana</u>		
8b 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 <i>General Instruction G</i> ? <i>If "No," attach explanation</i>	✓	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? <i>If "Yes," complete Part XIV</i>		✓
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		✓

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		✓
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ N/A	13	✓	
14	The books are in care of ▶ Karen T. James Telephone no. ▶ 979-846-7093 Located at ▶ 754 S. Rosemary Dr., Bryan, TX ZIP+4 ▶ 77802-4333			
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 page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶ N/A	16	Yes	No ✓

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		
(1)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(2)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(3)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(4)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(5)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(6)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b	1b	N/A ✓
c	1c	✓
2		
a		
b	2b	N/A ✓
c		
3a		
b	3b	N/A ✓
4a	4a	✓
b	4b	✓

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

- 5a** During the year did the foundation pay or incur any amount to:
- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? Yes No
 - (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? Yes No
 - (3) Provide a grant to an individual for travel, study, or other similar purposes? Yes No
 - (4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions) Yes No
 - (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? Yes No
- b** If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here *N/A*
- c** If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? *N/A* Yes No
If "Yes," attach the statement required by Regulations section 53.4945–5(d).
- 6a** Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
- b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No
If "Yes" to 6b, file Form 8870.
- 7a** At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? Yes No
- b** If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? Yes No

5b	<i>N/A</i>	
6b		✓
7b	<i>N/A</i>	

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Karen T. James 754 S. Rosemary Dr, Bryan, TX 77802	President	-0-	-0-	-0-
Thomas Towe 2525 M/ 6th Ave., Billings, MT	Vice President	-0-	-0-	-0-
Kristin Updegraff 934 Trestle Glen Way, Sacramento, CA	Secretary	-0-	-0-	-0-

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

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

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

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

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

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

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

Part IX-A Summary of Direct Charitable Activities N/A

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 NONE	
2 NONE	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 NONE	
2 NONE	
All other program-related investments. See page 24 of the instructions 3	

Total. Add lines 1 through 3 ▶

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	38896.82
b	Average of monthly cash balances	1b	1035.50
c	Fair market value of all other assets (see page 25 of the instructions)	1c	-0-
d	Total (add lines 1a, b, and c)	1d	39932.32
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	-0-
2	Acquisition indebtedness applicable to line 1 assets	2	-0-
3	Subtract line 2 from line 1d	3	39932.32
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	598.98
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	39333.34
6	Minimum investment return. Enter 5% of line 5	6	1966.67

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

1	Minimum investment return from Part X, line 6	1	1966.67
2a	Tax on investment income for 2010 from Part VI, line 5	2a	13.18
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	-0-
c	Add lines 2a and 2b	2c	13.18
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	1983.49
4	Recoveries of amounts treated as qualifying distributions	4	-0-
5	Add lines 3 and 4	5	1983.49
6	Deduction from distributable amount (see page 25 of the instructions)	6	N/A
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	1983.49

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

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1a	622.50
b	Program-related investments—total from Part IX-B	1b	-0-
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	-0-
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	-0-
b	Cash distribution test (attach the required schedule)	3b	-0-
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	622.50
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	-0-
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	622.50

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

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

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				1983.49
2 Undistributed income, if any, as of the end of 2010:				
a Enter amount for 2009 only			-0-	
b Total for prior years: 20____,20____,20____		-0-		
3 Excess distributions carryover, if any, to 2010:				
a From 2005	-0-			
b From 2006	-0-			
c From 2007	-0-			
d From 2008	-0-			
e From 2009	-0-			
f Total of lines 3a through e	-0-			
4 Qualifying distributions for 2010 from Part XII, line 4: ▶ \$ <u>622.50</u>				
a Applied to 2009, but not more than line 2a			-0-	
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)		-0-		
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)	-0-			
d Applied to 2010 distributable amount				622.50
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 page 27 of the instructions		-0-		
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions			-0-	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				1360.99
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)	-0-			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the 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	-0-			
b Excess from 2007	-0-			
c Excess from 2008	-0-			
d Excess from 2009	-0-			
e Excess from 2010	-0-			

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

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

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

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see page 28 of the instructions.)

1 Information Regarding Foundation Managers:
a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)
 N/A

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.
 N/A

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:
 Check here if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number of the person to whom applications should be addressed:
 Karen T. James, 754 S. Rosemary Dr., Bryan, TX PH 979-846-7093

b The form in which applications should be submitted and information and materials they should include:
 Send proposal/request. Include IRS Tax Exempt Letter.

c Any submission deadlines:
 Yearly by May 1.

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:
 No grants to Individuals or Endowments.

Part XV Supplementary Information (continued)

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

Recipient	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
Name and address (home or business)				
<i>a Paid during the year</i>				
Religious Society of Friends Paullina Monthly Meeting Pringhar, Iowa N/C/O Jon Fisch, Treasurer	N/A		Unrestricted	\$600.00
Total			▶ 3a	\$600.00
<i>b Approved for future payment</i>				
None				
Total			▶ 3b	

IN THE MATTER OF

NOTICE

Notice is hereby given that the 2010 Annual 990 PF Tax Return for the Towe Foundation is available for inspection during regular office hours by any citizen who requests it within 180 days after May 15, 2011. It is available at 2525 Sixth Avenue North, Billings, Montana Foundation Manager, Karen James (April 14, 2011)

AFFIDAVIT of PUBLICATION

STATE OF MONTANA) : ss County of Yellowstone)

Scott R. Turner, being first duly sworn, deposes and says that the:

Notice - 2010 Annual 990 PF Tax Return

a copy of which is hereto attached, was published in the regular and entire issue of The Billings Times, a weekly newspaper of general circulation published every Thursday in the City of Billings, County of Yellowstone, State of Montana, for 1 issue, the 14th day of April, 2011.

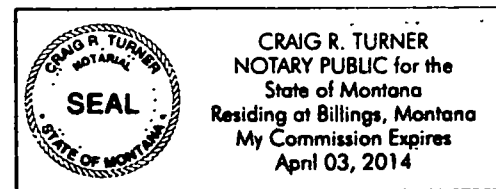
Handwritten signature of Scott R. Turner

STATE OF MONTANA) : ss County of Yellowstone)

On this 14th day of April, 2011, before me, the undersigned, a Notary Public for the State of Montana, personally appeared Scott R. Turner, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same and after being first duly sworn, deposed and stated that the matters and things contained therein are true of his own knowledge.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year in this certificate first above written.

Handwritten signature of Craig R. Turner



**TOWE FOUNDATION
STATEMENT OF INCOME & EXPENSES
December 31, 2010**

INCOME	2010	2009
Net Investment Income		
Dividends - Reinvested	\$681.41	\$672.27
	-----	-----
	\$681.41	\$672.27
Other Income		
Contribution Edw Towe	\$1,281.25	\$0.00
Centennial Silver Dollars		
	-----	-----
	\$1,281.25	\$0.00
TOTAL INCOME	\$1,962.66	\$672.27
 EXPENSES		
Directors Stipend	\$0.00	\$1,000.00
IRS for Investment Taxes	\$0.00	\$6.65
Annual Notice & Report	\$30.00	\$25.00
Montana State Filing	\$15.00	\$0.00
Postage and Paper	\$0.00	\$0.00
Legal - Includes filing fee	\$0.00	\$59.00
Cash Advance loan	\$175.00	\$0.00
	-----	-----
	\$220.00	\$1,090.65
TOTAL INCOME LESS EXPENSES	\$1,742.66	-\$418.38
 Charitable Contributions \$594.96		
Distributable Amt \$1,600.96	\$600.00	\$432.00
Less Qualifying Amt \$1,006.00	=====	=====
NET INCOME	\$1,142.66	-\$850.38

**TOWE FOUNDATION
BALANCE SHEET
DECEMBER 31, 2010**

RESOURCES	Book Value	Fair Mkt. Val
Permanent Endowment - Beg of Yr. Basis	\$46,271.14	\$37,979.89
Earnings reinvested	\$681.41	\$681.41
Gains/losses on Investments	\$0.00	\$4,943.30
End of Year Value	\$46,952.55	\$43,604.60
General Fund -- Cash	\$373.48	\$373.48
TOTAL RESOURCES	\$47,326.03	\$43,978.08
LIABILITIES		
Long Term Liabilities		
Permanent Endowment	\$46,952.55	\$43,604.60
Net Worth - Towe Foundation	\$46,952.22	\$43,604.60
Bank Balance \$373.48	\$373.48	\$373.48
TOTAL LIABILITIES	\$47,325.70	\$43,978.08



Annual Investment Statement January 1 to December 31, 2010

03476.60FK.JSS146196935.04.01.199

USAA Investment Management Company
P.O. Box 659453
San Antonio, TX 78265

www.usaa.com
1-800-531-8722 (USAA)

TOWE FOUNDATION
754 S ROSEMARY DR
BRYAN TX 77802-4333

TOWE FOUNDATION
Member number 015731110

Questions about your tax form?

When the time comes to file your taxes, you can visit the tax center on usaa.com (Keyword: Tax) to access your tax forms and get helpful tax tips. Note: when dividend income is less than \$10, tax forms do not generate unless foreign or federal tax was withheld.

Start planning for retirement.

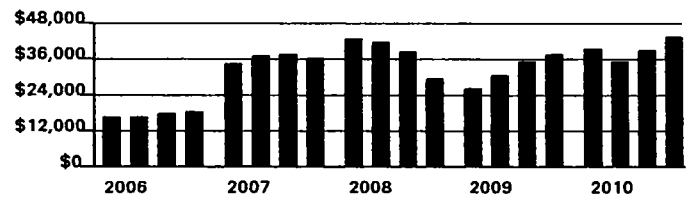
With USAA, helping you plan for your financial security is our priority. Our licensed financial advisors are qualified to help you plan for retirement. We worry about your retirement so you don't have to. Talk to a USAA retirement specialist today at 800-472-8722.

Portfolio Summary

Total portfolio value

Portfolio value December 31, 2009	\$37,979.89
Earnings	681.41
Change in market value	4,943.30
Total portfolio value December 31, 2010	\$43,604.60

Portfolio performance

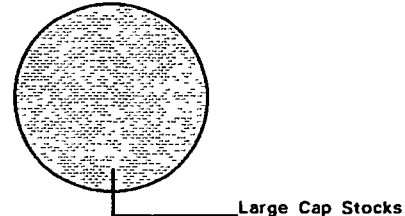


1 year total portfolio return 14.81%

The total return is the percentage change in the value of your mutual fund portfolio over the past 12 months.

Portfolio allocation

	Value on December 31, 2010	% of portfolio
Large Cap Stocks	\$43,604.60	100.00
Total portfolio value	\$43,604.60	100.00%



Please review this statement carefully and notify us within 10 days of any errors or omissions. For details on the information in this statement, see "About Your Account".