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Form 990-PF

OMB No. 1545-0052

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 SEP 1, 2010, and ending AUG 31, 2011

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

Name of foundation

THE HERBERT JONES FOUNDATION
C/O KEYBANK NATIONAL ASSOCIATION, TTEE

A Employer identification number

94-3124801

Number and street (or P O box number if mail is not delivered to street address)
601 108TH AVE. NE, SUITE 260

Room/suite

B Telephone number

425-709-4209

City or town, state, and ZIP code
BELLEVUE, WA 98004C 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 ► H Check type of organization. Section 501(c)(3) exempt private foundation
 Section 4947(a)(1) nonexempt charitable trust Other taxable private foundationE If private foundation status was terminated under section 507(b)(1)(A), check here ► I Fair market value of all assets at end of year (from Part II, col. (c), line 16) J Accounting method Cash Accrual
 Other (specify) ► \$ 10,708,041. (Part I, column (d) must be on cash basis.)F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ► Part I Analysis of Revenue and Expenses
(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1	Contributions, gifts, grants, etc., received			N/A	
2	Check ► <input checked="" type="checkbox"/> If the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments	149,875.	149,875.		STATEMENT 1
4	Dividends and interest from securities	115,773.	115,773.		STATEMENT 2
5a	Gross rents				
b	Net rental income or (loss)	229,091.			
6a	Net gain or (loss) from sale of assets not on line 10				
b	Gross sales price for all assets on line 6a	1,977,465.			
7	Capital gain net income (from Part IV, line 2)		229,091.		
8	Net short-term capital gain				
9	Income modifications				
10a	Gross sales less returns and allowances				
b	Less Cost of goods sold				
c	Gross profit or (loss)				
11	Other income				
12	Total. Add lines 1 through 11	494,739.	494,739.		0.
13	Compensation of officers, directors, trustees, etc		0.	0.	
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees				
b	Accounting fees	STMT 3	2,478.	1,239.	1,239.
c	Other professional fees	STMT 4	60,276.	3,014.	57,262.
17	Interest				
18	Taxes	STMT 5	9,427.	2,097.	0.
19	Depreciation and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses	STMT 6	3,953.	1,615.	2,338.
24	Total operating and administrative expenses. Add lines 13 through 23		76,134.	7,965.	60,839.
25	Contributions, gifts, grants paid		543,746.		543,746.
26	Total expenses and disbursements. Add lines 24 and 25		619,880.	7,965.	604,585.
27	Subtract line 26 from line 12:		-125,141.		
a	Excess of revenue over expenses and disbursements				
b	Net investment income (if negative, enter -0-)		486,774.		
c	Adjusted net income (if negative, enter -0-)			N/A	

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Assets	Part II Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only	Beginning of year	End of year
			(a) Book Value	(b) Book Value
			(c) Fair Market Value	
1	Cash - non-interest-bearing			
2	Savings and temporary cash investments		1,197,594.	764,529.
3	Accounts receivable ►			
	Less allowance for doubtful accounts ►			
4	Pledges receivable ►			
	Less allowance for doubtful accounts ►			
5	Grants receivable			
6	Receivables due from officers, directors, trustees, and other disqualified persons			
7	Other notes and loans receivable ►			
	Less allowance for doubtful accounts ►			
8	Inventories for sale or use			
9	Prepaid expenses and deferred charges			
10a	Investments - U S. and state government obligations	STMT 8	1,489,146.	1,388,191.
b	Investments - corporate stock	STMT 9	3,410,462.	3,564,746.
c	Investments - corporate bonds	STMT 10	701,991.	602,243.
11	Investments - land, buildings, and equipment basis ►			
	Less: accumulated depreciation ►			
12	Investments - mortgage loans			
13	Investments - other	STMT 11	2,666,051.	3,020,394.
14	Land, buildings, and equipment: basis ►			
	Less: accumulated depreciation ►			
15	Other assets (describe ►)			
16	Total assets (to be completed by all filers)		9,465,244.	9,340,103.
				10,708,041.
Liabilities	17	Accounts payable and accrued expenses		
	18	Grants payable		
	19	Deferred revenue		
20	Loans from officers, directors, trustees, and other disqualified persons			
21	Mortgages and other notes payable			
22	Other liabilities (describe ►)			
23	Total liabilities (add lines 17 through 22)		0.	0.
Net Assets or Fund Balances	24	Foundations that follow SFAS 117, check here ► <input type="checkbox"/>		
	and complete lines 24 through 26 and lines 30 and 31.			
	25	Unrestricted		
26	Temporarily restricted			
27	Permanently restricted			
28	Foundations that do not follow SFAS 117, check here ► <input checked="" type="checkbox"/>			
29	and complete lines 27 through 31.			
30	Capital stock, trust principal, or current funds		9,465,244.	9,340,103.
31	Paid-in or capital surplus, or land, bldg., and equipment fund		0.	0.
32	Retained earnings, accumulated income, endowment, or other funds		0.	0.
33	Total net assets or fund balances		9,465,244.	9,340,103.
34	Total liabilities and net assets/fund balances		9,465,244.	9,340,103.

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	9,465,244.
2	Enter amount from Part I, line 27a	2	-125,141.
3	Other increases not included in line 2 (itemize) ►	3	0.
4	Add lines 1, 2, and 3	4	9,340,103.
5	Decreases not included in line 2 (itemize) ►	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	9,340,103.

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Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a SHORT-TERM CAPITAL LOSS - SEE ATTACHED			
b DETAIL	P	VARIOUS	VARIOUS
c LONG-TERM CAPITAL GAIN - SEE ATTACHED DETAIL	P	VARIOUS	VARIOUS
d CAPITAL GAIN DIVIDENDS	P	VARIOUS	VARIOUS
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			
b 161,162.		163,981.	-2,819.
c 1,816,183.		1,584,393.	231,790.
d 120.			120.
e			
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
a			
b			-2,819.
c			231,790.
d			120.
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	229,091.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)		3	N/A

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

Yes No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2009	484,211.	10,506,499.	.046087
2008	546,058.	9,565,317.	.057087
2007	589,688.	12,192,245.	.048366
2006	612,364.	12,142,212.	.050433
2005	559,102.	11,521,419.	.048527
2 Total of line 1, column (d)			.250500
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			.050100
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5			11,076,860.
5 Multiply line 4 by line 3			554,951.
6 Enter 1% of net investment income (1% of Part I, line 27b)			4,868.
7 Add lines 5 and 6			559,819.
8 Enter qualifying distributions from Part XII, line 4			604,585.

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.

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Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)1a Exempt operating foundations described in section 4940(d)(2), check here ► and enter "N/A" on line 1

Date of ruling or determination letter _____ (attach copy of letter if necessary-see instructions)

b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► and enter 1% of Part I, line 27b

c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)

2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)

3 Add lines 1 and 2

4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)

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 payments and 2009 overpayment credited to 2010

b Exempt foreign organizations - tax withheld at source

c Tax paid with application for extension of time to file (Form 8868)

d Backup withholding erroneously withheld

6a 5,920.

6b

6c

6d

7 Total credits and payments. Add lines 6a through 6d

8 Enter any penalty for underpayment of estimated tax. Check here if Form 2220 is attached

9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed

10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid

11 Enter the amount of line 10 to be Credited to 2011 estimated tax ►

1,034. Refunded ►

7 5,920.

8 18.

9

10 1,034.

11 0.

Part VII-A Statements Regarding Activities

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?

Yes

No

1a X

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

1b X

If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.

1c X

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

0.

0.

(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?

2 X

*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*

3 X

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

4a X

b If "Yes," has it filed a tax return on Form 990-T for this year?

4b

5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?

5 X

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.

N/A

6 X

● By language in the governing instrument, or

● By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law

remain in the governing instrument?

7 Did the foundation have at least \$5,000 in assets at any time during the year?

7 X

If "Yes," complete Part II, col. (c), and Part XV.

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

WA

8b X

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 X

9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV)? If "Yes," complete Part XIV

10 X

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		X
12		X
13	X	
14	KEYBANK NATIONAL ASSOCIATION Located at ► 601 - 108TH AVE NE, SUITE 260, BELLEVUE, WA	Telephone no. ► 425-709-4209 ZIP+4 ► 98004
15	► 15	► N/A
16	Yes X	No
See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22 1. If "Yes," enter the name of the foreign country ►		

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

	Yes	No
1a During the year did the foundation (either directly or indirectly)		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)?	N/A	
Organizations relying on a current notice regarding disaster assistance check here ►		
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?	1c 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?	<input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No
If "Yes," list the years ►		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions)	N/A	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ►	2b	
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.)	N/A	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	3b 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?	4a X	
	4b X	

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

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

 Yes No(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?
(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 Yes No(3) Provide a grant to an individual for travel, study, or other similar purposes?
(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? Yes No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

 Yes No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

N/A

►

5b

Organizations relying on a current notice regarding disaster assistance check here

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A

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?

 Yes No

If "Yes" to 6b, file Form 8870.

 Yes No

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

N/A

7b

N/A

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1 List all officers, directors, trustees, foundation managers and their compensation.**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 12		0.	0.	0.

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

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

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

►

0

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Part VIII. Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3 Five highest-paid independent contractors for professional services. If none, enter "NONE."**

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

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



0

Part IX-A. Summary of Direct Charitable Activities

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

Expenses

1	N/A	
2		
3		
4		

Part IX-B. Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

Amount

1	N/A	
2		0.
3		

All other program-related investments. See instructions

3		
Total. Add lines 1 through 3		0.

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

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes.		
a Average monthly fair market value of securities	1a	10,535,101.
b Average of monthly cash balances	1b	710,442.
c Fair market value of all other assets	1c	
d Total (add lines 1a, b, and c)	1d	11,245,543.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2 Acquisition indebtedness applicable to line 1 assets	2	0.
3 Subtract line 2 from line 1d	3	11,245,543.
4 Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	168,683.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	11,076,860.
6 Minimum investment return. Enter 5% of line 5	6	553,843.

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

1 Minimum investment return from Part X, line 6	1	553,843.
2a Tax on investment income for 2010 from Part VI, line 5	2a	4,868.
b Income tax for 2010. (This does not include the tax from Part VI)	2b	
c Add lines 2a and 2b	2c	4,868.
3 Distributable amount before adjustments Subtract line 2c from line 1	3	548,975.
4 Recoveries of amounts treated as qualifying distributions	4	0.
5 Add lines 3 and 4	5	548,975.
6 Deduction from distributable amount (see instructions)	6	0.
7 Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	548,975.

Part XII Qualifying Distributions (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	604,585.
b Program-related investments - total from Part IX-B	1b	0.
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the		
a Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	604,585.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	4,868.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	599,717.

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				548,975.
2 Undistributed income, if any, as of the end of 2010			207,283.	
a Enter amount for 2009 only				
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2010:		0.		
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 ► \$ 604,585.			207,283.	
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				397,302.
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:		0.		
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b Taxable amount - see instructions		0.		
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount - see instr				0.
f Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				151,673.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)		0.		
8 Excess distributions carryover from 2005 not applied on line 5 or line 7		0.		
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a		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 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>				
SEE STATEMENT 14				
Total			► 3a	543,746.
<i>b Approved for future payment</i>				
NONE				
Total			► 3b	0.

023611 12-07-10

Form 990-PF (2010)

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(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					
4 Dividends and interest from securities			14	149,875.	
5 Net rental income or (loss) from real estate:			14	115,773.	
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	229,091.	
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)		0.		494,739.	0.
13 Total. Add line 12, columns (b), (d), and (e)					
(See worksheet in line 13 instructions to verify calculations)					

Relationship of Activities to the Accomplishment of Exempt Purposes

HERBERT B JONES FOUNDATION M/AG 40
 Schedule D Detail of Long-term Capital Gains and Losses

EIN 94-3124801
 2010 FORM 990-PF

Part IV, Capital Gains & Losses Attachment

Description	Date Acquired	Date Sold	Gross Sales Price	Cost or Other Basis	Long-term Gain/Loss
15% RATE CAPITAL GAINS (LOSSES)					
1500 CVS/CAREMARK CORP COM	05/19/2009	09/09/2010	43,125.47	46,957.05	-3,831.58
1000 VISA INC COM CL A	05/07/2009	09/09/2010	66,639.37	65,638.60	1,000.77
350 COSTCO WHOLESALE CORP COM	12/24/2003	10/13/2010	22,109.12	12,663.00	9,446.12
500 MEDCO HEALTH SOLUTIONS INC COM	01/03/2008	10/13/2010	26,419.55	26,138.00	281.55
100000 FANNIE MAE NOTE	09/07/2007	12/15/2010	100,000.00	100,954.70	-954.70
350 ECOLAB INC COM	12/24/2003	12/23/2010	17,569.70	9,446.36	8,123.34
1000 QUANTA SERVICES INC COM	08/28/2009	12/23/2010	19,999.66	22,826.00	-2,826.34
400 WELLS FARGO CO COM	04/02/2003	12/23/2010	12,487.79	9,462.00	3,025.79
2000 WELLS FARGO CO COM	02/27/2002	12/23/2010	62,438.94	47,050.00	15,388.94
750 AVON PRODS INC COM	10/13/2009	02/01/2011	21,254.59	25,571.48	-4,316.89
1300 AVON PRODS INC COM	08/28/2009	02/01/2011	36,841.29	41,837.51	-4,996.22
500 ECOLAB INC COM	12/24/2003	02/01/2011	24,934.52	13,494.80	11,439.72
618 EXXON MOBIL CORP COM	01/11/2006	02/01/2011	50,143.55	31,445.31	18,698.24
192 EXXON MOBIL CORP COM	03/29/2006	02/01/2011	15,578.58	9,550.05	6,028.53
100000 CITIGROUP INC NOTE	09/18/2007	02/14/2011	100,000.00	99,748.00	252.00
1040 COVANCE INC COM	08/10/2009	02/24/2011	57,257.97	57,609.76	-351.79
2460 CISCO SYS INC COM	08/31/2006	02/25/2011	45,783.90	54,243.00	-8,459.10
1300 CISCO SYS INC COM	07/07/2006	02/25/2011	24,194.75	25,233.00	-1,038.25
150 CISCO SYS INC COM	07/23/2003	02/25/2011	2,791.70	2,812.39	-20.69
500 CISCO SYS INC COM	03/17/2003	02/25/2011	9,305.67	6,902.95	2,402.72
1500 CISCO SYS INC COM	04/02/2003	02/25/2011	27,917.02	20,550.00	7,367.02
1090. CISCO SYS INC COM	04/08/2003	02/25/2011	20,286.36	14,715.65	5,570.71
500. ECOLAB INC COM	12/24/2003	02/25/2011	24,134.53	13,494.80	10,639.73
3000 GENERAL ELEC CO COM	12/30/2009	02/25/2011	62,399.10	46,080.00	16,319.10
700 ISHARES S&P MIDCAP 400 INDEX FD CLOSED-END FUND	08/31/2006	02/25/2011	67,387.70	52,505.26	14,882.44
705 PRAXAIR INC COM	01/11/2006	02/25/2011	69,211.55	36,660.00	32,551.55
2650 ZIONS BANCORP COM	02/05/2010	04/14/2011	61,744.34	46,184.20	15,560.14
2150 HEWLETT PACKARD CO COM	03/03/2008	05/25/2011	76,753.52	101,865.93	-25,112.41
1800 ISHARES MSCI EAFE INDEX FUND CLOSED-END FUND	08/28/2009	06/24/2011	102,922.56	95,346.00	7,576.56
Totals					

Description	Date Acquired	Date Sold	Gross Sales Price	Cost or Other Basis	Long-term Gain/Loss
3900 ISHARES MSCI EAFE INDEX FUND CLOSED-END FUND	12/22/2003	06/24/2011	222,998.88	171,236.00	51,762.88
1000 URBAN OUTFITTERS INC COM	08/10/2009	07/08/2011	31,850.49	26,790.00	5,060.49
1000 EATON CORP COM	01/14/2009	08/10/2011	39,549.34	23,777.00	15,772.34
2000 EATON CORP COM	10/17/2008	08/10/2011	79,098.68	45,412.50	33,686.18
1000 EXPEDITORS INTL WASH INC	11/02/2006	08/10/2011	41,807.10	46,534.40	-4,727.30
250 EXPEDITORS INTL WASH INC	09/28/2006	08/10/2011	10,451.77	11,382.50	-930.73
60 FEDEX CORP COM	03/30/2010	08/10/2011	4,565.92	5,578.80	-1,012.88
575 FEDEX CORP COM	02/05/2010	08/10/2011	43,756.78	43,504.16	252.62
300 MEDTRONIC INC COM	08/28/2009	08/10/2011	9,191.85	11,463.00	-2,271.15
2000 MEDTRONIC INC COM	12/24/2008	08/10/2011	61,279.02	61,728.40	-449.38
TOTAL 15% RATE CAPITAL GAINS (LOSSES)			1816183.00	1584393.00	231,790.00
Totals			1816183.00	1584393.00	231,790.00

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

SOURCE	AMOUNT
KEY BANK - ACCRUED INTEREST	-2,755.
KEY BANK - CORPORATE INTEREST	73,680.
KEY BANK - FOREIGN INTEREST	10,125.
KEY BANK - US GOVT INTEREST	68,825.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	149,875.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
KEY BANK - FOREIGN DIVIDENDS	23,715.	0.	23,715.
KEY BANK - OTHER DIVIDENDS	87,020.	0.	87,020.
KEY BANK - USGI DIVIDENDS	5,038.	0.	5,038.
TOTAL TO FM 990-PF, PART I, LN 4	115,773.	0.	115,773.

FORM 990-PF ACCOUNTING FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TAX PREPARATION FEE	2,478.	1,239.		1,239.
TO FORM 990-PF, PG 1, LN 16B	2,478.	1,239.		1,239.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
EVERTRUST FEES & COMMISSIONS	60,276.	3,014.		57,262.
TO FORM 990-PF, PG 1, LN 16C	60,276.	3,014.		57,262.

FORM 990-PF

TAXES

STATEMENT

5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
EXCISE TAXES PAID	5,920.	0.		0.
FOREIGN TAXES PAID	2,097.	2,097.		0.
PENALTY - IRS	1,410.	0.		0.
TO FORM 990-PF, PG 1, LN 18	9,427.	2,097.		0.

FORM 990-PF

OTHER EXPENSES

STATEMENT

6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
MEMBERSHIP - ASSOCIATION OF SMALL FOUNDATIONS	695.	0.		695.
WASHINGTON STATE FILING FEES	25.	12.		13.
MISCELLANEOUS EXPENSES	803.	401.		402.
FIDELITY BOND INSURANCE				
PREMIUM	2,400.	1,200.		1,200.
INVESTMENT EXPENSE - ADR	30.	2.		28.
TO FORM 990-PF, PG 1, LN 23	3,953.	1,615.		2,338.

FORM 990-PF	U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS	STATEMENT 8
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DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
U.S. AGENCY BOND	X		605,775.	636,829.
US TREASURY BONDS/NOTES	X		782,416.	785,763.
TOTAL U.S. GOVERNMENT OBLIGATIONS			1,388,191.	1,422,592.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			1,388,191.	1,422,592.

FORM 990-PF	CORPORATE STOCK	STATEMENT 9
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
COMMON STOCK	3,564,746.	4,637,877.
TOTAL TO FORM 990-PF, PART II, LINE 10B	3,564,746.	4,637,877.

FORM 990-PF	CORPORATE BONDS	STATEMENT 10
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS	602,243.	637,862.
TOTAL TO FORM 990-PF, PART II, LINE 10C	602,243.	637,862.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT 11
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DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
FIXED INCOME INVESTMENTS	COST	787,077.	891,696.
EQUITY INVESTMENTS	COST	1,673,492.	1,939,669.
LONG TERM FLOATING BONDS	COST	209,377.	47,500.
FOREIGN BONDS	COST	350,448.	366,316.
TOTAL TO FORM 990-PF, PART II, LINE 13		3,020,394.	3,245,181.

FORM 990-PF

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

STATEMENT 12

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
MICHAEL BAUER C/O KEYBANK NATIONAL ASSOCIATION, 601 - 108TH AVE NE, SUITE 260 BELLEVUE, WA 98004	TRUSTEE 1.00	0.	0.	0.
JANET WOODS C/O KEYBANK NATIONAL ASSOCIATION, 601 - 108TH AVE NE, SUITE 260 BELLEVUE, WA 98004	TRUSTEE 1.00	0.	0.	0.
BILL ERWERT C/O KEYBANK NATIONAL ASSOCIATION, 601 - 108TH AVE NE, SUITE 260 BELLEVUE, WA 98004	TRUSTEE 1.00	0.	0.	0.
GARY KUHAR C/O KEYBANK NATIONAL ASSOCIATION, 601 - 108TH AVE NE, SUITE 260 BELLEVUE, WA 98004	TRUSTEE 1.00	0.	0.	0.
TERRY SMITH C/O KEYBANK NATIONAL ASSOCIATION, 601 - 108TH AVE NE, SUITE 260 BELLEVUE, WA 98004	TRUSTEE 1.00	0.	0.	0.
TOM CRHA C/O KEYBANK NATIONAL ASSOCIATION, 601 - 108TH AVE NE, SUITE 260 BELLEVUE, WA 98004	TRUSTEE 1.00	0.	0.	0.
JUDY KLINKHAM C/O KEYBANK NATIONAL ASSOCIATION, 601 - 108TH AVE NE, SUITE 260 BELLEVUE, WA 98004	TRUSTEE 1.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.

FORM 990-PF

GRANT APPLICATION SUBMISSION INFORMATION
PART XV, LINES 2A THROUGH 2D

STATEMENT 13

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

HERBERT B. JONES FOUNDATION C/O KEYBANK NATIONAL ASSOCIATION,
601 - 108TH AVENUE NE, SUITE 260
BELLEVUE, WA 98004

TELEPHONE NUMBER

FORM AND CONTENT OF APPLICATIONS

SEE GRANT APPLICATION FORM ATTACHED.

ANY SUBMISSION DEADLINES

APRIL 1

RESTRICTIONS AND LIMITATIONS ON AWARDS

THE FOUNDATION PROMOTES ENTREPRENEURISM AND SMALL BUSINESS THROUGH THE INITIAL AND TEMPORARY SUPPORT OF NEW BUSINESS PROGRAMS MANAGED BY POST-SECONDARY EDUCATIONAL ENTITIES IN THE STATE OF WASHINGTON. SEE MISSION STATEMENT ON GRANT APPLICATION.

FORM 990-PF

GRANTS AND CONTRIBUTIONS
PAID DURING THE YEAR

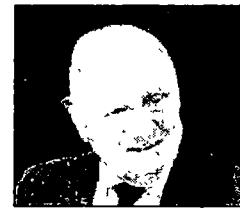
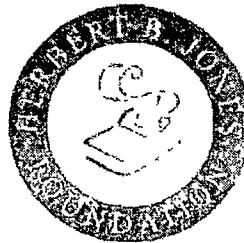
STATEMENT 14

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
EVERETT COMMUNITY COLLEGE	NONE ENTREPRENEUR DEGREE	EDUCATION	45,000.
CENTRAL WASHINGTON UNIVERSITY	NONE ENTREPRENEURIAL TOUR	EDUCATION	27,500.
GONZAGA UNIVERSITY	NONE COLLABORATION WITH SPOKANE CC	EDUCATION	32,000.
NORTHWEST SCHOOL FOR HEARING-IMPAIRED CHILDREN	NONE GENERAL FUND	EDUCATION	30,746.
PACIFIC LUTHERAN UNIVERSITY	NONE IMPACT CASE COMPETITION	EDUCATION	18,000.
SEATTLE PACIFIC UNIVERSITY	NONE SOCIAL VENTURE COMPETITION	EDUCATION	29,000.
SEATTLE UNIVERSITY	NONE STUDENTS IN FREE ENTERPRISE	EDUCATION	37,000.
SEATTLE UNIVERSITY	NONE BUSINESS PLAN AWARD	EDUCATION	10,000.

THE HERBERT JONES FOUNDATION C/O KEYBANK

94-3124801

SPOKANE COMMUNITY COLLEGE	NONE ENTREPRENEUR COLLABORATION	EDUCATION	20,000.
UNIVERSITY OF WASHINGTON BOTHELL	NONE BUSINESS DEVELOPMENT CENTER	EDUCATION	45,000.
UNIVERSITY OF WASHINGTON	NONE MILESTONE AWARDS	EDUCATION	80,000.
UNIVERSITY OF WASHINGTON	NONE BUSINESS PLAN COMPETITION	EDUCATION	26,000.
WENATCHEE VALLEY COLLEGE	NONE CENTER FOR ENTREPRENEURSHIP	EDUCATION	35,000.
EASTERN WASHINGTON UNIVERSITY	NONE GREEN BUSINESS PRACTICES	EDUCATION	35,000.
WHITWORTH COLLEGE	NONE INLAND BUSINESS PLAN COMPETITION	EDUCATION	20,000.
NW ENTREPRENEUR NETWORK	NONE ENTREPRENEURIAL UNIVERSITY	EDUCATION	20,000.
HIGHLINE COMMUNITY COLLEGE	NONE START ZONE	EDUCATION	18,500.
GREEN RIVER COMMUNITY COLLEGE	NONE SMALL BUSINESS ASSISTANCE	EDUCATION	15,000.
TOTAL TO FORM 990-PF, PART XV, LINE 3A			<u>543,746.</u>

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HERBERT JONES FOUNDATION GRANT APPLICATION

MISSION STATEMENT

The Herbert B. Jones Foundation believes that entrepreneurship and small business are the backbone for the strength of our economic system

We promote this belief through the initial and temporary support of new business programs managed by post-secondary educational entities in the state of Washington. We desire the business community to be a vibrant and productive environment and the recipients of the Foundation's support to positively impact our greater business community

GUIDELINES

- Grant requests will be for fiscal years, starting September 1
- Grant requests are due by the first Monday in April
- Maximum 2 requests for consideration a. A request can contain two or more inter-related, dependent segments, b. Each segment must show its need for other segments' accomplishment
- The minimum font size 11
- Grants funds will not be provided for equipment.

capital projects, gifts, endowments, or food costs

- Applicants must adhere strictly to format
- Please provide (6) stapled copies to Herbert B Jones Foundation c/o Key Private Bank, 601 108th Ave NE Suite 260, Bellevue, WA, 98004
- The Foundation may make inquiries before, and will formally respond within 8 weeks

APPLICATION FORMAT

(Maximum 2 pages)

Name of Organization/Amount
Requested/Time Period Requested
Description/summary of program

- Goals/objectives of program, i.e. how do these relate to HBJ mission statement?
- Results expected i.e. how do the results satisfy HBJ goals?
- Target population, i.e. who benefits?
- Key staff and number of students to be involved
- Plan for measuring program results, i.e. how do you know you have succeeded?

PROGRAM BUDGET

(MAXIMUM 1 PAGE)

- Detailed itemization of costs for each program and HBJ's funding portion
- Other funding resources; participant payments, grants, gifts, other
- Timetable of anticipated organizational expenditures

APPENDIX (NOT REQUIRED)

IF PREVIOUSLY PROVIDED)

- Resume summary page (no more than ½ a page for each)
- History and mission of the organization
- Board and affiliations
- Overall Structure, description of sub-unit utilizing grant
- Evidence that your organization is a qualified tax-exempt organization capable of receiving grants from a private foundation

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