Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

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

▶ Do not enter social security numbers on this form as it may be made public.

▶ Information about Form 990-PF and its separate instructions is at *www.irs.gov/form990pf*.

OMB No 1545-0052

2014

Open to Public Inspection

For calendar year 2014 or tax year beginning , and ending

Name of foundation
JOHN & MILDRED HOLMES FAMILY FOUNDATION
C/O LEGACY TRUST CO.

A Employer identification number
31-1645204

Number and street (or P O box number if mail is not delivered to street address): 600 JEFFERSON
Room/suite: 350

B Telephone number
713-651-8800

City or town, state or province, country, and ZIP or foreign postal code
HOUSTON, TX 77002

C If exemption application is pending, check here ▶ ☐

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

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 foundation

E 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)* ▶$ 4,909,167.

J Accounting method: ☒ Cash ☐ Accrual
☐ Other (specify)
(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)
Revenue	1	Contributions, gifts, grants, etc., received				
	2	Check ▶ ☒ if the foundation is not required to attach Sch B				
	3	Interest on savings and temporary cash investments				
	4	Dividends and interest from securities	146,787.	146,787.		STATEMENT 1
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	124,498.			
	b	Gross sales price for all assets on line 6a 197,620.				
	7	Capital gain net income (from Part IV, line 2)		124,498.		
	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				STATEMENT 2
	12	**Total.** Add lines 1 through 11	271,285.	271,285.	0.	
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	0.	0.	0.	0.
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees STMT 3	1,118.	559.	0.	559.
	b	Accounting fees STMT 4	2,950.	1,475.	0.	1,475.
	c	Other professional fees STMT 5	8,038.	8,038.	0.	0.
	17	Interest				
	18	Taxes STMT 6	2,431.	387.	0.	0.
	19	Depreciation and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings	37,698.	18,849.	0.	18,849.
	22	Printing and publications	127.	127.	0.	0.
	23	Other expenses STMT 7	187.	187.	0.	0.
	24	**Total operating and administrative expenses** Add lines 13 through 23	52,549.	29,622.	0.	20,883.
	25	Contributions, gifts, grants paid	230,000.			230,000.
	26	**Total expenses and disbursements.** Add lines 24 and 25	282,549.	29,622.	0.	250,883.
	27	Subtract line 26 from line 12:				
	a	Excess of revenue over expenses and disbursements	<11,264.>			
	b	**Net investment income** (if negative, enter -0-)		241,663.		
	c	**Adjusted net income** (if negative, enter -0-)			0.	

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11-24-14 LHA **For Paperwork Reduction Act Notice, see instructions.**

Part II Balance Sheets

		Attached schedules and amounts in the description column should be for end-of-year amounts only		Beginning of year	End of year	
				(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing		3,153.	3,097.	3,097.
	2	Savings and temporary cash investments		145,526.	121,723.	121,723.
	3	Accounts receivable ▶	1,250.			
		Less: allowance for doubtful accounts ▶		2,087.	1,250.	1,250.
	4	Pledges receivable ▶				
		Less: allowance for doubtful accounts ▶				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons				
	7	Other notes and loans receivable ▶				
		Less: allowance for doubtful accounts ▶				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments - U.S. and state government obligations				
	b	Investments - corporate stock	STMT 8	1,565,617.	1,492,495.	4,354,963.
	c	Investments - corporate bonds	STMT 9	330,000.	416,554.	428,134.
	11	Investments - land, buildings and equipment basis ▶				
		Less accumulated depreciation ▶				
	12	Investments - mortgage loans				
	13	Investments - other				
	14	Land, buildings, and equipment: basis ▶				
		Less accumulated depreciation ▶				
	15	Other assets (describe ▶)				
	16	**Total assets** (to be completed by all filers - see the instructions. Also, see page 1, item I)		2,046,383.	2,035,119.	4,909,167.
Liabilities	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable				
	22	Other liabilities (describe ▶)				
	23	**Total liabilities** (add lines 17 through 22)		0.	0.	
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**				
	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
		Foundations that do not follow SFAS 117, check here ▶ ☒ and complete lines 27 through 31.				
	27	Capital stock, trust principal, or current funds		1,848,417.	1,848,417.	
	28	Paid-in or capital surplus, or land, bldg., and equipment fund		0.	0.	
	29	Retained earnings, accumulated income, endowment, or other funds		197,966.	186,702.	
	30	**Total net assets or fund balances**		2,046,383.	2,035,119.	
	31	**Total liabilities and net assets/fund balances**		2,046,383.	2,035,119.	

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	2,046,383.
2	Enter amount from Part I, line 27a	2	<11,264.>
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	2,035,119.
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	2,035,119.

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	MARKETABLE SECURITIES	P		
b	CAPITAL GAIN DISTRIBUTION	P		
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	194,938.		73,122.	121,816.
b	2,682.			2,682.
c				
d				
e				

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

	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a				121,816.
b				2,682.
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 } 2 124,498.

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):
If gain, also enter in Part I, line 8, column (c).
If (loss), enter -0- in Part I, line 8 } 3 N/A

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

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2013	229,204.	4,409,641.	.051978
2012	210,959.	4,007,543.	.052640
2011	216,011.	3,898,014.	.055416
2010	208,909.	3,655,615.	.057147
2009	213,034.	3,395,101.	.062747

2	**Total** of line 1, column (d)	2	.279928
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	.055986
4	Enter the net value of noncharitable-use assets for 2014 from Part X, line 5	4	4,694,378.
5	Multiply line 4 by line 3	5	262,819.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	2,417.
7	Add lines 5 and 6	7	265,236.
8	Enter qualifying distributions from Part XII, line 4	8	250,883.

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 instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: ________ **(attach copy of letter if necessary-see instructions)**				
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b			1	4,833.
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).				
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			2	0.
3	Add lines 1 and 2			3	4,833.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			4	0.
5	**Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-			5	4,833.
6	Credits/Payments:				
a	2014 estimated tax payments and 2013 overpayment credited to 2014	6a	2,520.		
b	Exempt foreign organizations - tax withheld at source	6b			
c	Tax paid with application for extension of time to file (Form 8868)	6c			
d	Backup withholding erroneously withheld	6d			
7	Total credits and payments. Add lines 6a through 6d			7	2,520.
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached			8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	2,313.
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 2015 estimated tax** ▶	**Refunded** ▶		11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for the definition)? *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*	1b		X
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
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.*	2		X
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? N/A	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ TX			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	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 2014 or the taxable year beginning in 2014 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

Part VII-A Statements Regarding Activities *(continued)*

			Yes	No
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 make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ JOE UNTERMEYER Telephone no. ▶ 713-651-8800

Located at ▶ 600 JEFFERSON SUITE 350, HOUSTON, TX ZIP+4 ▶ 77002

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

			Yes	No
16	At any time during calendar year 2014, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See the instructions for exceptions and filing requirements for FinCEN Form 114, (formerly 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

			Yes	No
	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			
1a	During the year did the foundation (either directly or indirectly):			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☒ Yes ☐ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1b		X
	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 2014?	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 2014, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2014? ☐ Yes ☒ 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	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ ______, ______, ______, ______			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2014 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 2014.)* N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2014?	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 4945(d)(4)(A)? (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)? 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 ☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53 4945-5(d).

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** X

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? N/A **7b**

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

1 List all officers, directors, trustees, foundation managers and their compensation.

(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 10		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

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	
2	
All other program-related investments. See instructions. 3 N/A	0.
Total. Add lines 1 through 3 ▶	0.

Form **990-PF** (2014)

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:				
a	Average monthly fair market value of securities			1a	4,622,094.
b	Average of monthly cash balances			1b	142,522.
c	Fair market value of all other assets			1c	1,250.
d	**Total** (add lines 1a, b, and c)			1d	4,765,866.
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	4,765,866.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)			4	71,488.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4			5	4,694,378.
6	**Minimum investment return** Enter 5% of line 5			6	234,719.

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	234,719.
2a	Tax on investment income for 2014 from Part VI, line 5	2a	4,833.		
b	Income tax for 2014. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	4,833.
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	229,886.
4	Recoveries of amounts treated as qualifying distributions			4	0.
5	Add lines 3 and 4			5	229,886.
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	229,886.

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	250,883.
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	250,883.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	250,883.

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 2013	(c) 2013	(d) 2014
1 Distributable amount for 2014 from Part XI, line 7				229,886.
2 Undistributed income, if any, as of the end of 2014				
a Enter amount for 2013 only			43,712.	
b Total for prior years: ______ , ______ , ______		0.		
3 Excess distributions carryover, if any, to 2014:				
a From 2009				
b From 2010				
c From 2011				
d From 2012				
e From 2013				
f **Total** of lines 3a through e	0.			
4 Qualifying distributions for 2014 from Part XII, line 4: ▶ $ 250,883.				
a Applied to 2013, but not more than line 2a			43,712.	
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 2014 distributable amount				207,171.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2014 (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 2013. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2014. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2015				22,715.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)	0.			
8 Excess distributions carryover from 2009 not applied on line 5 or line 7	0.			
9 **Excess distributions carryover to 2015.** Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2010				
b Excess from 2011				
c Excess from 2012				
d Excess from 2013				
e Excess from 2014				

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 2014, enter the date of the ruling ▶

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

	Tax year	Prior 3 years			
	(a) 2014	(b) 2013	(c) 2012	(d) 2011	(e) Total
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)(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 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 or e-mail address of the person to whom applications should be addressed:

JOE UNTERMEYER, C/O LEGACY TRUST, 713-651-8800
600 JEFFERSON, SUITE 350, HOUSTON, TX 77002

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

CONTACT JOE UNTERMEYER FOR FORM

c Any submission deadlines:

NONE

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

NONE

Part XV **Supplementary Information** (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
SEE STATEMENT A				230,000.
Total			▶ 3a	230,000.
b *Approved for future payment* NONE				
Total			▶ 3b	0.

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) Exclusion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	146,787.	
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	124,498.	
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.		271,285.	0.

13 Total. Add line 12, columns (b), (d), and (e) 13 271,285.

(See worksheet in line 13 instructions to verify calculations.)

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

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

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

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of:			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d If the answer to any of the above is "Yes," complete the following schedule. Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received.

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
		N/A	

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge

▶ | 5-12-15 ▶ TREASURER

Signature of officer or trustee | Date | Title

May the IRS discuss this return with the preparer shown below (see instr)? ☒ Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self- employed	PTIN
RONALD D. PERRY	Ron Perry	5-12-15		P00736341

Firm's name ▶ MOHLE ADAMS | Firm's EIN ▶ 74-1067601

Firm's address ▶ 3900 ESSEX LANE, SUITE 1000
HOUSTON, TX 77027

Phone no. 713-629-1381

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 1

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME
LEGACY TRUST COMPANY	146,787.	0.	146,787.	146,787.	146,787.
TO PART I, LINE 4	146,787.	0.	146,787.	146,787.	146,787.

FORM 990-PF OTHER INCOME STATEMENT 2

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME
PIMCO TOTAL RETURN NONDIVIDEND DISTRIBUTIONS	0.	0.	0.
TOTAL TO FORM 990-PF, PART I, LINE 11	0.	0.	0.

FORM 990-PF LEGAL FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEE	1,118.	559.	0.	559.
TO FM 990-PF, PG 1, LN 16A	1,118.	559.	0.	559.

FORM 990-PF ACCOUNTING FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEE	2,950.	1,475.	0.	1,475.
TO FORM 990-PF, PG 1, LN 16B	2,950.	1,475.	0.	1,475.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TRUSTEE FEE	8,038.	8,038.	0.	0.
INVESTMENT ADVISOR FEE	0.	0.	0.	0.
TO FORM 990-PF, PG 1, LN 16C	8,038.	8,038.	0.	0.

FORM 990-PF TAXES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES	387.	387.	0.	0.
EXCISE TAX	2,044.	0.	0.	0.
TO FORM 990-PF, PG 1, LN 18	2,431.	387.	0.	0.

FORM 990-PF OTHER EXPENSES STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
OFFICE/COMPUTER SUPPLIES	177.	177.	0.	0.
BANK SERVICE FEE	10.	10.	0.	0.
TO FORM 990-PF, PG 1, LN 23	187.	187.	0.	0.

FORM 990-PF CORPORATE STOCK STATEMENT 8

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
SEE STATEMENT B	1,492,495.	4,354,963.
TOTAL TO FORM 990-PF, PART II, LINE 10B	1,492,495.	4,354,963.

FORM 990-PF CORPORATE BONDS STATEMENT 9

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
SEE STATEMENT B	417,300.	428,134.
PIMCO TOTAL RETURN UNBOOKED ROC	<746.>	0.
TOTAL TO FORM 990-PF, PART II, LINE 10C	416,554.	428,134.

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS STATEMENT 10

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN-SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
ELEANOR JOHNSON C/O LEGACY TRUST 600 JEFFERSON #350 HOUSTON, TX 77002	DIRECTOR 1.00	0.	0.	0.
LUCY H. ORENS C/O LEGACY TRUST 600 JEFFERSON #350 HOUSTON, TX 77002	DIRECTOR 1.00	0.	0.	0.
JOE D. UNTERMEYER C/O LEGACY TRUST 600 JEFFERSON #350 HOUSTON, TX 77002	SECRETARY / TREASURER 1.00	0.	0.	0.
CARTER CRITES C/O LEGACY TRUST 600 JEFFERSON #350 HOUSTON, TX 77002	DIRECTOR 1.00	0.	0.	0.
BETTY HOLMES C/O LEGACY TRUST 600 JEFFERSON #350 HOUSTON, TX 77002	VICE PRESIDENT / DIRECTOR 1.00	0.	0.	0.
JOHN B. HOLMES, III C/O LEGACY TRUST 600 JEFFERSON #350 HOUSTON, TX 77002	DIRECTOR 1.00	0.	0.	0.

MILDRED H. BRIDGES C/O LEGACY TRUST 600 JEFFERSON #350 HOUSTON, TX 77002	PRESIDENT / DIRECTOR 1.00	0.	0.	0.
JENNIFER G. HOLMES C/O LEGACY TRUST 600 JEFFERSON #350 HOUSTON, TX 77002	DIRECTOR 1.00	0.	0.	0.
KATHERINE CRITES C/O LEGACY TRUST 600 JEFFERSON #350 HOUSTON, TX 77002	DIRECTOR 1.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.

PART XV - GRANTS PAID DURING THE YEAR

Organization Name	Relationship	Status	Grant Description	Grant Amount
Lifeworks 3700 South 1st Street Austin, TX 78704	None	509(a)(1)	General Use	$ 12,500
The Bellville Volunteer Fire Dept. P.O. Box 1109 Bellville, TX 77418	None	509(a)(1)	Kenney Station	4,500
Ronald McDonald House Austin 1315 Barbara Jordan Blvd. Austin, TX 78723	None	509(a)(1)	General Use	8,000
Mono Council for the Arts P.O. Box 56 Mammoth Lakes, CA 93546	None	509(a)(1)	Meet the Masters Program	6,000
Hospice-Austin 4107 Spicewood Springs Road #100 Austin, TX 78759	None	509(a)(1)	General Use	15,000
San Francisco Zen Center 300 Page Street San Francisco, CA 94102	None	509(a)(1)	Capital Campaign	15,000
NOLS 284 Lincoln Street Lander, WY 82520	None	509(a)(1)	General Use	5,000
Kilung Foundation P.O. Box 622 Langley, WA 98260	None	509(a)(1)	The Land Fund	10,000
Welcome Home Project 410 Shade Road Wimberly, TX 78676	None	509(a)(2)	Soliders Song & Voices Project Ausin	5,000
Colorado Public Radio 7409 S. Alton Court Centennial, CO 80112	None	509(a)(1)	General Use	2,500

ASPCA 520 8th Avenue, 7th Floor New York, NY 10018	None	509(a)(1)	General Use	**5,000**
Sims Foundation 2306 Lake Austin Blvd. Austin, TX 78768	None	509(a)(1)	General Use	**15,000**
Good Shepherd Episcopal School 2006 Exposition Blvd. Austin, TX 78703	None	509(a)(1)	General Use	**10,000**
Developing Families Center Attn: Ruth Lubic 801 17th Street NE Washington, DC 20002-7200	None	509(a)(1)	General Use	**4,000**
Center Modern Psychoanalytic Studies 16 West 10th St. New York, NY 10011	None	509(a)(1)	General Operating	**10,000**
The Center for the Advancement of Group Studies 1841 Broadway Suite 1118 New York, NY 10023	None	509(a)(1)	General Use	**7,500**
Group Foundation For Advancing Mental Health 25 East 21st Street New York, NY 10010	None	509(a)(1)	General Use	**1,000**
National Public Radio 1111 N. Capitol St. NE Washington, DC 20002	None	509(a)(1)	General Use	**2,000**
UC-Regents c/o Valentine E. Sierra Reserve P.O. Box 273 Mammoth Lakes, CA 93546	None	509(a)(1)	Valentine Outdoor Science Education Program	**14,000**
Epic Experience P.O. Box 753 Arvada, CO 80001-0753	None	509(a)(1)	General Use	**17,500**
CHCO Burn Comps Program 13123 E. 16th Avenue Aurora, CO 80045	None	509(a)(1)	General use	**3,000**

Wisdom School Ranch P.O. Box 166 Arco, ID 83213	None	509(a)(1)	General use	**5,000**
Anders-Larson Torch Fund P.O. Box 839 Woodstock, NY 12493	None	509(a)(2)	General Use	**10,000**
Max Fund 720 W. 10th Avenue Denver, CO 80204	None	509(a)(1)	General Use	**2,500**
Island Academy International School P.O. Box 1884 St. John's , Antigua W.I.	None	509(a)(1)	Scholarships	**1,000**
The Old Road Fund P.O. Box 494 St. Johns Antigua, W.I.	None	509(a)(1)	General Use	**7,500**
Lynn Cutrer Angel Scholarship Award Attn: Guiseppe Colasurdo, MD U.T. Health School Ctr 6431 Fannin St. MSBG 150 Houston, TX 77030	None	509(a)(1)	Scholarships	**7,500**
First Descents 767 Santa Fe Drive Denver, CO 80204	None	509(a)(1)	General Use	**2,500**
Choices in Childbirth 441 Lexington Avenue 19th Floor New York, NY 10017	None	509(a)(1)	General Use	**3,000**
Central Park Conservancy 14 E. 60th Street New York, NY 10022	None	509(a)(1)	General Use	**5,000**
UN Foundation 801 Second Ave Suite 900 New York, NY 10017	None	509(a)(1)	Project Red	**6,000**
Equal Justice 50 California St. Suite 500 San Francisco, CA 94111	None	509(a)(1)	General Use	**2,500**

American Cancer Society P.O. Box 22718 Oklahoma City, OK 731234	None	509(a)(1)	Research	**5,000**
				$ 230,000

LEGACY TRUST

A PRIVATE TRUST COMPANY

PRINCIPAL PORTFOLIO

56-0441-00 JOHN & MILDRED^HOLMES FAMILY
FOUNDATION UNDER AGREEMENT
DATED 3/19/99, LEGACY TRUST
COMPANY, CUSTODIAN

AS OF 12/31/14

3

PAR VALUE/ SHARES	DESCRIPTION	MARKET	COST	EST. ANNUAL INCOME	YLD AT MKT
	FIXED INCOME - TAXABLE				
	U.S. INCOME MUTUAL FUNDS-TAX				
31888.733	PIMCO TOTAL RETURN FUND	339,933.89	330,000.00	7,366.30	2.17
6000	POWERSHARES PREFERRED PORTFOLIO	88,200.00	87,300.00	5,268.00	5.97
	TOTAL	428,133.89	417,300.00	12,634.30	2.95
	TOTAL FIXED INCOME - TAXABLE	428,133.89	417,300.00	12,634.30	2.95
	U. S. EQUITIES				
	U.S. PREFERRED STOCK				
10000	CULLEN/FROST BANKERS INC 5.375% PREFERRED SERIES A CALLABLE	235,800.00	232,587.40	13,440.00	5.70
	TOTAL	235,800.00	232,587.40	13,440.00	5.70

LEGACY TRUST

A PRIVATE TRUST COMPANY

PRINCIPAL PORTFOLIO

56-0441-00

JOHN & MILDRED^HOLMES FAMILY
FOUNDATION UNDER AGREEMENT
DATED 3/19/99, LEGACY TRUST
COMPANY, CUSTODIAN

AS OF 12/31/14

4

PAR VALUE/ SHARES	DESCRIPTION	MARKET	COST	EST. ANNUAL INCOME	YLD AT MKT
	U.S. COMMON STOCK				
4000	AT & T INC	134,360.00	14,017.52	7,520.00	5.60
2000	AUTOMATIC DATA PROCESSING INC	166,740.00	37,304.35	3,920.00	2.35
500	BANK AMER CORP	8,945.00	24,470.00	100.00	1.12
1000	BERKSHIRE HATHAWAY INC-CL B	150,150.00	55,560.00	0.00	0.00
400	BROADRIDGE FINL SOLUTIONS INC COM	18,472.00	2,320.35	432.00	2.34
500	CATERPILLAR INC	45,765.00	40,693.00	1,400.00	3.06
666	CDK GLOBAL HOLDINGS LLC	27,146.16	5,285.48	319.68	1.18
500	CHEVRON CORPORATION	56,090.00	29,360.00	2,140.00	3.82
2000	COCA COLA CO	84,440.00	4,640.00	2,440.00	2.89
1000	CONOCOPHILLIPS	69,060.00	29,563.22	2,920.00	4.23
1000	EMERSON ELEC CO	61,730.00	30,245.00	1,880.00	3.05
3500	EXXON MOBIL CORP	323,575.00	39,557.91	9,660.00	2.99

LEGACY TRUST

A PRIVATE TRUST COMPANY

PRINCIPAL PORTFOLIO

56-0441-00 JOHN & MILDRED^HOLMES FAMILY
FOUNDATION UNDER AGREEMENT
DATED 3/19/99, LEGACY TRUST
COMPANY, CUSTODIAN

AS OF 12/31/14 5

PAR VALUE/ SHARES	DESCRIPTION	MARKET	COST	EST. ANNUAL INCOME	YLD AT MKT
5000	GENERAL ELEC CO	126,350.00	10,204.17	4,600.00	3.64
500	HOME DEPOT INC	52,485.00	19,814.00	940.00	1.79
1500	J.P. MORGAN CHASE & CO	93,870.00	24,283.78	2,400.00	2.56
3500	JOHNSON & JOHNSON	365,995.00	38,456.25	9,800.00	2.68
1000	MARSH & MCLENNAN COS INC	57,240.00	48,630.00	1,120.00	1.96
2500	MCDONALDS CORP	234,250.00	18,364.96	8,500.00	3.63
1000	MCGRAW HILL FINANCIAL INC	88,980.00	26,487.50	1,200.00	1.35
1000	MICROSOFT CORP	46,450.00	42,643.75	1,240.00	2.67
1500	PEPSICO INC	141,840.00	16,567.52	3,930.00	2.77
1000	PFIZER INC	31,150.00	36,270.00	1,120.00	3.60
500	PHILLIPS 66	35,850.00	9,321.78	1,000.00	2.79
1000	PROCTER & GAMBLE CO	91,090.00	18,838.87	2,574.00	2.83
2000	SYSCO CORP	79,380.00	6,613.99	2,400.00	3.02

LEGACY TRUST

A PRIVATE TRUST COMPANY

PRINCIPAL PORTFOLIO

56-0441-00 JOHN & MILDRED^HOLMES FAMILY
FOUNDATION UNDER AGREEMENT
DATED 3/19/99, LEGACY TRUST
COMPANY, CUSTODIAN

AS OF 12/31/14 6

PAR VALUE/ SHARES	DESCRIPTION	MARKET	COST	EST. ANNUAL INCOME	YLD AT MKT
1500	THE HERSHEY COMPANY	155,895.00	11,138.12	3,210.00	2.06
500	UNITED PARCEL SERVICE INC	55,585.00	28,625.00	1,340.00	2.41
500	UNITED TECHNOLOGIES CORP	57,500.00	36,719.95	1,180.00	2.05
4500	WAL MART STORES INC	386,460.00	13,283.43	8,640.00	2.24
5000	WALGREENS BOOTS ALLIANCE INC	380,250.00	14,110.85	0.00	0.00
	TOTAL	3,627,093.16	733,390.75	87,925.68	2.42
	CLOSED END MUTUAL FUNDS				
2650	ISHARES S&P PREF STK ETF	104,516.00	100,408.24	6,601.15	6.32
	TOTAL	104,516.00	100,408.24	6,601.15	6.32
	TOTAL U. S. EQUITIES	3,967,409.16	1,066,386.39	107,966.83	2.72

LEGACY TRUST A PRIVATE TRUST COMPANY

PRINCIPAL PORTFOLIO

56-0441-00 JOHN & MILDRED^HOLMES FAMILY
FOUNDATION UNDER AGREEMENT
DATED 3/19/99, LEGACY TRUST
COMPANY, CUSTODIAN
AS OF 12/31/14 7

PAR VALUE/ SHARES	DESCRIPTION	MARKET	COST	EST. ANNUAL INCOME	YLD AT MKT
	FOREIGN EQUITIES				
	FOREIGN PREFERRED STOCK				
4000	BARCLAYS BK PLC SPONSORED ADR PREF SHS SER 5 8.125	104,320.00	100,000.00	8,124.00	7.79
	TOTAL	104,320.00	100,000.00	8,124.00	7.79
	FOREIGN MUTUAL FUNDS				
18308.604	MORGAN STANLEY INSTITUTIONAL FUND INC - INTERNATIONAL EQUITY PORTFOLIO	283,234.10	326,108.17	0.00	0.00
	TOTAL	283,234.10	326,108.17	0.00	0.00
	TOTAL FOREIGN EQUITIES	387,554.10	426,108.17	8,124.00	2.10

FIRST AMENDMENT TO BYLAWS OF
THE JOHN AND MILDRED HOLMES FAMILY FOUNDATION

This First Amendment to Bylaws of the John and Mildred Holmes Family Foundation is executed this 18th day of April, 2014 by Lucy Holmes Orens, as President of the Foundation (as hereinafter defined).

WHEREAS, the John and Mildred Holmes Family Foundation, a Texas nonprofit corporation (the "**Foundation**"), was organized pursuant to Articles of Incorporation filed with the Secretary of State of Texas on March 16, 1999 and is administered pursuant to bylaws, which were effective as of March 31, 2007 (the "**Current Bylaws**"); and

WHEREAS, the Foundation's Board of Directors (the "**Board**") wishes to amend the Current Bylaws to provide that a member of the Board must resign from the Board upon attaining the age of eighty (80) years; and

WHEREAS, such an amendment was approved by the Board on April 5, 2014 in the manner required by Article VI of the Current Bylaws; and

WHEREAS, a reference in Article X of the Current Bylaws to the indemnification provisions of the Texas Nonprofit Corporation Act should be updated to reference the corresponding provision of the Texas Business Organizations Code, and

WHEREAS, the Board intends to approve an amendment to the Current Bylaws, which updates Article X thereof: and

WHEREAS, Section 3.3(a) of the Current Bylaws provides that the "president shall see that all orders and resolutions of the Board are carried into effect [and] shall sign and execute all legal documents and instruments in the name of the corporation when authorized so to do by the Board . . ."; and

WHEREAS, all terms used herein shall have the meanings set forth in the Current Bylaws, unless otherwise defined herein.

NOW, THEREFORE, in consideration of the recitals contained herein, the Current Bylaws are hereby amended as follows, to be effective on the date specified:

1. Effective immediately, the second paragraph of Section 2.1 is deleted in its entirety, and the following two (2) paragraphs are substituted in place thereof:

Directors shall be elected or removed (with or without cause) by a majority vote of the directors then serving in office. As a lineal descendant of John and Mildred Holmes reaches the age of twenty-seven (27), he or she shall be eligible to be elected to the Board of Directors. Subject to the ensuing provisions of this Section 2.1, each director shall serve until his or her death, resignation, removal, or permanent disability that renders such director incapable of fulfilling his or her duties as determined by a majority of the remaining Board. Any removal shall be with or without cause.

Notwithstanding any other provision of these bylaws to the contrary, each director is required to resign from the Board upon attaining eighty (80) years of age. If a director attains eighty (80) years of age and has not formally resigned within thirty (30) days after his or her eightieth birthday, such director shall be deemed to have resigned from the Board as of the thirtieth day following his or her eightieth birthday. An individual who resigns or is deemed to have resigned from the Board pursuant to this paragraph shall automatically become an "Honorary Board Member" and shall be entitled to attend Board meetings. However, a former director who has become an Honorary Board Member shall not (i) have voting rights; (ii) be counted for purposes of determining whether a quorum of directors is present at a meeting; (iii) have any power to manage corporate assets or select the recipients of any corporate funds; or (iv) have any of the other rights, powers, or obligations of a director.

2. Effective upon approval by the Board (pursuant to Article VI of the Current Bylaws), Article X is amended in its entirety to read as follows:

ARTICLE X – INDEMNIFICATION

Subject to the restrictions and limitations of Sections 501(c)(3) and 4941 of the Internal Revenue Code of 1986, the corporation shall indemnify its officers and directors (or former officers and directors) to the fullest extent provided by Title 1, Chapter 8 of the Texas Business Organizations Code or its successor statute.

3. All other provisions of the Current Bylaws shall remain in full force and effect and are hereby reaffirmed.

4/13/15
Date

Lucy Holmes Oren
Lucy Holmes Orens, President

As Amended through March 31, 2007

BYLAWS
OF
JOHN AND MILDRED HOLMES FAMILY FOUNDATION

ARTICLE I - NAME AND PURPOSE

1.1 Name. The name of the corporation is JOHN AND MILDRED HOLMES FAMILY FOUNDATION.

1.2 Purpose. This corporation is organized exclusively for the tax exempt purposes set forth in Article Four of the Articles of Incorporation.

ARTICLE II - BOARD OF DIRECTORS

2.1 Number, Tenure, Election, and Vacancies. The direction and management of the affairs of the corporation and the control and disposition of its properties and funds shall be vested in a Board of Directors (the "Board") which shall consist of not less than three (3) persons. The number of directors shall automatically increase as new directors are elected to the Board. New directors elected to the Board must be lineal descendants of John and Mildred M. Holmes. The term "lineal descendants" as used in these bylaws shall include lineal blood descendants and legally adopted children of lineal descendants of John and Mildred M. Holmes and any such legally adopted child's lawful lineal descendants by blood or adoption.

Directors shall be elected or removed (with or without cause) by a majority vote of the directors then serving in office. As a lineal descendant of John and Mildred Holmes reaches the age of twenty-seven (27), he or she shall be eligible to be elected to the Board of Directors. Each director shall serve until his or her death, resignation, removal, or permanent disability that renders such director incapable of fulfilling his or her duties as determined by a majority vote of the remaining Board. Any removal shall be with or without cause.

2.2 Annual Meeting. Each year the Board shall hold one annual meeting for the election of officers and the transaction of such other business as may lawfully come before the meeting. The date and place of such meeting shall be determined by the Board, and it shall be the duty of the secretary of the corporation to give ten days' notice of such meeting to each director.

2.3 Order of Business. The order of business at the annual meeting shall be as follows:

- (a) Roll call.
- (b) Reading of the notice of the meeting.
- (c) Reading of the minutes of the preceding meeting and action thereon.
- (d) Reports of officers.
- (e) Election of officers.
- (f) Miscellaneous business.

2.4 Special Meetings. Special meetings of the Board shall be held whenever called by the secretary of the corporation upon the direction of the president of the corporation or upon written request of any two directors; and it shall be the duty of the secretary to give sufficient notice of such meetings to enable the directors so notified to attend such meetings.

2.5 Quorum for Meetings and Voting. A majority of the directors in office shall constitute a quorum for the transaction of business at all meetings convened according to these bylaws, and, except as provided in Article VI of these bylaws, any act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board, unless otherwise specifically provided by the articles of incorporation or these bylaws.

A director may vote in person or by proxy executed in writing by the director. No proxy shall be valid after three (3) months from the date of its execution. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and unless otherwise made irrevocable by law.

2.6 Corporate Distributions. All distributions, grants, or similar payments by the corporation shall require approval of the Board pursuant to the procedures set forth in Section 2.5 of these bylaws.

2.7 Advisory Directors. As a lineal descendant of John and Mildred Holmes reaches the age of twenty-one (21), he or she shall be eligible to be appointed by the Board to serve as an advisory director. The Board may remove at any time (with or without cause) any advisory director.

Advisory directors shall be invited to the meetings of the Board and they shall advise and consult with the Board or officers of the corporation or carry out such responsibilities as requested by the Board. Advisory directors shall be entitled to make grant recommendations pursuant to guidelines developed by the Board. Advisory directors shall have no duties, powers or liabilities with respect to the management, direction or control of the activities and affairs of the corporation. Advisory directors shall not be entitled to vote at Board meetings.

2.8 Telephone Meetings. Subject to the provisions of applicable law and these Bylaws regarding notice of meetings, members of the Board or members of any committee designated by the Board may, unless otherwise restricted by statute, by the Articles of Incorporation or by these Bylaws, participate in and hold a meeting of such Board or committee by using conference telephone or similar communications equipment, or another suitable electronic communications system, by means of which all persons participating in the meeting can communicate with each other, and participation in a meeting pursuant to this Section 2.8 shall constitute presence in person at such meeting, except when a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting was not lawfully called or convened.

ARTICLE III - GENERAL OFFICERS

3.1 Election. The officers of this corporation shall be a president, vice president, secretary, and treasurer and such other officers as may be determined and selected by the Board. The Board, at its first meeting and annually thereafter at the annual meeting, shall elect the officers. The officers so elected shall hold office for a period of one year and until their successors are duly elected and qualify. The offices of president and secretary may not be held by the same person.

3.2 Attendance at Meetings. The president, and in the president's absence, the director selected to serve as chairman of that meeting, shall call meetings of the Board to order, and shall act as chairman of such meetings. The secretary of the corporation shall act as secretary of all such meetings, but in the absence of the secretary, the chairman of the meeting may appoint any person present to act as secretary of the meeting.

3.3 Duties. The principal duties of the several officers are as follows:

(a) President. The president shall be the chief executive officer of the corporation, and subject to the direction of the Board, shall have general charge and supervision of the administration of the affairs and activities of the corporation. The President shall preside when present at meetings of the Board and shall serve as an ex-officio member of each committee (if any) having the authority of the Board in the management of the corporation. In the absence or disability of the President, the duties of such office shall be performed and the powers may be exercised by the Vice President, unless otherwise determined by the President or the Board. The president shall see that all orders and resolutions of the Board are carried into effect, shall sign and execute all legal documents and instruments in the name of the corporation when authorized so to do by the Board, and shall perform such other duties as may be assigned from time to time by the Board. The president shall also submit a report of the activities and affairs of the corporation at each annual meeting of the Board and at other times when called upon so to do by the Board.

(b) Vice President. The vice president shall discharge the duties of the president in the event of the president's absence or disability for any cause whatever, and shall perform such additional duties as may be prescribed from time to time by the Board.

(c) Secretary. The secretary shall have charge of the records and correspondence of the corporation under the direction of the president, and shall be the custodian of the seal of the corporation. The secretary shall give notice of and attend all meetings of the Board, and shall take and keep true minutes of all meetings of the Board. The secretary shall discharge such other duties as shall be assigned by the president or the Board. In case of the absence or disability of the secretary, the Board may appoint an assistant secretary to perform the duties of the secretary during such absence or disability.

(d) Treasurer. The treasurer shall keep account of all moneys, credits, and property of the corporation and all moneys received and disbursed by the corporation. Except as otherwise ordered by the Board, the treasurer shall have the custody of all the funds and securities of the corporation and shall deposit the same in such banks or depositories as the Board shall designate. The treasurer shall keep proper books of account showing at all times the amount of the funds and other property belonging to the corporation, all of which books shall be open at all times to the inspection of the Board. The treasurer shall also submit a report of the accounts and financial condition of the corporation at each annual meeting of the Board. The treasurer shall, under the direction of the Board, disburse all moneys and sign all checks and other instruments drawn on or payable out of the funds of the corporation, which checks, however, may also be required by the Board to be signed by the president or vice president, or in case of their absence or disability, by such member of the Board as the Board shall designate. In general, the treasurer shall perform all the duties which are incident to the office of treasurer, and shall perform such additional duties as may be prescribed from time to time by the Board. In case of the absence or disability of the treasurer, the Board may appoint an assistant treasurer to perform the duties of the treasurer during such absence or disability.

3.4 Vacancies. Whenever a vacancy shall occur in any general office of the corporation, such vacancy shall be filled by the Board by the election of a new officer who shall hold office until the next annual meeting and until his or her successor is elected and qualifies.

ARTICLE IV - APPOINTED OFFICERS AND AGENTS

The Board may appoint such officers and agents in addition to those provided for in Article III as may be deemed necessary, who shall have such authority and perform such duties as shall from time to time be prescribed by the Board. All appointed officers and agents shall hold their respective offices or positions at the pleasure of the Board, and may be removed from office or discharged at any time with or without cause; provided that removal without cause shall not prejudice the contract rights, if any, of such officers and agents.

ARTICLE V - EXECUTIVE COMMITTEE

5.1 Members. The Board may establish an Executive Committee which shall consist of not less than three directors who shall be elected by the Board at its annual meeting.

5.2 Powers. Subject to the direction of the Board, the Executive Committee, if the Board so decides, may have the immediate charge, management and control of the activities and affairs of the corporation, and have full power in the intervals between the meetings of the Board to do any and all things in relation to the affairs of the corporation and to exercise any and all powers of the Board in the management and direction of the affairs of the corporation.

The Executive Committee shall keep a record of its proceedings and report the same to the Board at each succeeding meeting of the Board.

5.3 Quorum. A majority of members of the Executive Committee shall constitute a quorum

ARTICLE VI - AMENDMENTS

These bylaws may be amended by the Board at any meeting of the Board pursuant to the provisions of Section 2.5, provided that notice of the proposed amendment shall have been given to each director in writing at least three days prior to such meeting. Prior notice of any proposed amendment shall not, however, be necessary at any meeting of the Board at which two-thirds of the directors of the corporation are present.

ARTICLE VII – NOTICES; CONFLICTS OF INTEREST

7.1. Manner of Giving Notice. Whenever, under the provisions of any statute, the Articles of Incorporation or these Bylaws, notice is required to be given to any director or committee member of the corporation, and no provision is made as to how such notice shall be given, it shall not be construed to require personal notice, but any such notice may be given in person, by telephone, or in writing by hand delivery, by facsimile transmission, by electronic mail, by other electronic communication if permitted by Texas law, or by United States mail, postage prepaid, addressed to the director or committee member at such person's address as it appears on the records of the corporation. Any notice required or permitted to be given by United States mail shall be deemed to be delivered at the time when the same shall be thus deposited in the United States mail, as aforesaid. Any notice required or permitted to be given by facsimile or by electronic mail shall be deemed to be given upon successful transmission of such facsimile or of such electronic mail.

7.2. Waiver of Notice. Whenever any notice is required to be given to any director or committee member of the corporation under the provisions of any statute, the Articles of Incorporation or these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether signed before or after the time stated therein, shall be deemed equivalent to the giving of such notice

7.3. Conflicts of Interest. Prior to a Board of Directors' vote on a contract or transaction, directors shall disclose any potential direct or indirect interest (e.g., personal, financial or business) of the director or family that would be affected by any action being considered for a vote by the Board (a "conflict of interest"). Such disclosure must be of record in the minutes. A director who has a conflict of interest may not (i) be present for, or participate in, Board discussion and voting on the matter (except that, at the request of the Board, the director who has a conflict of interest may meet with the Board to disclose material facts and to respond to questions), (ii) attempt to exert his or her personal influence either at or outside the meeting, and (iii) vote on the matter before the Board.

ARTICLE VIII – ACTIONS WITHOUT MEETINGS

Any action required or permitted to be taken at any meeting of the directors or the members of a committee may be taken without a meeting if a consent in writing setting forth the action to be taken shall be signed by all of the directors or all of the committee members, as the case may be. Such consent shall have the same force and effect as a unanimous vote, and may be stated as such in any document.

ARTICLE IX - CUSTODIAN

The Board shall appoint (and shall have the power to remove, with or without cause, and replace) a Custodian of the corporation. Subject to the direction and control of the Board, the Custodian shall have the following responsibilities:

A. Maintain custody of all of the investments of the corporation;

B. Coordinate all arrangements for special, regular, and annual meetings of the Board, including transmittal of notices, preparation of agendas, and preparation of minutes;

C. Using guidelines prepared by the Board, screen all requests for charitable grants and assemble summaries of processed grant requests for review by the Board;

D. Process all approved grants, including preparation of checks, preparation of grant agreement or any similar restrictions regarding use of the grant monies, and supervision of grants and use of proceeds when required;

E. Perform all annual valuations of assets of the corporation and determine the minimum payout required under the Federal tax laws for the corporation for each current year;

F. Coordinate all government reporting and tax return preparation for the corporation; and

G. Perform such other duties and prepare such reports to the Board requested by the Board from time to time.

The Custodian shall be entitled to reasonable compensation for services rendered as agreed to by the Board, and shall be authorized to hire such agents as it may deem advisable for the proper discharge of its duties hereunder, with such expenses to be paid or reimbursed by the corporation.

ARTICLE X - INDEMNIFICATION

Subject to the restrictions and limitations of sections 501(c)(3) and 4941 of the Internal Revenue Code of 1986, the corporation shall indemnify its officers and directors (or former officers and directors) to the fullest extent provided by Article 1396-2.22A of the Texas Nonprofit Corporation Act, or corresponding provision(s) hereafter in effect.

CERTIFICATE

I, BETTY HOLMES, hereby certify that I am the president of the JOHN AND MILDRED HOLMES FAMILY FOUNDATION, a Texas nonprofit corporation, and that attached hereto is a true and correct copy of the original Bylaws of the Foundation as amended through March 31, 2007, which Bylaws have not been subsequently amended, modified, or revoked, and are in full force and effect on the date hereof.

Betty Holmes

Betty Holmes, President

Date: March 31, 2007