990-PF

Department of the Treasury

Return of Private Foundation

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

OMB No. 1545-0052

Internal Revenue Service Note: The organization may be able to use a copy of this return to satisfy state reporting requirements. For calendar year 2003, or tax year beginning and ending G Check all that apply Initial return Final return Amended return Address change Name change A Employer identification number Name of organization Use the IRS Howard Charitable Foundation 91-1952040 label. Number and street (or P O box number if mail is not delivered to street address) Room/suite B Telephone number (see page 10 of the instr) Otherwise, One Convention Place, 701 Pike Street **Suite 1400** 206-268-8662 print or type. See Specific City or town, state, and ZIP code C If exemption application is pending, check here Instructions. Seattle WA 98101-3927 D 1. Foreign organizations, check here H Check type of organization X Section 501(c)(3) exempt private foundation 2. Foreign organizations meeting the 85% test, check here Section 4947(a)(1) nonexempt charitable trust Other taxable private foundation E If private foundation status was terminated I Fair market value of all assets at end J Accounting method X Cash Accrual under section 507(b)(1)(A), check here of year (from Part II, col (c), Other (specify) F If the foundation is in a 60-month termination line 16) (Part I, column (d) must be on cash basis.) under section 507(b)(1)(B), check here 97,870,991 (d) Disbursements Part I **Analysis of Revenue and Expenses** (a) Revenue and (b) Net investment (c) Adjusted net for charitable (The total of amounts in columns (b), (c), and (d) may not necessarily expenses per income income purposes equal the amounts in column (a) (see page 10 of the instructions)) books (cash basis only) Contributions, gifts, grants, etc., received Check ▶ if the foundation is not required to attach Sch B Distributions from split-interest trusts 6,554 6,554 Interest on savings and temporary cash investments 3,861,622 3,861,622 Dividends and interest from securities 5 a Gross rents b (Net rental income or (loss) 6 a Net gain or (loss) from sale of assets not on line 10 b G.S.P. on assets on 6a Capital gain net income (from Part IV, line 2) Net short-term capital gain . . Income modifications . 10 a Gross sales less returns and allowances b Less. Cost of goods sold c Gross profit or (loss) (attach schedule) 11 Other income (attach schedule) 1,310,050 1,310,050 12 Total. Add lines 1 through 11 5,178,226 6.631.919 Compensation of officers directors, trustees, etc. 13 166,667 114,421 Other employee salaries and wages 14 20,387 38,497 15 Pension plans, employee benefits 16 a Legal fees (attach schedule) 19,414 19,414 b Accounting fees (attach schedule) 2004

1/7/100 and Administrative Expenses C Other professional fees (attach-schedule) 313,310 313.310 . OGDEN. 17 Interest 18 Taxes (attach schedule) . 2,290,647 2,290,647 19 Depreciation and depletion 20 Occupancy 21 Travel, conferences, and meetings Printing and publications 23 Other expenses (attach schedule) 29,550 25,520 4.030 24 Total operating and administrative expenses. Add lines 13 through 23 2,858,085 2.783.699 44.386 25 2,689,640 Contributions, gifts, grants paid 2,689,640 26 5,547,725 Total expenses & disbursements. Add lines 24 and 25 2,783,699 2,734,026 27 Subtract line 26 from line 12. -369.499 Excess of revenue over expenses and dishured

For Paperwork Reduction Act Notice, see the instructions. (HTA)

b Net investment income (if negative, enter -0-) C ADJUSTED NET INCOME (if negative, enter -0-)

Form **990-PF** (2003)

Part	П	Balance Sheets Attached schedules and amounts in the description	Beginning of year	End o	End of year		
ган		column should be for end-of-year amounts only.	(a) Book Value	(b) Book Value	(c) Fair Market Value		
	1	Cash—non-interest-bearing	266,135		310,472		
	2	Savings and temporary cash investments	495,926	30,915	30,938		
	3	Accounts receivable ▶ 0					
		Less: allowance for doubtful accounts ▶ 0	0	0	0		
	4	Pledges receivable 0					
		Less: allowance for doubtful accounts ▶ 0	0	0	0		
	5	Grants receivable					
	6	Receivables due from officers, directors, trustees, and					
	•	other disqualified persons (attach schedule) (see page					
		15 of the instructions)	0	0	0		
	7	Other notes and loans receivable					
ŞŞ	'	Less allowance for doubtful accounts ▶ 0	0	0	0		
Assets	8	Inventories for sale or use					
4	9	Prepaid expenses and deferred charges					
	•	Investments—U.S. and state government obligations	0	0	n		
		Investments—corporate stock (attach schedule)	14,581,750		5,804,930		
		Investments—corporate bonds (attach schedule)	14,001,700	14,001,700	0,004,000		
	11	Investments—land, buildings, and equipment; basis					
	''	Less accumulated depreciation		//////////////////////////////////////	//////////////////////////////////////		
	12	Investments—mortgage loans			<u>_</u>		
	13	Investments—other (attach schedule)	84,914,875	91,724,651	91,724,651		
	14	Land, buildings, and equipment basis 0		7//////////////////////////////////////			
	' "	Less: accumulated depreciation 0					
	15	Other assets (describe Escrow balance)	147,672	<u> </u>			
	16	Total assets (to be completed by all filers—see	147,072		<u></u>		
	''	page 16 of the instructions Also, see page 1, item I)	100,406,358	106,647,788	97,870,991		
-	17	Accounts payable and accrued expenses	100,400,550	100,047,700	91,610,331 ///////////////////////////////////		
	18	Grants payable					
S	19	Deferred revenue					
ij	20	Loans from officers, directors, trustees, and other disqualified persons	0	0			
Ē	21	Mortgages and other notes payable (attach schedule)	0	0			
Liabilities	22	Other liabilities (describe Unrealized gain UBS Fnds)	0	5,137,760			
_		Other habitues (describe - Other label)	<u> </u>	3,137,700			
	23	Total liabilities (add lines 17 through 22)	o	5,137,760			
		Organizations that follow SFAS 117, check here ▶					
S		and complete lines 24 through 26 and lines 30 and 31.					
ğ	24	Unrestricted					
ם	25	Temporarily restricted					
ä	26	Permanently restricted					
Ĕ		Organizations that do not follow SFAS 117, ▶ □					
ű.	į	check here and complete lines 27 through 31.					
ō	27	Capital stock, trust principal, or current funds					
ets	28	Paid-in or capital surplus, or land, bldg, and equipment fund					
SS	29	Retained earnings, accumulated income, endowment, or other funds	100,406,358	101,510,028			
Vet Assets or Fund Balances	30	Total net assets or fund balances (see]				
ž	İ	page 17 of the instructions)	100,406,358	101,510,028			
	31	Total liabilities and net assets/fund balances					
	L	(see page 17 of the instructions)	100,406,358	106,647,788			
Part	111	Analysis of Changes in Net Assets or Fund Balance	ces				
1	Total	net assets or fund balances at beginning of year—Part II, co	olumn (a) line 30 (mus	st agree with			
•				1	100,406,358		
2		amount from Part I, line 27a		2	-369,499		
3		increases not included in line 2 (itemize) Unrealized ga	un UBS Funds Can d		6,610,929		
4		ines 1, 2, and 3			106,647,788		
5		eases not included in line 2 (itemize)		5	7.7.7.7.		
6		net assets or fund balances at end of year (line 4 minus line	5)—Part II, column (t		106,647,788		

91-1952040

Howard Charitable Foundation

Form 990-PF (2003)

Part IV Capital Gains an	d Losses for Tax on Investme	ent Inc	come			
	nd(s) of property sold (e.g., real estate, or common stock, 200 shs. MLC Co)		(b) How acquired P—Purchase D—Donation	(c) Date acqui (mo , day, yr		(d) Date sold (mo , day, yr.)
1a UBS U S Bond Relatiuons	hip Fund Form K-1		Р	5/1	/2002	9/15/2003
b UBS Global Securities Rela	tionship Fund, Form K-1		Р	5/1	/2002	9/15/2003
С						
_ d						
<u>e</u>	T	1 1 1				<u> </u>
(e) Gross sales price	(f) Depreciation allowed (or allowable)	1 107	Cost or other basis sexpense of sale			iin or (loss) (f) minus (g)
a	1	† ·	· · · · · · · · · · · · · · · · · · ·			350,597
b	•					1,103,096
C		1		·		(
d						(
е						(
Complete only for assets show	ing gain in column (h) and owned by the I	foundation	on on 12/31/69	(I) Ga	ins (Co	ol. (h) gaın minus
(I) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69		Excess of col (i) er col (j), if any			ot less than -0-) or (from col (h))
a		1	0			350,597
ь			0			1,103,096
C			0			(
d			0			(
е		J	0			
2 Capital gain net income of			in Part I, line 7 }	2		1,453,693
If gain, also enter in Part I, line If (loss), enter -0- in Part I, line Part V Qualification Un	(loss) as defined in sections 1222(5) and a 8, column (c) (see pages 13 and 17 of the 8 der Section 4940(e) for Reductions subject to the sections.	the instru	x on Net Invest			
If "Yes," the organization does i	ave this part blank the section 4942 tax on the distribunot qualify under section 4940(e). It bount in each column for each year,	Do not o	complete this part		_	Yes No
	T Column for each year,	, see pa	ige 17 Of the instit	actions before it	III	
(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	Net	(c) t value of noncharitab	le-use assets	(C	(d) Distribution ratio of (b) divided by col. (c))
2002					,	0.0000
2001						0 0000
2000						0 0000
1999						0 0000
1998						0 0000
2 Total of line 1, column (d)				2	0.0000
	for the 5-year base period—divide oundation has been in existence if			or by	3	0 0000
4 Enter the net value of nor	ncharitable-use assets for 2003 from	m Part	X, line 5		4	(
5 Multiply line 4 by line 3					5	(
6 Enter 1% of net investme	nt income (1% of Part I, line 27b)				6	
7 Add lines 5 and 6					7	(
8 Enter qualifying distribution If line 8 is equal to or greathe Part VI instructions or	ater than line 7, check the box in Pa		 ine 1b, and compl	ete that part us	8 ing a	1% tax rate See

۲a	rt	Excise Tax Based on investment income (Section 4940(a), 4940(b)	j, 494U(e	e), or 4948—see page 17	or the II	ıstruçtic	msj		
1	a	Exempt operating foundations described in section 4940(d)(2), check here	and	enter "N/A" on line 1					
		Date of ruling letter. (attach copy of ruling letter if necessary-see instructions)							
	b	Domestic organizations that meet the section 4940(e) requirements in	-	•	1	,,,,,,,	.,,,,,	76,9	64
		here I and enter 1% of Part I, line 27b							//////
	С	All other domestic organizations 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			2	,,,,,,,	• / / / / /	''''	0
3		Add lines 1 and 2	y. •		3	 		76,9	64
4		Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations	sonlv O	thers enter -O-)	4				* -
5		Tax based on investment income. Subtract line 4 from line 3 If zero			5			76,9	64
6		Credits/Payments.	0 0, ,00				/////	iiiiii	
•		2003 estimated tax payments and 2002 overpayment credited to 2001	62	250,000					
		Exempt foreign organizations—tax withheld at source	6b		<i>\\\\\\</i>				
		Tax paid with application for extension of time to file (Form 8868)	6c	0	*////				///
		Backup withholding erroneously withheld	6d	<u> </u>	<i>\\\\\\</i>				///
7	_	Total credits and payments Add lines 6a through 6d			7////	<i>,,,,,,</i> ,	,,,,,,	250,0	/////// 1001
ε		Enter any penalty for underpayment of estimated tax. Check here	Mit F	orm 2220 is attached	8				0
ç		Tax due. If the total of lines 5 and 8 is more than line 7, enter amount			9	 			0
10		Overpayment. If line 7 is more than the total of lines 5 and 8, enter the			10	 		173,0	
11	_	Enter the amount of line 10 to be: Credited to 2004 estimated tax		036 Refunded	11			100,0	
				,000 Relanded -		L		100,0	1001
		VII-A Statements Regarding Activities		eta en lacal laccalation			7777	V	NIa
1	а	During the tax year, did the organization attempt to influence any nation	onai, si	ate, or local registation	i or ala	ř	<u> </u>	Yes	No X
	_	it participate or intervene in any political campaign?	 Hulfor	 		ŀ	<u>1a</u>	-	 ^ -
	D	Did it spend more than \$100 during the year (either directly or indirect	uy) ioi	political purposes (see	page		46		
		18 of the instructions for definition)?	'Al				1b	77777	/////
		If the answer is "Yes" to 1a or 1b, attach a detailed description of		-	iy mate	iliais y	/////	\////	
	_	published or distributed by the organization in connection with the a	cuviues	5		ř	/////	<i>[[]]]]]</i>	
	c Did the organization file Form 1120-POL for this year?						1c	/////	m
	d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year. (1) On the organization. ▶ \$ (2) On organization managers. ▶ \$								
	e Enter the reimbursement (if any) paid by the organization during the year for political expenditure tax imposed								
	on organization managers > \$								
2	2 Has the organization engaged in any activities that have not previously been reported to the IRS?							<i>~~~</i>	X
_	If "Yes," attach a detailed description of the activities.								THE THE
3	3	Has the organization made any changes, not previously reported to th	ne IRS.	in its governing instrui	ment. a	rticles/			
		of incorporation, or bylaws, or other similar instruments? If "Yes," atta					3	,,,,,,	X
4	la	Did the organization have unrelated business gross income of \$1,000			_		4a		X
		If "Yes," has it filed a tax return on Form 990-T for this year?				. [4b		
5	5	Was there a liquidation, termination, dissolution, or substantial contra	ction d	uring 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	ugh 494	15) satisfied either:					
		By language in the governing instrument or	_						
		By state legislation that effectively amends the governing instrumer	nt so th	at no mandatory direc	tions				
		that conflict with the state law remain in the governing instrument?	٠			[6	X	
7	•	Did the organization have at least \$5,000 in assets at any time during the year? If ")	Yes," co	mplete Part II, col. (c), and	Part XV	<i>.</i> [7	Х	
8	a	Enter the states to which the foundation reports or with which it is regi	stered	(see page 19 of the					
		ınstructions) ► Washıngton, California				[
	b	If the answer is "Yes" to line 7, has the organization furnished a copy of	of Forn	n 990-PF to the Attorn	еу				
		General (or designate) of each state as required by General Instruction				. L	8b	Χ	
9)	Is the organization claiming status as a private operating foundation w		-	•	· · ·			
		or 4942(j)(5) for calendar year 2003 or the taxable year beginning in 2	2003 (se	ee instructions for Part	XIV or	۱ ا			
		page 25)? If " Yes," complete Part XIV				· ·	9		X
10		Did any persons become substantial contributors during the tax year? If "Yes," attach a sche		=		Ĺ	10		Х
11		Did the organization comply with the public inspection requirements for its annual re	eturns a	nd exemption application?		L	11	Х	L
		Web site address		<u>-</u> -::					
12	;	The books are in care of Richard D Newell	- 441	Telephone no		541-41	υ -53 :	32	
		Located at ▶ One Convention Place, Suite 1400, 701 Pike, Se			98101	-3927			· <u></u> -
13	}	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in I						!	▶ ∟
_		and enter the amount of tax-exempt interest received or accrued during	g the y	ear 🕨	13	N/A			

Part	VII-B Statements Regarding Activities for Which Form 4720 May Be Require	d			
	File Form 4720 if any item is checked in the "Yes" column, unless an exception applied	es.		Yes	No
1 a	During the year did the organization (either directly or indirectly)				
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	Yes X No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from)				
	a disqualified person?	Yes X No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	Yes X No			
		= =			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	Yes X 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 X No			
	(6) Agree to pay money or property to a government official? (Exception. Check "No"				
	if the organization 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 X No			
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Reguli	ations			
	section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 19 of the instructions)?	· . 🗂	1b	N/A	77777
	Organizations relying on a current notice regarding disaster assistance check here	· ; ; ₹∟∟			
С	Did the organization engage in a prior year in any of the acts described in 1a, other than exc	epted acts,			
	that were not corrected before the first day of the tax year beginning in 2003?		1c	,,,,,,	/ X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the organization	on was a private			
	operating foundation defined in section 4942(j)(3) or 4942(j)(5))				V////
а	At the end of tax year 2003, did the organization have any undistributed income (lines 6d				
	and 6e, Part XIII) for tax year(s) beginning before 2003?	Yes X No			
_	If "Yes," list the years	4040(-)(0)			
b	Are there any years listed in 2a for which the organization is not applying the provisions of s				
	(relating to incorrect valuation of assets) to the year's undistributed income? (If applying sec		//////		
	to all years listed, answer "No" and attach statement—see page 19 of the instructions) .		2b	77777	/////
С	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list t	ne years nere			\ ////
	Ditti				
3 a	Did the organization hold more than a 2% direct or indirect interest in any business	X Yes No			
	enterprise at any time during the year?				
	If "Yes," did it have excess business holdings in 2003 as a result of (1) any purchase by the				
	or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or be				
	the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 472)				
	if the organization had excess business holdings in 2003.)	o, to determine	3b	<i>//////</i>	<i>(////</i>
4 0	Did the organization invest during the year any amount in a manner that would jeopardize its charitable purpos		4a		X
	Did the organization make any investment in a prior year (but after December 31, 1969) that could jeopardize				
D	purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2003?	ns charlable	4b	(/////	<i>y////</i>
5 9	During the year did the organization pay or incur any amount to		111111		THE TOTAL STATE OF THE PARTY OF
Ja	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	Yes X 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 X No			
		Yes X 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 X 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 X No			
h	If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in				
L	Regulations section 53 4945 or in a current notice regarding disaster assistance (see page 20 of the instruction		5b	//////	<i>\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\</i>
	Organizations relying on a current notice regarding disaster assistance check here	▶ □			/////
_	If the answer is "Yes" to question 5a(4), does the organization claim exemption from the	- [
·	tax because it maintained expenditure responsibility for the grant?	Yes No			<i>\\\\\</i>
	If "Yes," attach the statement required by Regulations section 53.4945–5(d).				\///
A a	Did the organization, during the year, receive any funds, directly or indirectly, to pay				
va	premiums on a personal benefit contract?	Yes X No			\///
ь	Did the organization, during the year, pay premiums, directly or indirectly, on a personal ber		6b	//////	γ <i>////</i> Χ
	If you answered "Yes" to 6b, also file Form 8870	commet	77777		TITI I
				<i>411111</i>	

20rt 1/111	Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid
Part VIII	Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation (see page 20 of the instructions):							
(a) Name and address	(b) Title hou	e, and average rs per week ed to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances		
Robert S Howard	Presiden	it	· · · ·				
2525 Pio Pico, Carlsbad CA	Variable		0	О	0		
Richard D. Newell	Secretar	y-Treasurer					
2525 Pio Pico, Carlsbad CA	Full-time		166,667	0	0		
2 Compensation of five highest-pai If none, enter "NONE."	d employ	yees (other tha	n those included or	n line 1—see page 20 of th	e instructions).		
(a) Name and address of each employee paid more th	an \$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-			0	0	0		
Total number of other employees paid over	er \$50,00	0	· · · · · · · · · · · · · · · · · · ·		. ▶ -0-		
3 Five highest-paid independent co	ntractors	s for profession	nal services(see ¡	page 20 of the instructions	s). If none, enter		
"NONE."							
(a) Name and address of each person par	d more tha	n \$50,000	(b) T	ype of service	(c) Compensation		
UBS Global Asset Managers One North Wacker Drive, Chicago, IL 60	0606		Investment Manage	ement	331,151		
Total number of others receiving over \$50	,000 for	professional sen	vices	<u> </u>	<u></u> ▶		
Part IX-A Summary of Direct Cha	aritable	Activities	·				
List the foundation's four largest direct charitable a the number of organizations and other beneficiarie					Expenses		
1 Charitable Grant Program							
					2,689,640		
2							
3							
•••••							
4							

orm	n 990-PF (2003) Howard Charitable Foundation 9	1-1952040	Page 7
art	t IX-B Summary of Program-Related Investments (see page 21 of the instruction	ns)	
	Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	2.	Amount
1			
•			
-			
2			
-			
A	All other program-related investments See page 21 of the instructions		
3			
_			
ota	al. Add lines 1 through 3	▶	0
	T X Minimum Investment Return (All domestic foundations must complete this particularly in the complete that the complete the particular in the complete that the complete tha	art. Foreign founda	itions,
	see page 21 of the instructions)	_	
1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc.,	V////	
	purposes:		
a	a Average monthly fair market value of securities	1a	87,858,623
	b Average of monthly cash balances		640,499
	c Fair market value of all other assets (see page 22 of the instructions)	1c	5,713,680
	d Total (add lines 1a, b, and c)	1d	94,212,802
	e Reduction claimed for blockage or other factors reported on lines 1a and		
		8,614,320	
2		. 2	
3		3	94,212,802
4		· 1——	01,212,002
•	of the instructions)	4	1,413,192
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	92,799,610
6		1-2-1	4,639,981
Part	Distributable Amount (see page 23 of the instructions) (Section 4942(j)(3) an foundations and certain foreign organizations check here ■ and do not complete the Minimum investment return from Part X, line 6		4,639,981
	a Tax on investment income for 2003 from Part VI, line 5	76,964	4,000,001
	b Income tax for 2003 (This does not include the tax from Part VI.) 2b		
	c Add lines 2a and 2b	2c	76,964
3		3	4,563,017
4 a	a Recoveries of amounts treated as qualifying distributions . 4a		.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
	b Income distributions from section 4947(a)(2) trusts	<i>(///</i> /	
	c Add lines 4a and 4b	4c	0
5	Add lines 3 and 4c	5	4,563,017
6	Deduction from distributable amount (see page 23 of the instructions)	6	1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII,		
	line 1	7	4,563,017
) o = 4			
'arτ	t XII Qualifying Distributions (see page 23 of the instructions)		
1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
а	a Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	. 1a	2,734,026
b	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	•		
	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		2,734,026
5	Organizations that qualify under section 4940(e) for the reduced rate of tax on net investment		_,, 0 ,,020
	income. Enter 1% of Part I, line 27b (see page 24 of the instructions)	. 5	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	2,734,026
-			
	Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calc	ulating whether the f	oundation

Part XIII U

Undistributed Income (see page 24 of the instructions)

4		Distributable amount for 200	02 from Boot VI	(a) Corpus	(b) Years prior to 2002	(c) 2002	(d) 2003
7		Distributable amount for 200 line 7	us from Part AI,	//////////////////////////////////////	//////////////////////////////////////		4,563,017
2		Undistributed income, if any, as o	of the end of 2002				
		Enter amount for 2002 only					
		Total for prior years	, , , , .				
3		Excess distributions carryov	ver if any, to 2003.				
_		From 1998	, d, 2000.				
		From 1999	8,983				
		From 2000	7,516				
	d	From 2001 .	3,506				
	е	From 2002	2,346,184				
	f	Total of lines 3a through e		2,366,189			
4		Qualifying distributions for 2	2003 from Part				
			2,734,026				
		Applied to 2002, but not mo					
	b	Applied to undistributed income of					
		(Election required—see page 24	· ·				
	С	Treated as distributions out	·				
		required—see page 24 of th	-				2.724.026
		Applied to 2003 distributable					2,734,026
_	е	Remaining amount distribut	•	4 020 004			1 929 001
5		Excess distributions carryov	• •	1,828,991			1,828,991 ///////////////////////////////////
		(If an amount appears in consame amount must be shown					
6		Enter the net total of each					
Ü		indicated below:	Column as				
	а	Corpus Add lines 3f, 4c, an	nd 4e. Subtract line 5	537,198			
		Prior years' undistributed in	ı				
		line 4b from line 2b .			o		
	С	Enter the amount of prior ye	ears' undistributed				
		income for which a notice o					
		been issued, or on which the	e section 4942(a)				
		tax has been previously ass	sessed				
	d	Subtract line 6c from line 6b	o. Taxable				
		amount—see page 24 of the			0		
	е	Undistributed income for 20					
		4a from line 2a. Taxable am	nount—see page				
		24 of the instructions				,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
	T	Undistributed income for 20					
		lines 4d and 5 from line 1 The distributed in 2004	inis amount must				^
7		Amounts treated as distribu	tions out of				
•		corpus to satisfy requirement					
		section 170(b)(1)(E) or 4942					
		25 of the instructions)					
8		Excess distributions carryov	ver from 1998				
		not applied on line 5 or line					
		of the instructions) .					
9		Excess distributions carry	yover to 2004.				
		Subtract lines 7 and 8 from	line 6a	537,198			
10		Analysis of line 9					
		Excess from 1999 .					
		Excess from 2000					
		Excess from 2001	507.400				
		Excess from 2002	537,198				
	<u> </u>	Excess from 2003					Form 990-PF (2003)
							1 UIII 444-F IF (2003)

Part	XIV Private Operating Foundation	s (see page 25 c	of the instruction	ns and Part VII-	A, question 9)		
1 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 2003, enter the date of the ruling						
b	Check box to indicate whether the organization is a pi	rivate operating found	lation described in s	ection	4942(j)(3) or	4942(j)(5)	
	Enter the lesser of the adjusted net	Tax Year		Prior 3 years	j		
2 4	income from Part I or the minimum	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total	
	investment return from Part X for each	(a) 2000	(b) 2002	(6) 2001	(d) 2000	 	
	year listed	o				0	
b	85% of line 2a	0	0	0	0	0	
	Qualifying distributions from Part XII,						
·	line 4 for each year listed	ol				0	
d	Amounts included in line 2c not used directly						
_	for active conduct of exempt activities .					0	
е	Qualifying distributions made directly						
	for active conduct of exempt activities						
	Subtract line 2d from line 2c .	ol	0	0	o	0	
3	Complete 3a, b, or c for the						
	alternative test relied upon				1		
а	"Assets" alternative test—enter						
	(1) Value of all assets					0	
	(2) Value of assets qualifying						
	under section 4942(j)(3)(B)(ı)					0	
b	"Endowment" alternative test— Enter 2/3						
	of minimum investment return shown in				;		
	Part X, line 6 for each year listed	0				0	
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)					0	
	(2) Support from general public						
	and 5 or more exempt						
	organizations as provided in					_	
	section 4942(j)(3)(B)(III)					0	
	(3) Largest amount of support					_	
	from an exempt organization					. 0	
5	(4) Gross investment income		1 1 101			0	
Part :			-	_	ad \$5,000 or mo	ore in	
	assets at any time during the		25 of the instr	ructions.)	 		
1	Information Regarding Foundation Manag						
а	List any managers of the foundation who have					foundation	
	before the close of any tax year (but only if the	iey nave contribut	ed more than \$5,	000). (See section	on 507(a)(2))		
<u> </u>	Robert S. Howard	- 100/ or more of	the steels of a se		anally large series		
b	List any managers of the foundation who own			•		on or the	
	ownership of a partnership or other entity) of Robert S. Howard	which the loundar	uon nas a 10% o	r greater interest.			
2	Information Regarding Contribution, Gran	t Gift Loan Scl	nolarship etc. I	Programs:			
-	Check here ▶ if the organization only management				ations and does n	ot accent	
	unsolicited requests for funds. If the organization						
	organizations under other conditions, comple			page 20 or the mi	ou double) to mai	ridualo oi	
a	The name, address, and telephone number of			should be address	ssed.		
-	Richard D Newell c/o Howard Charitable For	•	• •			A 98101-3927	
b	The form in which applications should be sub						
_	Appl. Forms supplied upon written request			-		de IRS qualifican	
С	Any submission deadlines						
	-None-						
d	Any restrictions or limitations on awards, suc	h as by geograph	ical areas, charit	able fields, kinds	of institutions, or	other	
	factors						
	Health Care, Educational, Domestic Humanit	arıan Charities					
				· —		- 000 DE (2000)	

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	Foundation status of recipient	Purpose of grant or contribution	Amount			
Name and address (home or business)	or substantial contributor	recipient					
Name and address (home or business) a Paid during the year National Childrens Cancer Foundation Assistance League of North Coast Camp Pendleton Armed Services YMCA Interfaith Service Community Services The Bishop's School San Diego Red Cross The Lakeside Pantry Glacier Performing Arts Center University of Montana School of Journalism San Diego Children's Hospital The Vista Foundation United Way Gem Society of Montana United Way of San Diego County The Salvation Army	or substantial contributor	501(c)(3) 501(c)(3) 501(c)(3) 501(c)(3) 501(c)(3) 501(c)(3) 501(c)(3) 501(c)(3) 501(c)(3) 501(c)(3) 501(c)(3) 501(c)(3)	Unrestricted Unrestricted Honor Campaign Unrestricted Fire Relief Unrestricted Unrestricted Journ School Bldg Unrestricted Unrestricted Unrestricted Unrestricted Unrestricted Unrestricted Unrestricted Unrestricted	25,000 2,000 505,000 99,075 300,000 100,000 25,000 1,000,000 518,065 15,000 25,000 50,000			
Total			▶ 3a	2,689,640			
b Approved for future payment Total			. ▶ 3b	0			

Part XVI-A						
Enter gross ar	mounts unless otherwise indicated	Unrelated bus	Unrelated business income Excluded by s			(e)
4 Drawn		(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	Related or exempt function income (See page 26 of the instructions.)
-	service revenue					the manactions.)
. —						
c						
e f				<u> </u>		
	nd contracts from government agencies					
_	hip dues and assessments					
	savings and temporary cash investments			14	6,554	
	s and interest from securities	<i>,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,</i>		14	3,861,622	
	I income or (loss) from real estate					
	inanced property bt-financed property		•			
	income or (loss) from personal property					
	estment income			14	1,310,050	
8 Gain or (loss	s) from sales of assets other than inventory			18	1,453,692	
	ne or (loss) from special events					
10 Gross pro	ofit or (loss) from sales of inventory					
	enue· a					
-						
е						
	Add columns (b), (d), and (e)				6,631,918	
	Add line 12, columns (b), (d), and neet in line 13 instructions on pa				13	6,631,918
Part XVI-B				Exempt Purpose:	s	
Line No. ▼	Explain below how each activity for the accomplishment of the organize page 26 of the instructions.)					
		· · · · · · · · · · · · · · · · · · ·				
		•				
	 					-
•	<u>†</u>					

Howard Charitable Foundation

self-employed), address, and ZIP code

Information Regarding Transfers To and Transactions and Relationships With Noncharitable Part XVII **Exempt Organizations** Did the organization directly or indirectly engage in any of the following with any other organization described in section No 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations? Transfers from the reporting organization to a noncharitable exempt organization of (1) Cash . 1a(1) (2) Other assets . 1a(2) **b** Other Transactions. (1) Sales of assets to a noncharitable exempt organization (2) Purchases of assets from a noncharitable exempt organization . (3) Rental of facilities, equipment, or other assets (4) Reimbursement arrangements 1b(4) (5) Loans or loan guarantees 1b(5) (6) Performance of services or membership or fundraising solicitations 1b(6) c Sharing of facilities, equipment, mailing lists, other assets, or paid employees 1c 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 organization. If the organization 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 2 a Is the organization 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 X b If "Yes," complete the following schedule (a) Name of organization (b) Type of organization (c) Description of relationship 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 e, correct, and complete Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge Sign Here Signature of officer or trustee Paid Preparer's Use Only Preparer's signature Firm's name (or yours if

Li	ne 11 (990-PF) - Other income		
1		1	
2		2	
3	Other portfolio income (net) from UBS Global Secuirties & Bond Relationship Funds, Forms K-1	3	1,310,050
4		4	
5		5	
6		6	
7		7	
8		. 8 —	
9		·- 9 —	
10	Total other revenue	10	1,310,050
ıi	ne 16 (990-PF) - Legal, Accounting and Other Professional Fees		
	Legal fees		
4	D-H D-H 0 M	4	10.414
2		· -	19,414
2		·- 🐐 —	· · · · · · · · · · · · · · · · · · ·
J 4		¾ —	
4		·- *	
5	T.1.1 (F.1.1.1.2 (F.1.1.1.2)	⋛	40.444
6	Total. Enter on line 16a, column a	. 6	19,414
	Ation for-		
_	Accounting fees	4	
1		1 —	
2			
3		3	
4	•••••••••••••••••••••••••••••••••••••••	4	
5		5	
6	Total Enter on line 16b, column a	6	0
	Other professional fees	_	
1	Investment fees	1	313,310
2		2	
3		. 3	
4	••••••	. 4 _	
5		. 5	· · · · · · · · · · · · · · · · · · ·
_6	Total Enter on line 16c, column a	. 6	313,310
Li	ne 18 (990-PF) - Taxes		
1	Real estate tax not included in line 20	1	
2	Tax on investment income	2 —	2,290,647
3	Income tax	3	
4		4	
5		5	
6	***************************************	6 —	
7		7	· · · · · · · · · · · · · · · · · · ·
8			<u> </u>
9	***************************************	· • • —	
10		10	
	Total	· 11 —	2,290,647
		 	2,200,077

Line 23 (990-PF) - Other expenses

1	Amortization See attached Depreciation/Amortization Statement	1	
2	Fund Raising	2	
3	Payroll taxes	3	11,425
4	Bank and custody fees	4	17,841
5	Postage	5	284
6		6	
7		7	
8		8	
9		9	
10		10	
11	Total other expenses	11	29,550

Line 10, Part II (990-PF) - Investments - securities

	ile 10,1 art ii (000 11) iii voodii.		Book value beginning	Book value	Number of shares/	Fair market
1	U S and state government obligations	-	of year	end of year	face value	value
3		-				
5		-				
6 7		-				
8 9 10		-				
11 12		· -				
13 14		· -	····			
15 16		-				
17	Total Enter on line 10a	18	0	0		
.•	Corporate stock		Book value beginning of year	Book value end of year	Number of shares/ face value	Fair market value
1 2 3 4	24,000 shrs, cl. A com Howard Energy Co 5,000 shrs Schering-Plough	 	14,328,000 253,750	14,328,000 253,750		5,713,680 91,250
5		- -				
7 8 9		-	······································			
10 11		-				
12 13		-				
14 15		-				
16 17		-				
18	Total. Enter on line 10b .	18_	14,581,750	14,581,750	0	5,804,930
1	Corporate bonds		Book value beginning of year	Book value end of year	Number of shares/ face value	Fair market value
2 3		-				
4 5		-				
6 7		-				
8 9		-				
10 11		-				
12 13		-				
14 15		-				
16 17		-				
8	Total. Enter on line 10c	18	0	0	0	0

Line 13, Part II (990-PF) - Investments - other

			Other	Accumulated	Fair
			investments	depreciation	market value
	Beginning	1			
	Ending				
	Beginning	2			
	Ending				
3	Beginning	3			
	Ending				
4	Beginning	4	<u> </u>		
	Ending				
5	Beginning	5			•
	Ending				
6 UBS Bond Relationship Fund	Beginning	6	53,985,471		
	Ending		51,532,448		51,532,448
7 UBS Global Securities Relationship Fund	Beginning	7	30,929,404	-	
	Ending	-	40,192,203		40,192,203
В	Beginning	8	.01.00,000	···	,,
· · · · · · · · · · · · · · · · · · ·	Ending	_			
9	Beginning	9			
	Ending	Ŭ			
10	Beginning	10		· · · · · · · · · · · · · · · · · · ·	
	Ending				
1. Total haginning of year amount		44	84,914,875	 0	
1 Total beginning of year amount		. 11			
12 Total end of year amount		. 12	91,724,651		04 704 654
13 Total fair market value				13	91,724,651

HOWARD CHARITABLE FOUNDATION

FORM 990PF

FEIN: 91-1952040

STATEMENT ATTACHED

Page 7, Part X, Line 1e, Reduction claimed for blockage:

The Foundation received 24,000 shares of Class A non-voting common stock of Howard Energy Co., Inc. in exchange for 3,360 shares of Class A non-voting common stock of Howard Publications Inc. on March 29, 2002.

A valuation of the Howard Energy Co., Inc. shares was performed by Willamette Management Associates dated December 15, 2003. Such valuation determined the Class A non-voting shares to have a fair market value of \$238.07 per share.