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

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements

2010

For calendar year 2010, or tax year beginning , 2010, and ending , 20

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

Name of foundation

SANER FAMILY FOUNDATION

A Employer identification number

31-1487800

Number and street (or P O box number if mail is not delivered to street address)

P.. BOX 338

Room/suite

B Telephone number (see page 10 of the instructions)

410-810-0030

City or town, state, and ZIP code

CHESTERTOWN, MD 21620-0338C If exemption application is pending, check here ☐D 1. Foreign organizations, check here ☐2. Foreign organizations meeting the 85% test, check here and attach computation ☐E If private foundation status was terminated under section 507(b)(1)(A), check here ☐F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐H Check type of organization: ☒ Section 501(c)(3) exempt private foundation☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundationI Fair market value of all assets at end of year (from Part II, col. (c), line 16) **\$ 359,194**J Accounting method: ☒ Cash ☐ Accrual
☐ Other (specify) _____
(Part I, column (d) must be on cash basis)**Part I Analysis of Revenue and Expenses** (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))

(a) Revenue and expenses per books

(b) Net investment income

(c) Adjusted net income

(d) Disbursements for charitable purposes (cash basis only)

Revenue	1	Contributions, gifts, grants, etc., received (attach schedule)	3,982			
	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	18,247	18,247		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	0			
	b	Gross sales price for all assets on line 6a	0			
	7	Capital gain net income (from Part IV, line 2)		5		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
Operating and Administrative Expenses	b	Less: Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule)				
	12	Total. Add lines 1 through 11	22,229	18,252		
	13	Compensation of officers, directors, trustees, etc.	0			
	14	Other employee salaries and wages	0			
	15	Pension plans, employee benefits	0			
	16a	Legal fees (attach schedule)	0			
	b	Accounting fees (attach schedule)	0			
	c	Other professional fees (attach schedule)	0			
	17	Interest	0			
	18	Taxes (attach schedule) (see page 14 of the instructions)	0			
	19	Depreciation (attach schedule) and depletion	0			
	20	Occupancy	0			
	21	Travel, conferences, and meetings	0			
	22	Printing and publications	0			
	23	Other expenses (attach schedule)	0			
	24	Total operating and administrative expenses. Add lines 13 through 23	0	0		
	25	Contributions, gifts, grants paid	17,000			17,000
	26	Total expenses and disbursements. Add lines 24 and 25	17,000	0		17,000
	27	Subtract line 26 from line 12:				
	a	Excess of revenue over expenses and disbursements	5,229			
	b	Net investment income (if negative, enter -0-)		18,252		
	c	Adjusted net income (if negative, enter -0-)				

SCANNED: MAY 25 2011

20

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing			
	2 Savings and temporary cash investments	37,036	32,856	32,856
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7 Other notes and loans receivable (attach schedule) ▶			
	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 (attach schedule)	0		
	b Investments—corporate stock (attach schedule)	313,438	182,023	169,050
	c Investments—corporate bonds (attach schedule)	14,763	150,160	157,287
	11 Investments—land, buildings, and equipment: basis ▶			
Liabilities	Less: accumulated depreciation (attach schedule) ▶			
	12 Investments—mortgage loans			
	13 Investments—other (attach schedule)			
	14 Land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation (attach schedule) ▶			
	15 Other assets (describe ▶)			
Net Assets or Fund Balances	16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	365,237	365,039	359,193
	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 (attach schedule)			
Net Assets or Fund Balances	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	0	0	
	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			
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
Net Assets or Fund Balances	30 Total net assets or fund balances (see page 17 of the instructions)	365,237	365,039	
	31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	365,237	365,039	

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	365,237
2 Enter amount from Part I, line 27a	2	5,229
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	370,466
5 Decreases not included in line 2 (itemize) ▶ <u>mark to market</u>	5	(11,273)
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	359,193

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 fractional share UTF (restructure)	P	02-04-09	03-19-10
b fractional share Frontier (spin-off from Verizon)	P	05-22-03	07-01-10
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 2		0	2
b 3		0	3
c			
d			
e			

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

(i) FMV 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			
b			
c			
d			
e			

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	5
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8	3	

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.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2009	15,500	307,266	.050445
2008	16,500	310,111	.053207
2007	16,750	337,795	.049586
2006	13,782	264,687	.052069
2005	12,650	249,654	.050700

2 Total of line 1, column (d)	2	.256007
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	.0512014
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	327,525
5 Multiply line 4 by line 3	5	16,769
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	183
7 Add lines 5 and 6	7	16,952
8 Enter qualifying distributions from Part XII, line 4 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 on page 18.	8	17,000

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ☐ 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		183
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		
3	Add lines 1 and 2	3		183
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4		
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5		183
6	Credits/Payments:			
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a		
b	Exempt foreign organizations—tax withheld at source	6b		
c	Tax paid with application for extension of time to file (Form 8868)	6c		
d	Backup withholding erroneously withheld	6d		
7	Total credits and payments. Add lines 6a through 6d	7		0
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		183
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		
11	Enter the amount of line 10 to be: Credited to 2011 estimated tax Refunded	11		

Part VII-A Statements Regarding Activities

	Yes	No
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?		☒
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.</i>		☒
c Did the foundation file Form 1120-POL for this year?		☒
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ \$ _____ (2) On foundation managers. ▶ \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>		☒
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes.</i>		☒
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		☒
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>		☒
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	☒	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV</i>	☒	
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ _____		
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? <i>If "No," attach explanation.</i>	☒	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? <i>If "Yes," complete Part XIV.</i>		☒
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses.</i>		☒

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		✓
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ►	13	✓	
14	The books are in care of ► Robert J Saner II Telephone no. ► 410-810-0030 Located at ► 105 Court Street, Chestertown, MD ZIP+4 ► 21620-0338			
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		☐
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ►	16	Yes	No ✓

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required**File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.**

		Yes	No
1a	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 page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here ☐	1b	
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?	1c	✓
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a	At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? ☐ Yes ☐ No If "Yes," list the years ► 20____, 20____, 20____, 20____		
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 page 22 of the instructions.)	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. ► 20____, 20____, 20____, 20____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☐ No		
b	If "Yes," did it have excess business holdings in 2010 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (<i>Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010.</i>)	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	✓
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?	4b	✓

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to:(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions) ☐ Yes ☒ No(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No**b** If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? **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? ☐ 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** ☒

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? **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 (see page 22 of the instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Robert J Saner II PO Box 338 Chestertown, MD 21620-0338	President-1	0	0	0
Judith A Saner PO Box 948 Bridgehampton, NY 11932-0948	Secretary-1/2	0	0	0
Richard E. Verville 1501 M Street NW Washington, DC 20005	Director	0	0	0

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

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

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

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)***3** Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."

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

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

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 NONE	
2	
3	
4	

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

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

Amount

1 NONE	
2	
All other program-related investments. See page 24 of the instructions	
3	

Total. Add lines 1 through 3 ▶

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	327,525
b	Average of monthly cash balances	1b	
c	Fair market value of all other assets (see page 25 of the instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	327,525
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation).	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	327,525
4	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	327,525
6	Minimum investment return. Enter 5% of line 5	6	16,379

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

1	Minimum investment return from Part X, line 6	1	16,379
2a	Tax on investment income for 2010 from Part VI, line 5	2a	183
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	183
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	16,196
4	Recoveries of amounts treated as qualifying distributions	4	0
5	Add lines 3 and 4	5	16,196
6	Deduction from distributable amount (see page 25 of the instructions)	6	0
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	16,196

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

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1a	17,000
b	Program-related investments—total from Part IX-B	1b	
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	17,000
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	183
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	16,817

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

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

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				16,196
2 Undistributed income, if any, as of the end of 2010:				
a Enter amount for 2009 only				
b Total for prior years: 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2010:				
a From 2005				419
b From 2006				1182
c From 2007				223
d From 2008				1195
e From 2009				3524
f Total of lines 3a through e	6543			
4 Qualifying distributions for 2010 from Part XII, line 4: ► \$ 17,000				
a Applied to 2009, but not more than line 2a			0	
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)		0		
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)	0			
d Applied to 2010 distributable amount				9653
e Remaining amount distributed out of corpus	0			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a).)	6543			6543
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	0			
b Prior years' undistributed income. Subtract line 4b from line 2b		0		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0		
d Subtract line 6c from line 6b. Taxable amount—see page 27 of the instructions		0		
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions			0	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)	0			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)	0			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	0			
10 Analysis of line 9:				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009				
e Excess from 2010	7347			

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

- 1a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, enter the date of the ruling ▶
- 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			(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
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 $\frac{2}{3}$ of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see page 28 of the instructions.)**1 Information Regarding Foundation Managers:**

- a** List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)

Robert J Saner II and Judith A Saner

- 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.

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

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

- a** The name, address, and telephone number of the person to whom applications should be addressed:
- b** The form in which applications should be submitted and information and materials they should include:
- c** Any submission deadlines:
- d** Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

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

Recipient		If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)					
a <i>Paid during the year</i>					
See Attached Schedule					
Total				► 3a	17,000
b <i>Approved for future payment</i>					
Total				► 3b	

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

Schedule B(Form 990, 990-EZ,
or 990-PF)Department of the Treasury
Internal Revenue Service**Schedule of Contributors**

▶ Attach to Form 990, 990-EZ, or 990-PF.

OMB No 1545-0047

2010

Name of the organization

Employer identification number

Saner Family Foundation

31-1487800

Organization type (check one):

Filers of:**Section:**

Form 990 or 990-EZ

☐ 501(c)() (enter number) organization☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation☐ 527 political organization

Form 990-PF

☒ 501(c)(3) exempt private foundation☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation☐ 501(c)(3) taxable private foundationCheck if your organization is covered by the **General Rule** or a **Special Rule**.**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.**General Rule**

- ☐
- For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

- ☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

Name of organization

Employer identification number

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	Judith A Saner PO Box 948 Bridgehampton, NY 11932-0948	\$ 3982	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II if there is a noncash contribution)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)

SANER FAMILY FOUNDATION

31-1487800

990 PF --2010

GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

RECIPIENT	STATUS	PURPOSE	RELATIONSHIP	AMOUNT
BRADLEY UNIVERSITY 1501 W. BRADLEY AVE. PEORIA, IL 61615	PUBLIC CHARITY	PRIZE FUND	N/A	\$ 1,500
CHESTER RIVER ASSOCIATION 100 N. CROSS ST. CHESTERTOWN, MD 21620	"	"	"	1,000
COMMUNITY FOOD PANTRY 401 HIGH ST. CHESTERTON, MD 21620	"	"	"	1,500
LINCOLN LIBRARY FOUNDATION 326 S. 7 TH STREET SPRINGFIELD, IL 62701	"	BOOK FUND	"	1,250
OXFAM AMERICA 226 CAUSEWAY ST. BOSTON, MA 02114-2206	"	AS NEEDED	"	1,000
PECONIC LAND TRUST 296 HAMPTON RD. SOUTHAMPTON, NY 11969	PUBLIC CHARITY	AS NEEDED	N/A	\$ 2,500
PLANNED PARENTHOOD HUDSON PECONIC, INC 4 SKYLINE DRIVE HAWTHORNE, NY 10532-2143	"	"	"	1,000
PROJECT HEALING WATERS FLY FISHING INC P.O. BOX 695 LA PLATA, MD 20646	"	"	(See Note)	1,250

SANER FAMILY FOUNDATION

PAGE 2 OF 2
31-1487800

990 PF --2010

GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

RECIPIENT	STATUS	PURPOSE	RELATIONSHIP	AMOUNT
THE HAMPTON LIBRARY P.O.BOX 3025 BRIDGEHAMPTON, NY 11932	"	"	N/A	1,000
THE YORK LAND TRUST P.O. BOX 1241 YORK HARBOR, ME 03911	"	"	"	1,000
UNITED WAY OF KENT COUNTY P.O.BOX 594 CHESTERTOWN, MD 21620-0594	"	"	"	2,500
WASHINGTON COLLEGE WASHINGTON AVENUE CHESTERTOWN, MD 21620	"	"	"	1,500
			TOTAL	\$ 17,000.00

NOTE: Richard E. Verville, a Director of the Saner Family Foundation, is also a Director of Project Healing Waters Fly Fishing, Inc.



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INVESTMENT ACCESS ACCOUNT STATEMENT 2010 ANNUAL STATEMENT

Account number:
351-09068
Page 1 of 10

00031004 02 AT 0.712 02 TR 00243 01YDFB05 110000
THE SANER FAMILY FOUNDATION
ATTN ROBERT J SANER II PRES
PO BOX 338
CHESTERTOWN MD 21620-0338



YOUR INFORMATION

Corporate Account

Your Financial Consultant

L. Danielson/D. Walter/G. Mazzarino
RBC Wealth Management
1700 Pennsylvania Ave NW
Suite 700
Washington DC 20006
Telephone: (202) 661-9566 or (877) 626-1474
Fax: (202) 661-9657
E-mail: loren.danielson@rbc.com
david.walter@rbc.com
ryan.mazzarino@rbc.com
Web: www.rbcwmconnect.com

Branch Director: Amy Sturtevant
Telephone: (202) 661-9507 or (800) 227-0308

Complex Director

Warren Bischoff
5425 Wisconsin Avenue
Suite 301
Chevy Chase MD 20815
Telephone: (301) 907-2777

ACCOUNT VALUE SUMMARY

Beginning account value	\$307,266.33
Deposits	7,802.96
Withdrawals	-19,497.00
Taxable income	17,842.83
Change in asset value	45,778.39
Ending account value	\$359,193.51

YOUR PREMIER CLIENT MESSAGE BOARD

Your annual summary statement is intended to make it easier to review and understand your investments at a glance. This information is for a full year or for the period your accounts were with RBC Wealth Management in 2010. However, for the purposes of tax preparation, please refer to your Tax Information Summary, which will be mailed to you on or about February 15, 2011.



RBC Wealth Management

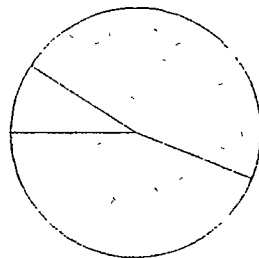
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INVESTMENT ACCESS ACCOUNT STATEMENT 2010 ANNUAL STATEMENT

Account number:
351-09068
Page 3 of 10

ASSET ALLOCATION SUMMARY



☐ Cash and money market	\$32,855.95	9%
☐ US equities	169,050.17	47%
☐ Taxable fixed income	157,287.39	44%
Current account value	\$359,193.51	100%

Mutual funds are included in the above categories. Funds that invest in more than one category are reported as "Mixed Assets".

The cash and money market figure is net of debits including any margin debit, if applicable.

INVESTMENT OBJECTIVE

The investment objective for this account is: Balanced / Conservative Growth
If your investment objective for this account is not listed, or if your investment needs have changed, please discuss with your Financial Consultant. Please see "About Your Investment Objective and Advisory Risk Profile" on page 2 for further information.

ACTIVITY SUMMARY

Total account value last year	Cash activity	\$307,266.33
Beginning balance		33,348.88
Money coming into your account		
Deposits		3,800.96
Interest		3,718.76
Dividends		14,118.87
Other income		5.20
Total		21,643.79
Money going out of your account		
Funds to purchase securities		-2,639.72
Checks written		-19,497.00
Total		-22,136.72
Ending balance		32,855.95
Net change cash activity		-\$492.93
	Change in security value	
Beginning value of priced securities		273,917.45
Securities purchased		2,639.72
Securities transferred in		4,002.00
Change in value of priced securities		45,778.39
Ending value of priced securities		326,337.56
Net change in securities value		\$52,420.11
Total account value as of December 31, 2010		\$359,193.51

THE SANER FAMILY FOUNDATION
ATTN ROBERT J SANER II PRES

Account number
351-09068
Page 4 of 10

ASSET DETAIL

The Estimated Annualized Income ("EAI") for certain securities could include a return of principal or capital gains, in which case EAI depicted on this account statement would be overstated. EAI is only an estimate of income generated by the investment and the actual income may be higher or lower. In the event the investment matures, is sold or called, the full EAI may not be realized.

CASH AND MONEY MARKET

DESCRIPTION	SYMBOL/CUSIP	QUANTITY	MARKET PRICE	CURRENT MARKET VALUE	PREVIOUS YEAR-END STATEMENT MARKET VALUE
US GOVT MONEY MARKET FUND RBC INVESTOR CLASS	TUXX	32,855.950	\$1.000	\$32,855.95	\$33,348.88
TOTAL CASH AND MONEY MARKET				\$32,855.95	

US EQUITIES

DESCRIPTION	SYMBOL/CUSIP	QUANTITY	MARKET PRICE	MARKET VALUE	ESTIMATED ANNUALIZED INCOME
AMERICAN CAPITAL LIMITED	ACAS	1,332.309	\$7.560	\$10,072.25	
BRISTOL MYERS SQUIBB CO	BMJ	1,000.000	\$26.480	\$26,480.00	\$1,320.00
CAPITALSOURCE INC	CSE	1,000.000	\$7.100	\$7,100.00	\$40.00
COHEN & STEERS INFRASTRUCTURE FUND INC	UTF	1,529.276	\$16.420	\$25,110.72	\$2,202.16
DAVIS NEW YORK VENTURE FUND INC-CL A	NYVTX	726.942	\$34.340	\$24,963.19	\$272.60
FRONTIER COMMUNICATIONS CORP SER B	FTR	121.000	\$9.730	\$1,177.33	\$90.75
GLADSTONE INVESTMENT CORP	GAIN	2,000.000	\$7.650	\$15,300.00	\$960.00
JPMORGAN CHASE & CO FORMERLY J P MORGAN CHASE AND CO	JPM	100.000	\$42.420	\$4,242.00	\$20.00
PEPCO HOLDINGS INC	POM	2,000.000	\$18.250	\$36,500.00	\$2,160.00
VERIZON COMMUNICATIONS	VZ	506.000	\$35.780	\$18,104.68	\$986.70
TOTAL US EQUITIES				\$169,050.17	\$8,052.21



RBC Wealth Management



INVESTMENT ACCESS ACCOUNT STATEMENT 2010 ANNUAL STATEMENT

Account Number
351-09068
Page 5 of 10

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TAXABLE FIXED INCOME

DESCRIPTION	SYMBOL/CUSIP	QUANTITY	MARKET PRICE	MARKET VALUE/ ACCRUED INTEREST	ESTIMATE ANNUALIZED INCOME
ALLIED CAPITAL CORP 6.875% NOTES DUE APR 15 2047	AFC	1,000.000	\$21.810	\$21,810.00	\$1,719.0
ENDURANCE SPECIALTY HLDGS LTD 7.75% PFD SER A	ENHPRA	1,000.000	\$25.770	\$25,770.00	\$1,938.0
GLADSTONE COMMERCIAL CORPORATION 7.50% CUM RED PFD SER B	GOODO	800.000	\$24.500	\$19,600.00	\$1,500.0
HARTFORD FLOATING RATE FUND CLASS C	HFLCX	3,843.405	\$8.860	\$34,052.57	\$1,514.3
HELIOS TOTAL RETURN FUND INC	HTR	1,500.000	\$5.680	\$8,520.00	\$855.0
KEYCORP CAPITAL X 8% ENHANCED TR PFD SECS	KEYPRF	1,000.000	\$25.420	\$25,420.00	\$2,000.0
PUTNAM HIGH INCOME SECURITIES FUND	PCF	2,639.000	\$8.380	\$22,114.82	\$1,390.7
TOTAL TAXABLE FIXED INCOME		11,782.405		\$157,287.39	\$10,917.0

ACTIVITY DETAIL

Purchases, sales and other activity all represent an exchange of cash and/or money market funds for securities and, as such, do not represent deposits to or withdrawals from your account. Account value changes due to commissions, mark ups, mark downs and accrued interest are shown in the "Change in value of pooled securities" line of the Account Value Summary.

PURCHASES

Regular Purchases

DATE	DESCRIPTION	QUANTITY	PRICE	ACCRUED INTEREST	NET COST/ ACCRUED INTEREST	COMMENTS
01/05/10	HARTFORD FLOATING RATE FUND CLASS C REINVEST	13.946	\$8.460		-\$117.98	REINVEST
02/02/10	HARTFORD FLOATING RATE FUND CLASS C REINVEST	14.273	\$8.570		-\$122.32	REINVEST
03/02/10	HARTFORD FLOATING RATE FUND CLASS C REINVEST	13.963	\$8.560		-\$119.52	REINVEST
04/05/10	HARTFORD FLOATING RATE FUND CLASS C REINVEST	14.109	\$8.720		-\$123.03	REINVEST

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