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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

2011

For calendar year 2011 or tax year beginning

, 2011, and ending

, 20

Name of foundation The Lackland Family Foundation, Inc.		A Employer identification number 22-3646396
Number and street (or P O box number if mail is not delivered to street address) c/o David K. Whitlock, Esq., East 80 Route 4	Room/suite 170	B Telephone number (see instructions) 908-226-9700
City or town, state, and ZIP code Paramus, NJ 07652		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input checked="" type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 0	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> 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 <input type="checkbox"/>

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

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Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions.)		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing			
	2 Savings and temporary cash investments			
	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 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)			
	b Investments—corporate stock (attach schedule)			
	c Investments—corporate bonds (attach schedule)			
	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 ▶)			
	16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	0	0	0
	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
Net Assets or Fund Balances	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	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. <input type="checkbox"/>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input type="checkbox"/>			
	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			
	30 Total net assets or fund balances (see instructions)	0	0	
	31 Total liabilities and net assets/fund balances (see instructions)	0	0	

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	0
2 Enter amount from Part I, line 27a	2	0
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	0
5 Decreases not included in line 2 (itemize) ▶	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	0

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 shares MLC Co.)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a				
b				
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				
b				
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	0
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 instructions). If (loss), enter -0- in Part I, line 8	{ }		3	0

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))
2010			
2009			
2008			
2007			
2006			
2 Total of line 1, column (d)			2
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
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5			4
5 Multiply line 4 by line 3			5
6 Enter 1% of net investment income (1% of Part I, line 27b)			6
7 Add lines 5 and 6			7
8 Enter qualifying distributions from Part XII, line 4			8
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.			0.00

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 <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	
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	0
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	0
6	Credits/Payments:		
a	2011 estimated tax payments and 2010 overpayment credited to 2011	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 <input type="checkbox"/> 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	0
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	0
11	Enter the amount of line 10 to be Credited to 2012 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11	0

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?		X
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>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation <input type="checkbox"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ _____		
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>		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? <i>If "Yes," attach a conformed copy of the changes</i>	X	
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		X
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>		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?	X	
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>		X
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/>		
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 <i>General Instruction G</i> ? <i>If "No," attach explanation</i>		
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		X

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 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 ▶				
14	The books are in care of ▶ David A. Lackland Telephone no. ▶ 908-226-9700			
	Located at ▶ 121 Stanie Brae Drive, Watchung, NJ ZIP+4 ▶ 07060			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here. ▶ <input type="checkbox"/>			
	and enter the amount of tax-exempt interest received or accrued during the year ▶ 15			
16	At any time during calendar year 2011, 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	Yes	No
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country ▶			

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly)		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1b	
Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/>		
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 2011?	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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? <input type="checkbox"/> Yes <input type="checkbox"/> 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 instructions)	2b	X
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? <input type="checkbox"/> Yes <input type="checkbox"/> No		
b If "Yes," did it have excess business holdings in 2011 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 2011.)	3b	X
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 2011?	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))?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 instructions)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)?		5b		
Organizations relying on a current notice regarding disaster assistance check here	<input type="checkbox"/>			
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?	<input type="checkbox"/> Yes <input type="checkbox"/> 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 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
David A. Lackland 121 Stanie Brae, Watchung, NJ 07060	Trustee	0	0	0
Carol B. Lackland 121 Stanie Brae, Watchung, NJ 07060	Trustee	0	0	0
Jennifer Lackland 121 Stanie Brae, Watchung, NJ 07060	Trustee	0	0	0
David J. Lackland 17156 Bonita Lane W., Summerland Key, FL 33042	Trustee	0	0	0

2 Compensation of five highest-paid employees (other than those included on line 1—see 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
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 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		
2		
3		
4		

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

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		
Total. Add lines 1 through 3		▶ 0

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	0
b	Average of monthly cash balances	1b	
c	Fair market value of all other assets (see instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	0
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	0
4	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see instructions)	4	
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	0
6	Minimum investment return. Enter 5% of line 5	6	0

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	0
2a	Tax on investment income for 2011 from Part VI, line 5	2a	
b	Income tax for 2011. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	0
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	0
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	0
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	0

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	0
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	0
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 instructions)	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	0

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 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				0
2 Undistributed income, if any, as of the end of 2011:				
a Enter amount for 2010 only			0	
b Total for prior years: 20____, 20____, 20____		0		
3 Excess distributions carryover, if any, to 2011:				
a From 2006				
b From 2007				
c From 2008				
d From 2009				
e From 2010				
f Total of lines 3a through e	0			
4 Qualifying distributions for 2011 from Part XII, line 4: ► \$ _____				
a Applied to 2010, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see instructions)				
c Treated as distributions out of corpus (Election required—see instructions)				
d Applied to 2011 distributable amount				
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a).)				
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				
d Subtract line 6c from line 6b. Taxable amount—see instructions		0		
e Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount—see instructions			0	
f Undistributed income for 2011 Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions) .				
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions) .				
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	0			
10 Analysis of line 9.				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010				
e Excess from 2011				

Part XIV Private Operating Foundations (see 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 2011, 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				(e) Total
	(a) 2011	(b) 2010	(c) 2009	(d) 2008	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					0
b 85% of line 2a	0	0	0	0	0
c Qualifying distributions from Part XII, line 4 for each year listed					0
d Amounts included in line 2c not used directly for active conduct of exempt activities					0
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c	0	0	0	0	0
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test—enter					
(1) Value of all assets					0
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					0
b "Endowment" alternative test—enter ² / ₃ of minimum investment return shown in Part X, line 6 for each year listed					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
(4) Gross investment income					0

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).)
- 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 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.

Part XV **Supplementary Information (continued)****3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
Total			▶ 3a	0
b <i>Approved for future payment</i>				
Total			▶ 3b	0

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
		(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					
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					
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		0	0
13	Total. Add line 12, columns (b), (d), and (e)					

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

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

[illegible]

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?

(1) Cash

(2) Other assets

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

(5) Loans or loan guarantees

(6) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

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.

[illegible]

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

**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.

Signature of officer or trustee

9/12/12

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

**Paid
Preparer
Use Only**

Print/Type preparer's name

Jonathan Canter, Esq.

Preparer's signature

Date _____

09/13/2012

Check ☐ if self-employed

PTIN

P01278336

Firm's name ▶ WHITLOCK CENTER LLC

Firm's address ▶ East 80 Route 4, Suite 170, Paramus, NJ 07652

Firm's EIN ▶ 45-4029238

Phone no	201-655-7160
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Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

<u>(a) Name and Address</u>	<u>(b) Title</u>	<u>(c) Compensation</u>	<u>(d) Contributions</u>	<u>(e) Expense Account</u>
David K. Whitlock East 80 Route 4 Paramus, NJ 07652	Trustee	0	0	0
Dale Spillane 53 Mountain Boulevard Suite 204 Warren, NJ 07059	Trustee	0	0	0
William F. Rainaldi 6 Becker Farm Road 4 th Floor Roseland, NJ 07068-1735	Trustee	0	0	0

CERTIFIED COPY OF RESOLUTION
OF
THE DAVID A. and CAROL B. LACKLAND FOUNDATION, INC.

I HEREBY CERTIFY that the following Resolutions were unanimously adopted by the Board of Trustees of THE DAVID A. and CAROL B. LACKLAND FOUNDATION, INC. on April 27, 2011:

"RESOLVED, the Corporation does hereby amend its Certificate of Incorporation in the form attached hereto;

"FURTHER RESOLVED, the Corporation does hereby amend its By-Laws in the form attached hereto; AND

"FURTHER RESOLVED, the Corporation elects the following Officers to serve for a Three (3) Year Term beginning April 21, 2011:

<u>Office</u>	<u>Name</u>
President	DAVID A. LACKLAND
Vice President	CAROL B. LACKLAND
Treasurer	JENNIFER L. LACKLAND
Secretary	DAVID K. WHITLOCK

"FURTHER RESOLVED, the Corporation elects the following Trustees to serve until they die, resign or are removed in accordance with the By-Laws Amended on April 21, 2011:

<u>Name</u>	<u>Family Member/Non-Family Member</u>
David A. Lackland	Family Member
Carol B. Lackland	Family Member
David J. Lackland	Family Member
Jennifer Lackland	Family Member
Dale Spillane	Non-Family Member
David K. Whitlock	Non-Family Member
William F. Rainaldi	Non-Family Member

Dated: April 27, 2011



DAVID K. WHITLOCK, Secretary

**CERTIFICATE OF AMENDMENT TO CERTIFICATE OF INCORPORATION
OF****THE DAVID A. and CAROL B. LACKLAND FOUNDATION, INC.**

Pursuant to the provisions of Title 15A:9-4 New Jersey Non-profit Corporation Act, the undersigned corporation executes the following Certificate of Amendment to its Certificate of Incorporation:

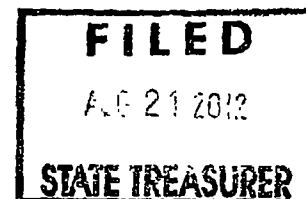
1. Name of the Corporation: 'THE DAVID A. and CAROL B. LACKLAND FOUNDATION, INC.
2. Corporation Number: 0100777377
3. The name of the Corporation shall be changed to become THE LACKLAND FAMILY FOUNDATION, INC.
4. All other provisions of the Certificate of Incorporation, including all amendments thereto, shall continue to remain in full force and effect.
5. The Corporation does not have Members or Directors.
6. Adoption of this Amendment to the Certificate of Incorporation was by unanimous written consent without meeting on June 28, 2012.

Signature:

David A. Lackland
DAVID A. LACKLAND, President

DATED: June 28, 2012

CGN



0100777377

BY-LAWS
OF
THE DAVID A. and CAROL B. LACKLAND FOUNDATION, INC.
AMENDED and ADOPTED APRIL 27, 2011

ARTICLE I - OFFICE

The principal office of the Corporation shall be 53 Mountain Boulevard, Suite 204, Warren, New Jersey 07059. The Corporation may also have such office at such other places within or without the State of New Jersey as the Board of Trustees may from time to time determine.

ARTICLE II - CHARACTER AND PURPOSES

The Corporation is a nonprofit Corporation organized and operated not for pecuniary profit. The purposes for which the Corporation was formed are exclusively to receive and administer funds for scientific, education, literary and charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 ("the Code") and to that end to hold any property, or any undivided interest therein, without limitation as to amount or value; to dispose of any such property and to invest, reinvest, or deal with the principal or the income in such manner as, in the judgment of the Trustees, will best promote the purposes of the Corporation without limitation, except such limitations, if any, as may be contained in the instrument under which such property is received, the Certificate of Incorporation, the By-laws of the Corporation, or any applicable laws; to do any other act or thing incidental to

or connected with the foregoing purposes or in advancement thereof, but not for the pecuniary profit or financial gain of its' Trustees or officers except as permitted under the Nonprofit Corporation Act.

ARTICLE III - MEMBERS

The Corporation shall have no members.

ARTICLE IV - BOARD OF TRUSTEES

Section 1. Number of Trustees; Term of Office. The business and property of the Corporation shall be managed and controlled by a Board of Trustees. The Board of Trustees shall consist of all Qualified Lackland Family Members (as defined in Article XV, Section 2) who choose to serve on the Board of Trustees and three (3) non-family members (persons or Corporate Trustees other than Qualified Lackland Family Members). The Members as of the date of the amendment to these By-laws shall be as follows:

<u>Name</u>	<u>Family Member/Non-Family Member</u>
David A. Lackland	Family Member
Carol B. Lackland	Family Member
David J. Lackland	Family Member
Jennifer Lackland	Family Member
Dale Spillane	Non-Family Member
David K. Whitlock	Non-Family Member

William F. Rainaldi

Non-Family Member

The composition and size of the Board of Trustees may be changed by amendment to these By-laws, in the manner set forth in Article XIV. The Trustees shall hold office until they resign, die, lack mental capacity or are removed for cause as hereafter provided.

Section 2. Regular Annual Meetings. The Board of Trustees shall hold a regular annual meeting at such time and place as determined by the President. Such meetings shall be held within sixty (60) days of the close of each fiscal year of the Corporation. The primary purpose of the annual meeting will be for the Trustees to attempt to make collective decisions on how to distribute funds held in the Corporation solely to worthy charities who duly qualify under Section 501(c)(3) of the Internal Revenue Code of 1986 ("the Code") and meet the purposes of the Corporation as defined in Article II. All Trustees shall submit suggestions of worthy charitable recipients to the President of the Corporation at least sixty (60) days in advance of the Annual Meeting. The President shall compile a list of such charities, indicating which Trustee suggested the charity and circulate the list at the annual meeting. Each Trustee shall be prepared to articulate the reasons for nominating each suggested charity as a worthy candidate to receive charitable contributions from the Corporation consistent with its' charitable purposes. Trustees may choose to have representatives from nominated charities make a presentation no longer than fifteen (15) minutes to acquaint the Board with their charitable activities. After a complete discussion of the charities under consideration, the President shall propose a total

amount to be distributed by the Corporation (with attention paid to Internal Revenue Service Distribution requirements) with an amount allocated to each designated charity and a time frame to make the distributions (a "Proposed Allocation") – which shall be open to discussion among the Board of Trustees – with the goal of reaching a consensus among the Trustees. When the President determines that either a consensus has been reached or the matter has reached an impasse, the President's Proposed Allocation shall be put up for a vote. If sixty (60%) percent or more of the Board of Trustees present (in person or telephonically) votes in favor of such charitable distributions to be made in the amounts so provided in the Proposed Allocation, the Board of Trustees shall adopt a Resolution indicating the amounts to be distributed to each charity within the time frame agreed upon. If the Proposed Allocation does not pass, the matter shall be re-opened for discussion and the Proposed Allocation revised with the same goal of reaching a consensus (a "Revised Proposed Allocation"). When the President determines that either a consensus has been reached or the matter has reached an impasse, the President shall put the Revised Proposed Allocation up for a vote. If sixty (60%) percent or more of the Board of Trustees present (in person or telephonically) votes in favor of such charitable distributions to be made in the amounts so allocated in the Revised Proposed Allocation, the Board of Trustees shall adopt a Resolution indicating the amounts to be distributed to each charity within the time frame set forth therein. If the Revised Proposed Allocation does not achieve the sixty (60%) percent vote needed, the original Proposed Allocation shall be used to determine how sixty-five (65%) percent

of the total funds proposed to be distributed will be made and such distributions shall be made in proportion to the amounts proposed in the original Proposed Allocation and the remaining thirty-five (35%) percent of total funds slated to be distributed shall be distributed as directed by the Board of Trustees such that each Trustee present (either in person or telephonically) shall have an equal decision to determine which charities receive a portion of the remaining thirty-five (35%) percent of the total funds to be distributed. For example, if there are seven (7) Trustees then serving, each Trustee shall have the authority to direct where five (5%) percent of the total distributions are to be made. In such case, a Corporate Resolution shall be made memorializing all of the distributions so decided by the Board.

Section 3. Special Meetings. Special meetings of the Board of Trustees may be called by any Trustee. Written notice of any special meeting shall be given to each Trustee at least thirty (30) days prior thereto. For purposes of satisfying the Notice requirements set forth in this paragraph, the last known address and other contact information provided by each Trustee to the President shall be used and any written notice given to any such Trustees or Beneficiaries at such addresses shall constitute adequate notice hereunder. A Trustee calling a special meeting shall include in the notice of such meeting the reasons for the meeting. Should such Trustee plan to put a matter requiring a vote at such special meeting, the notice shall contain the matter proposed to be voted upon.

Section 4. Place of Meeting; Waiver of Notice. Meetings of the Board of Trustees shall be held at the principal office of the Corporation or such place as

mutually agreed by the Board of Trustees. Notice of any meeting need not be given to any Trustee who signs a waiver of notice before or after the meeting.

Section 5. Quorum. A majority of the Board of Trustees shall constitute a quorum for the transaction of business at any meeting of the Board of Trustees.

Section 6. Manner of Acting. The act of a majority of the Trustees present at the meeting at which a quorum is present shall be the act of the Board of Trustees, unless otherwise provided herein.

Section 7. Telephonic Appearance at Meetings. Although Trustees are encouraged to attend Annual Meetings in person, they may attend and cast votes at Annual Meetings or Special Meetings by Telephonic means. Any Trustee desiring to participate by Telephone, shall provide the President with a telephone number to be called at the time the meeting is to take place.

Section 8. Matters Requiring a Vote. Unless otherwise provided herein, any matter that requires a decision to be made by the Corporation shall be decided by majority vote of all Trustees in attendance (provided a Quorum is present or available telephonically to cast a vote). A Trustee not able to attend a meeting either in person or telephonically may provide a written proxy to any other Trustee, giving such Trustee authority to vote on his or her behalf. If there is a tie vote, a majority of the Qualified Lackland Family Member Trustees shall have the authority to break any such tie. If such Qualified Lackland Family Member Trustees' vote still does not break a tie vote, the matter voted upon shall not be carried.

Section 9. Action Without a Meeting. Any action required or permitted to be taken pursuant to an authorization voted at a meeting of the Board of Trustees may be taken without a meeting if, prior to or subsequent to such action, all of the Trustees consent thereto in writing. Such written consents may be executed in counterparts, and shall be filed with the minutes of the Corporation.

Section 10. Resignation, Removal and Reinstatement of Trustees.

a. Resignation. Any Trustee may resign at any time without court approval and whether or not a successor has been appointed via thirty (30) days notice in writing to all members of the Board of Trustees.

b. Removal by DAVID A. LACKLAND. During his lifetime DAVID A. LACKLAND may remove any Trustee with or without cause at any time.

c. Removal for Cause. Any Trustee serving hereunder may be "Removed for Cause" by the Board of Trustees if such Trustee has: (a) acted in bad faith in any way materially affecting the Corporation; (b) deliberately committed an act or omission which intentionally materially benefitted such Trustee at the expense of the Corporation or was intended to materially benefit such Trustee at the expense of the Corporation; (c) significantly neglected such Trustee's required duties as Trustee; or (d) whose performance as Trustee has been grossly inadequate. Any Trustee may call for a Special Meeting in accordance with Article IV, Section 3, to call for the Removal for Cause of any Trustee. The notice of the special meeting circulated at least thirty (30) days in advance of the Special Meeting shall state the proposed Removal for Cause and the reasons in support thereof. At the Special

Meeting, the person or entity calling for such Removal for Cause shall state the case in support thereof, and the Trustee whose removal is sought shall be entitled to defend such Trustee's action or inaction. At the conclusion of such a Special Meeting, a vote shall be taken in accordance with Article IV, Section 8, and if Sixty (60%) Percent or more of the vote is cast in favor of removing such Trustee (notwithstanding the general rule of majority vote called for in such Article IV, Section 8) such Trustee shall be immediately removed and the procedures set forth to replace such Trustee shall be implemented. The Trustee whose removal is sought shall not be entitled to vote in such proceeding. In the event that a Trustee is removed for cause pursuant to this paragraph, and a majority of the Qualified Lackland Family Members voted against such removal, the removed Trustee shall have thirty (30) days to appeal such removal determination by filing a grievance with the American Arbitration Association for the New Jersey area for a binding determination of whether or not such removal was justified under the criteria set forth in this paragraph for removal (without regard to the actual vote). During the pendency of the arbitration proceeding, such Trustee shall not participate in any matters concerning the Trust. If there is a determination by the American Arbitration Association that such Trustee's actions or omissions did not constitute sufficient grounds for removal for cause, such Trustee shall be reinstated as Trustee. Any Trustee removed for cause pursuant to this paragraph where a majority of the vote of Qualified Family Members voted for such removal, shall have no legal recourse. In addition thereto, any Qualified Lackland Family Member who has attained the age

of thirty (30) may bring an action in the Warren County Chancery Division, State of New Jersey, to have a Trustee Removed for Cause based upon the criteria set forth in this paragraph, or any other equitable criteria which the Court may determine is appropriate. The decision of such Court shall be binding upon the Trust (subject to the otherwise applicable rights of appeal).

d. Removal Due to Lack of Mental Capacity. In the event that a Trustee shall Lack Mental Capacity, as defined in Article XV, Section 3, such Trustee shall be removed.

e. Reinstatement of Trustees who Resign. Any non-family member Trustee who resigned shall be reinstated as Trustee only if a vacancy occurs with respect to the three (3) non-family members on the Board of Trustees and such Trustee is nominated to replace such vacancy within the procedures detailed in Article IV, Section 11. A Qualified Lackland Family Member who has resigned, shall thereafter be reinstated by the Board of Trustees without vote at any time upon application by such Qualified Lackland Family Member with sixty (60) days notice to the President of the Corporation.

f. Reinstatement of Trustees Removed for Cause. Once removed for cause, any non-family member Trustee may not be reinstated unless so adjudicated by the American Arbitration Association or Appellate Court of appropriate jurisdiction. Any Qualified Lackland Family Member who has been removed for cause, may re-apply to the Board of Trustees to serve as a Trustee after

five (5) or more years of being removed, and shall re-qualify as Trustee if sixty (60%) percent or more of the Board of Trustees vote to allow such Trustee to re-qualify.

Section 11. Trustee Vacancies.

a. Vacancy in Qualified Lackland Family Trustee Position. In the event a Qualified Lackland Family Trustee shall resign or be removed for cause, such position shall not be replaced.

b. Vacancy in Non-Family Member Trustee Position Due to Resignation, Lack of Mental Capacity or Death. In the event that a position of Trustee of a person or entity who is not a Qualified Lackland Family Member becomes vacant due to the resignation of such Trustee, the Lack of Mental Capacity of such Trustee or the death of such Trustee, such Trustee shall have the right to nominate a successor Trustee to his or her Trustee Office by an instrument in writing. A nomination may be changed or revoked until it takes effect. Upon the death, resignation or incapacity of the nominating Trustee, the acceptance or rejection of the nomination shall be considered a "Matter Requiring a Vote" within the meaning of Article IV, Section 8, and the nomination shall be accepted if a majority of the Trustees are cast in favor thereof. For these purposes, the nominating Trustee shall be deemed to have voted in favor of such nomination. If the nomination is rejected, the remaining Trustees shall schedule a Special Meeting in accordance with Article IV, Section 3, and any Trustee shall be entitled to nominate a successor Trustee with thirty (30) days advance Notice to the other Trustees. Such nomination shall include a resume of the Trustee being nominated and a narrative no longer than two (2)

written pages stating why such person or entity is best suited for the position. There shall be a discussion of all persons or entities so nominated at the Special Meeting and after all presentations are heard, each Trustee entitled to vote shall cast their votes and the votes shall be counted in accordance with Article IV, Section 8, and the nominee with the most votes shall be appointed as a Trustee. In the event no single nominee shall receive the most votes, there shall be a "run off" between the nominees who received the most votes and the Trustees shall again cast their votes. In the event the "run off" does not produce a nominee with the most votes, the original nomination of the Trustee leaving office shall be given effect (unless such nomination was unanimously rejected, in which case, the Qualified Family Members shall choose the Successor Trustee).

c. Vacancy in Non-Family Member Trustee Position Due to Removal for Cause. In the event that a Trustee shall be removed for cause, the vacancy caused thereby shall be filled by the remaining Trustees. The President shall schedule a Special Meeting in accordance with Article IV, Section 3, and any Trustee shall be entitled to nominate a successor Trustee with thirty (30) days advance Notice to the other Trustees. Such nomination shall include a resume of the Trustee being nominated and a narrative no longer than two (2) written pages stating why such person or entity is best suited for the position. There shall be a discussion of all persons or entities so nominated at the Special Meeting and after all presentations are heard, each Trustee entitled to vote shall cast their votes and the votes shall be counted in accordance with Article IV, Section 8, and the nominee with the most

votes shall be appointed as a Trustee. In the event no single nominee shall receive the most votes, there shall be a "run off" between the nominees who received the most votes and the Trustees shall again cast their votes. In the event the "run off" does not produce a nominee with the most votes, the Qualified Family Members shall by majority vote choose the Successor Trustee).

Section 12. Contracts and Services. The Trustees and officers of the Corporation may be interested directly or indirectly in any contract relating to or incidental to the operations conducted by the Corporation, and may freely make contracts, enter transactions, or otherwise act for and on behalf of the Corporation, notwithstanding that they may also be acting as individuals, or as trustees of trusts, or as agents for other persons or Corporations, or may be interested in the same matters as shareholders, directors, or otherwise; provided, however, that any contract, transaction, or act on behalf of the Corporation in a matter in which the Trustees or officers are personally interested shall be at arm's length and not violative of the proscriptions in the Certificate of Incorporation against the Corporation's use or application of its' funds for private benefit; and provided further that no contract, transaction, or act shall be taken on behalf of the Corporation which would result in the denial of the tax exemption under Section 503 or Section 507 of the Code and its' Regulations as they now exist or as they may be amended. In no event, however, shall any person or other entity dealing with the Trustees or officers be obligated to inquire into the authority of the Trustees and officers to enter into and consummate any contract, transaction, or other action.

Section 13. Compensation. Trustees shall not receive any stated salary for their services, but by resolution of the Board expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board. The Board of Trustees shall have power in its' discretion to contract for and to pay to Trustees rendering services to the Corporation compensation appropriate to the value of such services based upon the time and effort expended in preparing for meetings, attending meetings and time spent furthering the general purposes of the Corporation.

Section 14. Powers. All the corporate powers, except such as are otherwise provided for in these By-laws and in the laws of the State of New Jersey shall be vested in the Board of Trustees. The Board of Trustees may by general resolution delegate to committees of their own number, or to officers of the Corporation, such powers as they may see fit.

ARTICLE V - OFFICERS

Section 1. Election. Every three (3) years, at the Regular Annual Meeting, the Board of Trustees shall elect or appoint a President, a Treasurer, a Secretary, and such other officers or agents as it shall deem necessary or desirable. One person may hold two or more offices.

Section 2. Terms of Officers. Officers shall serve for terms of three (3) years.

Section 3. Vacancies. Any vacancy occurring among the officers, however caused, may be filled by the Board of Trustees for the unexpired portion of the term.

Section 4. President. The President shall be chief executive officer of the Corporation and, subject to the control of the Board of Trustees, shall in general supervise and control all of the business and affairs of the Corporation. The President must be a Trustee of the Corporation. Unless otherwise directed by the Board of Trustees, all other officers shall be subject to the authority and supervision of the President. The President may enter into and execute in the name of the Corporation contracts or other instruments in the regular course of business. The President shall have the general powers and duties of management usually vested in the office of president of a Corporation and shall preside at meetings of the Board of Trustees.

Section 5. Vice President. The Vice President, if any, shall perform such duties and have such authority as may be delegated to him or her from time to time by the President or by the Board of Trustees. In the absence of the President or in the event of his or her death, inability, or refusal to act, the Vice President shall perform the duties and be vested with the authority of the President.

Section 6. Treasurer. The Treasurer shall have charge and custody of, and be responsible for, all funds and securities of the Corporation, shall keep or cause to be kept regular books of accounts for the Corporation and shall perform such other duties and possess such other powers as are incident to the office of Treasurer or as shall be assigned to the Treasurer by the President or by the Board of Trustees.

Section 7. Secretary. The Secretary shall cause notices of all meetings to be served as prescribed in these By-laws or by statute, shall keep or cause to be kept the minutes of all meetings of the Board of Trustees, shall have charge of the corporate

records and seal of the Corporation. The Secretary shall perform such other duties and possess such other powers as are incident to the office of Secretary or as assigned by the President or by the Board of Trustees.

Section 8. Salaries. The officers shall receive no salaries, but shall be compensated for the reasonable value of the actual services rendered to the Corporation as established by the Board of Trustees in accordance with applicable Internal Revenue Code law, Treasury Regulations and Internal Revenue Service Revenue Rulings and Private Letter Rulings (if made specifically upon the application of the Corporation).

Section 9. Removal.

a. Removal of Officers by DAVID A. LACKLAND. During DAVID A. LACKLAND's lifetime, any officer may be removed from office by DAVID A. LACKLAND by written notice, effective upon delivery.

b. Removal of Officers After DAVID A. LACKLAND's Death. After the Death of DAVID A. LACKLAND, any officer may be removed from office with or without cause during such Officer's three (3) year term by the affirmative vote of at least sixty (60%) percent or more of the Trustees at any regular or special meeting called for that purpose. The officer sought to be removed may vote on such matter. Any officer proposed to be removed shall be entitled to at least thirty (30) days' written notice of the meeting of the Board of Trustees at which such removal is to be voted upon. Such notice shall state the reasons for the proposed removal and all Trustees then serving shall be provided with thirty (30) days written notice of such

action. The officer sought to be removed shall be entitled to appear before, and be heard by, the Board of Trustees at any such meeting.

ARTICLE VI - AGENTS AND REPRESENTATIVES

The Board of Trustees may appoint agents and representatives of the Corporation with powers to perform such acts or duties on behalf of the Corporation as the Board of Trustees may see fit, so far as may be consistent with these By-laws and to the extent authorized by law.

ARTICLE VII - CONTRACTS

The Board of Trustees, except as in these By-laws otherwise provided, may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation. Such authority may be general or confined to a specific instance.

ARTICLE VIII - ADVISORY COMMITTEE

The Board of Trustees may appoint from its number, or from among such persons as the Board may see fit, one or more advisory committees, and at any time may appoint additional members. The members of any such committee shall serve at the pleasure of the Board of Trustees. Such advisory committees shall advise and aid the officers of the Corporation in all matters designated by the Board of Trustees. Each such committee may, subject to the approval of the Board of Trustees, prescribe

rules and regulations for the call and conduct of meetings of the committee and other matters relating to its procedure.

The members of any advisory committee shall not receive any stated salary for their services, but by resolution of the Board of Trustees, expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of such committee. The Board of Trustees shall have power in its' discretion to contract for and to pay to any member of an advisory committee rendering unusual or exceptional services to the Corporation special compensation appropriate to the value of such services.

ARTICLE IX - VOTING UPON SHARES OF OTHER CORPORATIONS

Unless otherwise ordered by the Board of Trustees, the President shall have full power and authority on behalf of the Corporation to vote either in person or by proxy at any meeting of shareholders of any Corporation in which this Corporation may hold shares, and at any such meeting may possess and exercise all of the rights and powers incident to the ownership of such shares which, as the owner, this Corporation might have possessed and exercised if present. The Board of Trustees may confer like powers upon any other person and may revoke any such powers as granted at its' pleasure.

ARTICLE X

PROHIBITION AGAINST SHARING IN CORPORATE EARNINGS

No trustee, officer, employee of or member of a committee of or person connected with the Corporation, nor any other private individual shall receive at any time any of the net earnings or pecuniary profit from the operations of the Corporation, provided that this shall not prevent the payment to any such person of such reasonable compensation for services rendered to or for the Corporation in effecting any of its purposes as shall be fixed by the Board of Trustees; and no such person or persons shall be entitled to share in the distribution of any of the corporate assets upon the dissolution of the Corporation. Upon the dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, the assets of the Corporation then remaining in the hands of the Board of Trustees, after all debts have been satisfied, shall be distributed in such amounts as the Board of Trustees may determine or as may be determined by a court of competent jurisdiction upon application of the Board of Trustees exclusively to charitable, religious, scientific, testing for public safety, literary, or educational organizations which would then qualify under the provisions of Section 501(c)(3) of the Internal Revenue Code and its Regulations as they now exist or as they may be amended.

ARTICLE XI - EXECUTION OF DOCUMENTS

Section 1. Commercial Paper. All checks, notes, drafts, and other commercial paper of the Corporation shall be signed by the President of the

Corporation or by such other person or persons as the Board of Trustees may from time to time designate.

Section 2. Other Instruments. All deeds, mortgages and other instruments shall be executed by the President of the Corporation or any Vice President, and by the Secretary, or such other person or persons as the Board of Trustees may from time to time designate.

ARTICLE XII

INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES

The Corporation shall, to the maximum extent permitted by law, indemnify each of its' present or former Trustees, officers or employees against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact that any such person is or was an agent of the Corporation and in any proceeding brought by a third party against such person (whether or not the Corporation is joined as a party defendant) to impose a liability on such person for an act alleged to have been committed while a Trustee, officer or employee, or by the Corporation, or by both; provided that the Board of Trustees determines that such Trustee, officer or employee was acting in good faith within what he or she reasonably believed to be the scope of his or her employment or authority and for a purpose which he or she reasonably believed to be in the best interests of the Corporation. Payments authorized hereunder include

amounts paid and expenses incurred in settling any such proceeding or threatened proceeding.

The Board of Trustees may authorize the Corporation to pay in whole or in part the premium or other charge for any type of insurance in which any director, officer or employee of the Corporation is indemnified or insured against liability, loss or expense arising out of his or her actual or alleged misfeasance in the performance of his or her duties or any wrongful act against or by the Corporation.

The provisions of the above paragraphs shall apply to the legal representative and heirs of any present or former Trustee, officer or employee of the Corporation.

ARTICLE XIII - FISCAL YEAR

The fiscal year of the Corporation shall be a calendar year.

ARTICLE XIV - AMENDMENT

These By-laws may be altered, amended or repealed, and new By-laws may be adopted by the affirmative vote of at least sixty (60%) percent of the Trustees at any regular or special meeting called for that purpose.

ARTICLE XV - DEFINITIONS

Section 1. Code. All references herein to Sections of the Code shall be considered references to the Internal Revenue Code of 1986, as amended from time to time and the corresponding provisions of any subsequent tax law.

Section 2. Qualified Lackland Family Member. The term "Qualified Lackland Family Member" shall be defined as DAVID A. LACKLAND, CAROL B. LACKLAND, DAVID J. LACKLAND, JENNIFER LACKLAND and any of their lineal descendants (including persons adopted by them during minority) who have attained the age of twenty-one (21) years.

Section 3. Lack of Mental Capacity of Trustee. Any Trustee serving hereunder shall be deemed to lack mental capacity if such person lacks the mental capacity to handle the duties and responsibilities required of a Trustee and such inability is likely to continue for a period of sixty (60) days or more. The determination of a Trustee's lack of mental incapacity (and the likelihood of such incapacity to continue for sixty (60) days or more) shall be made by a physician having the qualifications set forth under N.J.S.A. 30:4-27.2t (or any comparable successor statute thereto) in the form of an affidavit which shall state the following: (1) the physician has either treated or examined the named Trustee within sixty (60) days from the making of the affidavit; (2) in the opinion of the physician the named Trustee lacks the mental capacity to handle the duties and responsibilities required of my Trustee; and (3) such lack of mental capacity is likely to continue for a period of sixty (60) days or more (hereafter "Lack of Capacity Affidavit"). No physician shall be liable to the Corporation or any third party as a result of executing a Lack of Capacity Affidavit (absent a finding of intentional fraud on the part of such physician by a Court of appropriate jurisdiction based upon clear and convincing evidence of such fraud); and the Corporation hereby indemnifies and otherwise holds harmless

any such physician for any liability and legal expense associated with defending the findings and conclusions set forth in any such Lack of Capacity Affidavit (absent a finding of intentional fraud).