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

2011

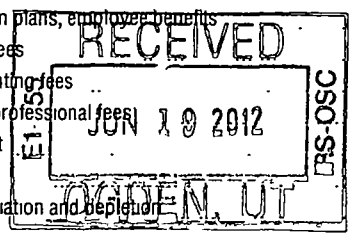
Department of the Treasury Internal Revenue Service

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

For calendar year 2011 or tax year beginning FEB 1, 2011, and ending JAN 31, 2012

Name of foundation: PETER KLERNER KNOEFEL FUND PNC BANK NA
A Employer identification number: 45-6201332
B Telephone number: 800-622-8036
C if exemption application is pending, check here [X]
D 1. Foreign organizations, check here []
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 []

Table with 5 columns: (a) Revenue and expenses per books, (b) Net investment income, (c) Adjusted net income, (d) Disbursements for charitable purposes. Rows include Revenue (1-12) and Operating and Administrative Expenses (13-27).



ENVELOPE POSTMARK DATE JUN 14 2012

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		
		Beginning of year (a) Book Value	End of year (b) Book Value (c) Fair Market Value	
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments		5,331.	5,331.
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock			
	c Investments - corporate bonds			
Liabilities	11 Investments - land, buildings, and equipment basis ▶			
	Less: accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 2	0.	2,115,517.	2,157,744.
	14 Land, buildings, and equipment basis ▶			
	Less: accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers)	0.	2,120,848.	2,163,075.
	17 Accounts payable and accrued expenses			
	18 Grants payable			
19 Deferred revenue				
20 Loans from officers, directors, trustees, and other disqualified persons				
21 Mortgages and other notes payable				
22 Other liabilities (describe ▶)				
23 Total liabilities (add lines 17 through 22)	0.	0.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>			
	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 ▶ <input checked="" type="checkbox"/>			
	and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	0.	2,120,848.	
28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.		
29 Retained earnings, accumulated income, endowment, or other funds	0.	0.		
30 Total net assets or fund balances	0.	2,120,848.		
31 Total liabilities and net assets/fund balances	0.	2,120,848.		

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	2,120,848.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	2,120,848.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	2,120,848.

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Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a SALES OF PUBLICALLY TRADED SECURITIES			
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 1,735,944.		1,662,346.	73,598.
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			73,598.
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	73,598.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8		3	N/A

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

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
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 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.	8	

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Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

1a Exempt operating foundations described in section 4940(d)(2), check here <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	1,620.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0.
3 Add lines 1 and 2	3	1,620.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	1,620.
6 Credits/Payments:		
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a	2,475.
b Exempt foreign organizations - tax withheld at source	6b	
c Tax paid with application for extension of time to file (Form 8868)	6c	
d Backup withholding erroneously withheld	6d	
7 Total credits and payments. Add lines 6a through 6d	7	2,475.
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	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	855.
11 Enter the amount of line 10 to be: Credited to 2012 estimated tax <input type="checkbox"/> 855. 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
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
1c 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"/> \$ 0. (2) On foundation managers. <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input type="checkbox"/> \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
4b 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? If "Yes," attach the statement required by General Instruction T		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? If "Yes," complete Part II, col. (c), and Part XV.	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> <u>KY</u>		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

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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? Website address WWW.PNC.COM 13 X
14 The books are in care of PNC BANK NA Telephone no. 800-622-8036 Located at PO BOX 94651, CLEVELAND, OH ZIP+4 44101-4651
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year 15 N/A
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? See 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 X

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.

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? (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? (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)? (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.) 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)? Organizations relying on a current notice regarding disaster assistance check here c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011? 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? 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.) c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. 3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? 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) 4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? 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?

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)? Yes No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? Yes No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? Yes No
 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) N/A

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? Yes No
 If "Yes" to 6b, file Form 8870. 6b X

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? Yes No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? Yes No
 N/A 7b

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
PNC BANK NA PO BOX 94651 CLEVELAND, OH 44101-4651	TRUSTEE 2.00	6,189.	0.	0.

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

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

Total number of other employees paid over \$50,000 0

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

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

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

Total number of others receiving over \$50,000 for professional services ▶ 0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 N/A	0.
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 N/A	0.
2	
All other program-related investments. See instructions. 3 N/A	0.
Total. Add lines 1 through 3 ▶	0.

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	993,826.
b	Average of monthly cash balances	1b	
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	993,826.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	993,826.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	14,907.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	978,919.
6	Minimum investment return. Enter 5% of line 5	6	48,946.

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	48,946.
2a	Tax on investment income for 2011 from Part VI, line 5	2a	1,620.
b	Income tax for 2011. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	1,620.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	47,326.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	47,326.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	47,326.

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	3,095.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	3,095.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	3,095.

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				47,326.
2 Undistributed income, if any, as of the end of 2011:				
a Enter amount for 2010 only			0.	
b Total for prior years:		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: ▶ \$ 3,095.				
a Applied to 2010, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2011 distributable amount				3,095.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				44,231.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7	0.			
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) N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 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		Prior 3 years		(e) Total
	(a) 2011	(b) 2010	(c) 2009	(d) 2008	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test - enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year-see instructions.)

1 **Information Regarding Foundation Managers:**
 a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)
NONE

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.
NONE

2 **Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**
 Check here if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

- a The name, address, and telephone number 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:

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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>				
NONE				
Total			▶ 3a	0.
b <i>Approved for future payment</i>				
NONE				
Total			▶ 3b	0.

Schedule B

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury
Internal Revenue Service**Schedule of Contributors**

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

OMB No 1545-0047

2011

Name of the organization

PETER KLERNER KNOEFEL FUND
PNC BANK NA

Employer identification number

45-6201332

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, total 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 total 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 Part I, 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).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2011)

Name of organization PETER KLERNER KNOEFEL FUND PNC BANK NA	Employer identification number 45-6201332
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	KNOEFEL <hr/> 101 S FIFTH STREET 37TH FLOOR <hr/> LOUISVILLE, KY 40202 <hr/>	\$ <u>2,042,946.</u>	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
	<hr/> <hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
	<hr/> <hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
	<hr/> <hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
	<hr/> <hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
	<hr/> <hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
	<hr/> <hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization PETER KLERNER KNOEFEL FUND PNC BANK NA	Employer identification number 45-6201332
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Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	CASH AND SECURITIES	\$ <u>2,042,946.</u>	<u>02/01/11</u>
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 1

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
TRUST INVESTMENT INCOME	10,493.	0.	10,493.
TOTAL TO FM 990-PF, PART I, LN 4	10,493.	0.	10,493.

FORM 990-PF OTHER INVESTMENTS STATEMENT 2

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
FIXED INCOME	COST	715,995.	714,740.
EQUITIES	COST	1,399,522.	1,443,004.
TOTAL TO FORM 990-PF, PART II, LINE 13		2,115,517.	2,157,744.

Summary

Portfolio value

Income	Principal	Total
Income on January 31	\$153.27	\$2,162,921.52
Income on January 1	116,799.85	2,091,851.41
Change in value	-\$116,646.58	\$71,070.11
	Principal on January 31	Total portfolio value on January 31
	Principal on January 1	Total portfolio value on January 1
	Change in value	Total change in value
		\$2,163,074.79
		2,208,651.26
		-\$45,576.47

Portfolio value by asset class

Income	Value Jan. 31	Value Jan. 1	Change in value	Original Value at PNC
Cash and cash equivalents	\$153.27	\$116,799.85	-\$116,646.58	\$153.27
Principal	Value Jan. 31	Value Jan. 1	Change in value	Original Value at PNC
Cash and cash equivalents	\$5,178.20	\$17,178.20	-\$12,000.00	\$5,178.20
Fixed income	714,739.80	695,849.25	18,890.55	715,994.71
Equities	1,443,003.52	1,378,823.96	64,179.56	1,399,521.69
Total	\$2,163,074.79	\$2,208,651.26	-\$45,576.47	\$2,120,847.87

TRUST AGREEMENT

THIS TRUST AGREEMENT is entered into on December 11, 1992, by PETER KLERNER KNOEFEL (hereinafter referred to in the first person) of Louisville, Kentucky, and FIRST KENTUCKY TRUST COMPANY, as Trustee, of Louisville, Kentucky.

W I T N E S S E T H :

ARTICLE 1

Definition

1.1 The term "my spouse" refers to my wife, FRANCESCA SPINA KNOEFEL.

ARTICLE 2

Assets of the Trust

2.1 I will fund this trust by naming the Trustee the beneficiary of policies insuring my life; by delivering nominal consideration such as \$1.00 to the Trustee; or by delivering other assets to the Trustee. The Trustee will hold all such trust assets upon the terms of this Agreement.

ARTICLE 3

Administration and Disposition of the Trust During my Lifetime

3.1 If I add income producing property to the trust, the income and principal shall be distributed during my lifetime pursuant to my instructions. In the event of my incapacity, the Trustee shall distribute to me or my spouse so much of the net income and principal of the trust as the Trustee considers necessary to provide for our reasonable health, maintenance and support.

HAND COPY

DO NOT REMOVE THIS COPY FROM #1 INDENTURE

[Handwritten Signature]

ARTICLE 4

Administration and Disposition of the Trust After my Death

4.1 At my death, the net proceeds payable to the Trustee under all policies owned by me, other assets payable to the Trustee as a designated beneficiary and any assets transferred to the trust under the terms of my Will shall be added to those assets, if any, transferred to the trust during my lifetime. These assets shall be known as the "trust assets".

4.2 If my spouse survives me, the Trustee shall divide the trust assets into two separate shares which shall be called Fund A and Fund B.

4.3 The Trustee shall allocate to Fund A (undiminished by any estate or inheritance taxes) an amount equal to the remaining trust assets less a sum equal to the largest amount that can pass with the least amount of federal estate tax by reason of the unified credit, after taking account of any adjusted taxable gifts made by me, and the state death tax credit (provided use of this credit does not cause an increase in the state death taxes paid to the state of my domicile) allowable to my estate but no other credit, reduced by the following:

(a) payments from or charges to the principal of my estate or this trust that are not allowed as deductions in computing the amount of federal estate taxes on my estate; and

(b) the value of any other assets that are included in my gross estate which pass in a manner that will not qualify for the marital or charitable deductions.

The remaining trust assets, or all of the trust assets if there are no assets allocated to Fund A, shall be allocated to Fund B. In making the computation to divide the trust assets, values as finally determined for federal estate tax purposes shall control.

4.4 The Trustee may allocate to Fund A and Fund B cash or assets in kind, or part cash and part assets in kind (but need not make a pro rata division of assets) provided that assets allocated in kind shall be valued at their fair market value as of the date or dates of allocation. The Trustee may estimate the amount of assets to be allocated to the separate Funds, and may make a partial distribution to each. When the settlement of my estate is completed, the Trustee shall make a final allocation of assets to the Funds and make whatever adjustments to income and principal as are necessary to correctly divide the income and principal in accordance with the terms of this instrument.

4.5 Fund A and Fund B shall carry with them (as income and not as principal) their proportionate share of all net income received by the Trustee until they are fully funded.

4.6 It is expressly intended that Fund A shall be available for the marital deduction and all questions applicable to Fund A shall be resolved accordingly. Only assets which qualify for the marital deduction shall be allocated to Fund A. The powers, duties and discretion given to the Trustee with respect to Fund A shall not be exercised or exercisable except in a manner consistent with my intentions herein expressed.

4.7 If my spouse makes a qualified disclaimer (as such is defined by the Internal Revenue Code then in effect) of my spouse's interest in any portion of the property passing to Fund A, then such portion shall be added to the property passing to Fund B, and administered as provided by Fund B, both during and after my spouse's lifetime.

4.8 If my spouse does not survive me, all the trust assets shall be set aside as Fund B.

Fund A - Trust For Benefit of My Spouse

4.9 The net income of Fund A shall be paid to my spouse in quarterly or more frequent installments. If non-income producing assets are held in Fund A, my spouse may direct the Trustee to exchange such assets for income producing assets.

4.10 The Trustee, in its discretion, may disburse from the principal of Fund A (even to the point of completely exhausting same) such amounts as it deems advisable to provide for my spouse's health, maintenance and support. The Trustee shall pay from principal any tax imposed on such payment by section 2056A(b) of the Internal Revenue Code then in effect.

4.11 If my Executor does not elect to qualify all of the assets passing into Fund A for the marital deduction, then the Trustee may divide the assets of Fund A into separate parts; one part to be that portion which has been claimed for the marital deduction, and the other part to be the non-elected portion; provided, however, that if my spouse is not a citizen of the United States, my Executor shall elect either to qualify all, or none, of such assets for the marital deduction under Section 2056A of the Internal Revenue Code then in effect. The allocation of assets into separate parts will be accomplished in a manner which assures that any partial election will reflect its proportionate share of any increase or decrease in the assets of Fund A. Further, there shall be paid from the non-elected portion the amount of any additional federal estate taxes which are attributable to the assets not qualifying for the marital deduction. It is my desire that principal encroachments and withdrawals from Fund A be first made from that portion of Fund A that qualifies for the marital deduction if such is deemed advisable by Trustee.

4.12 Upon my spouse's death, the Trustee will pay from the principal of Fund A any tax imposed by Section 2056A(b) of the Internal Revenue Code in effect at such time. Further, unless

my spouse's Will directs otherwise by specific reference to this paragraph, the Trustee shall pay directly or to my spouse's Executor the amount of the incremental death taxes imposed on my spouse's estate by reason of any assets of Fund A being included in my spouse's estate. Any distribution to my spouse's estate shall be made only from that portion of Fund A that qualified for the marital deduction.

4.13 Upon my spouse's death, any accrued income shall be paid to my spouse's estate and the remaining principal of Fund A shall be added to the principal of Fund B.

Fund B - Trust for Benefit of My Spouse

4.14 The net income of Fund B shall be paid to my spouse in quarterly or more frequent installments.

4.15 The Trustee, in its discretion, may disburse from the principal of Fund B such amounts as it deems advisable to provide for my spouse's health, maintenance and support.

4.16 Upon my spouse's death (or upon my death, if my spouse does not survive me), the remaining assets of Fund B and any assets transferred to it from any source shall be retained in trust, which shall be known as the PETER KLERNER KNOEFEL FUND (hereinafter referred to as "the Fund") and held by the Trustee in perpetuity upon the following terms.

PETER KLERNER KNOEFEL FUND

4.17 The net income of the Fund shall be distributed to THE UNIVERSITY OF LOUISVILLE SCHOOL OF MEDICINE at least annually and shall be used by it for the purpose of supporting research and education in its Department of Pharmacology, in memory of PETER KLERNER KNOEFEL. Provided, however, if at any time said institution ceases to qualify as an organization described in sections 2522(a), 2055(a), 170(c) and 170(b)(1)(A) of the Internal

Revenue Code, then the Trustee shall distribute the net income of the Fund to another institution qualifying as above with a similar charitable purpose which is selected by the Trustee in its discretion.

4.18 Except for the payment of the net income of the Fund hereunder, the Trustee is prohibited from engaging in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code, from retaining any excess business holdings as defined in Section 4943(c) of said Code which would subject the trust to tax under Section 4943 of said Code, from making any investment which would subject the trust to tax under Section 4944 of said Code, and from making any taxable expenditures as defined in Section 4945(d) of said Code. The Trustee shall make distributions at such time and in such manner as not to subject the trust to tax under Section 4942 of said Code. Nothing in this trust instrument shall be construed to restrict the Trustee from investing the trust assets in a manner which could result in the annual realization of a reasonable amount of income or gain from the sale or disposition of trust assets. The references herein to designated sections of the federal Internal Revenue Code shall be deemed to include any corresponding provisions of the federal tax laws at any time and from time to time in force and effect during the continuance of, and until the final termination of, this trust.

Miscellaneous

4.19 The Trustee may rely conclusively upon the written statements of an Executor with respect to such information as may be pertinent in making an allocation of assets provided for herein. Further, the Trustee may accept those assets delivered to it by an Executor as all the assets it is entitled to receive at the values placed thereon by the Executor without having to examine the records and accounts of the Executor.

4.20 Unless otherwise clearly indicated, words in the singular or plural shall include the plural or singular where applicable. Also, words in the masculine gender shall include the feminine gender where applicable.

4.21 Regardless of any other provisions contained herein to the contrary, if my spouse is not a U.S. citizen at the time Fund A is to be funded, the Trustee shall administer Fund A as a "qualified domestic trust" as defined by section 2056A of the Internal Revenue Code, and the Trustee may take all necessary steps to reform and amend Fund A to so qualify it.

ARTICLE 5

My Duties and Rights

Payment of Premiums

5.1 I intend, but have no duty, to pay the premiums on all policies owned by me and payable to the trust.

Right to Amend or Revoke

5.2 I reserve the right at any time, by written notice to the Trustee, to amend or revoke this Agreement or any amendment to it; but no amendment changing the compensation, powers or duties of the Trustee shall be effective unless approved in writing by the Trustee. The power to amend or revoke this Agreement is personal to me and may not be exercised by my agent or legal representative. If this Agreement is revoked, the Trustee shall settle its accounts with me and return to me all assets transferred to the trust. This Agreement and any amendments to it become irrevocable at my death.

Right to Add to and Withdraw

5.3 I may add to the trust any assets, real or personal, which are acceptable to the Trustee. Further, I may withdraw all assets transferred to the trust.

Control of Assets

5.4 I reserve the right to exercise, without the consent of the Trustee or any beneficiary, all privileges of ownership of all assets owned by me and payable to the trust, or transferred by me to the trust, including the right to use such assets as collateral for loans.

5.5 If, at my death, any assets subject to this instrument are pledged as collateral for the payment of any loan, the Trustee shall pay such loan and interest from the pledged assets, provided the residue of my estate is insufficient to pay said loan. The Trustee shall not file a "Proof of Claim" with my Executor for reimbursement of any amounts paid in discharge of loans made to me.

ARTICLE 6

Duties of Trustee with Respect to Policies and their Proceeds

Safekeeping of the Policies

6.1 During my lifetime, the Trustee shall have no duty with respect to any policies other than the physical safekeeping of those which have been delivered to it.

Collection of Proceeds of Insurance

6.2 At my death, the Trustee shall use its best efforts to collect the net proceeds payable to it. Provided, however, the Trustee shall have no duty to institute or maintain any litigation to enforce the payment of any policy unless it is indemnified to its satisfaction against all liability and expense arising on account of such litigation. If the Trustee is not indemnified to its satisfaction, it shall assign all its rights under the policy to those persons as it, in its discretion, considers the proper beneficiaries.

6.3 The Trustee is authorized to compromise claims concerning any policies payable to it and the decision of the Trustee shall be binding upon all persons.

6.4 The Trustee may elect to leave the proceeds of any policy payable to it with the insurer under any option of settlement available to it. Provided, however, the Trustee shall not elect a settlement option for any policy that would disqualify the proceeds of that policy allocated to Fund A for the marital deduction under the Federal Internal Revenue Code.

6.5 An insurer shall be discharged of all liability upon payment of the net proceeds of any policy to the Trustee.

ARTICLE 7
Powers of the Trustee

7.1 In addition to the powers conferred by law, as they may be amended from time to time, and other powers given to it in this instrument or otherwise, the Trustee shall have the following powers and authority.

Original Assets

7.2 To retain, without liability for loss or depreciation, original assets received from me, my estate or any other source, although such assets may not be of the character prescribed by law for the investment of trust funds and even though said assets represent the total assets of the trust.

Sale

7.3 To sell publicly or privately, without a court order and upon such conditions, including credit, as it deems best, any assets of the trust, real or personal.

Investments

7.4 To invest and reinvest in stocks, bonds, mortgages, interests in common trust funds, or assets of any kind or nature without diversification (including securities underwritten by the Trustee or any of its affiliates), although such assets may not be of the character prescribed by law for the investment of trust funds, and to hold cash if deemed advisable. To purchase and sell option contracts which give it or another the option to buy or sell, at some future time, any stock or security of any company.

Insurance Policies

7.5 To apply for, receive by gift, purchase or acquire by any other manner, any policy of insurance on my life or the life of any beneficiary hereof, pay any premiums, maintain, exchange, cancel, pledge, sell or transfer any such policies; exercise all rights, options or privileges thereunder, and collect all benefits under or by virtue of such insurance policies. To split-dollar and minimum deposit any insurance policies owned by the trust; provided, however, the Trustee shall not invest the principal of the trust in non-income producing property, or in life insurance contracts, if to do so would result in adverse tax consequences to the trust or any beneficiary thereof.

Trust Accounting

7.6 To treat as principal all dividends payable in stock of the declaring company, all dividends in liquidation and all rights issued on any securities and to treat as income all other dividends received. To treat as principal all income in respect of a decedent as defined in the Internal Revenue Code, and all proceeds from qualified employee benefit plans and IRAs. The Trustee shall make no compensating adjustments between any trusts created herein or the beneficiaries thereof because of the provisions of this paragraph or any elections made by my Executor.

Undivided Interests

7.7 To hold assets in one or more consolidated funds in which separate trusts shall have undivided interests.

Diversification

7.8 To exercise discretion as to diversification and not be required to reduce any concentrated holdings merely because of such concentration. The Trustee is specifically relieved from any requirements, legal or otherwise, as to the percentage of the trust to be invested in fixed income securities, and may invest and retain invested the trust wholly in common stocks.

Sale and Lease of Real Estate

7.9 To sell, convey, lease, mortgage (including mortgages to the Trustee in its individual capacity), repair and improve, and take any steps deemed prudent with regard to real estate that may be a trust asset. Any lease made by the Trustee shall be binding for the full period of the lease, though said period shall extend beyond the termination of the trust. To make repairs, replacements and improvements, structural or otherwise, to any such real estate. To subdivide such real estate, to dedicate same to public use, and to grant easements as it may deem proper.

Voting

7.10 To vote shares of stock held in the trust in person or by proxy, with or without power of substitution.

Reorganization

7.11 To participate in the financial readjustment of any corporation or business in which the trust is financially interested.

Borrowing

7.12 To borrow money from any source, including the Trustee in its individual capacity, and life insurance companies (pursuant to cash value loan provisions as set forth in life insurance policies owned by the trust), for any purpose connected with the protection or enhancement of the trust or to carry out any of the provisions of the trust, and as security, to mortgage or pledge any asset of the trust upon such conditions as it may deem proper. A lender may only look to trust assets for repayment of any loan, and no Trustee or beneficiary will be liable personally if trust assets are insufficient to repay any loan so made.

Merger of Trusts

7.13 To merge the assets of any trust hereunder with those of any other trust created by my spouse upon identical terms.

Division and Distribution

7.14 Whenever the Trustee is required to divide the principal of a trust, to make such division in cash or in kind or both and for this purpose, the Trustee may make allocations without regard to the income tax basis of property allocated in kind (regardless of whether such allocations beneficially or adversely affect the interests of the beneficiaries).

Payments of Income and Principal

7.15 To pay income or principal during the minority or incapacity of any beneficiary to whom income is directed to be paid or for whose benefit income and principal may be disbursed, in any one or more of the following ways: (1) directly to a beneficiary; (2) to the legal guardian or committee of a beneficiary; (3) to a relative of a beneficiary; (4) to a Custodian under a Uniform Transfer (or Gifts) to Minors Act; or (5) by expending the same directly for the benefit of a beneficiary. The Trustee shall not be obliged to see to the application of the funds so paid and the receipt of such person shall be full acquittance to the Trustee.

Legal Obligations

7.16 The Trustee may make no payments of income or principal to, or for the benefit of, any beneficiary hereunder if to do so would satisfy a legal obligation of another person who has the ability by the terms of this instrument to remove the Trustee.

Payment of Debts, Bequests and Taxes

7.17 If the residue of my estate is not sufficient to pay my debts, funeral expenses, administration costs, non-residuary bequests, and estate and inheritance taxes, to pay to my

Executor first (and pro rata) from any trust(s) not qualifying for the marital deduction such sums as my Executor certifies as necessary to pay all or the balance of my debts, funeral expenses, administration costs, non-residuary bequests, and estate and inheritance taxes incurred as a result of my death. Provided, however, no proceeds payable from policies made payable to the trust shall be used for these purposes.

Termination of Small Trusts

7.18 To terminate any trust created under this instrument when such trust generates an annual fee less than the Trustee's then current minimum annual fee, and at such time distribute the trust assets to the then current income beneficiaries in the same proportion as said income is being distributed to them; or if the Trustee has discretion to distribute income, then it shall distribute the trust assets equally to the then current income beneficiaries in the oldest generation.

Redemption of U.S. Treasury "Discount" Bonds

7.19 If, at the date of my death, the Trustee has in its possession any U.S. Treasury bonds which are eligible for redemption at par for the payment of federal estate taxes, then the Trustee shall be required to apply all of such bonds, or such amounts thereof as may be necessary (as determined by my Executor) for the payment of federal estate taxes imposed upon my estate. The Trustee may either deliver such bonds to my Executor for redemption or submit directly such bonds for redemption to the appropriate Federal Reserve Bank. The Trustee shall not be entitled to reimbursement from my estate for the use and application of such bonds for the purposes herein described.

General

7.20 In general, the Trustee shall have the same powers, authority and discretion in the management of the trust as I have in the management and control of my personal estate. The Trustee may continue to exercise any powers and discretion hereunder for a reasonable period after the termination of any trust but only for so long as no rule of law relating to perpetuities would be violated.

ARTICLE 8

Removal and Resignation of Trustee

8.1 After my death, my spouse shall have the right to remove the acting Trustee and appoint as Successor Trustee a domestic (United States) trust company or bank possessing trust powers and having a combined capital and surplus of not less than Twenty-Five Million Dollars (\$25,000,000). Any Successor Trustee may accept, without examination or review, the accounts rendered

and the assets delivered by a preceding Trustee without incurring any liability or responsibility for the acts or omissions of the preceding Trustee. Further, it shall have all the title, powers and discretion of the preceding Trustee. Such right of removal shall be continuing and shall be exercised by my spouse serving the acting Trustee with written notice of its removal and specifying the Successor Trustee.

8.2 The Trustee may resign at any time by giving written notice, specifying the effective date of its resignation, to the then current income beneficiary(ies) of the trust. Thereafter, such beneficiary (or a majority if more than one) may appoint a Successor Trustee having the same qualifications as set forth in the preceding paragraph. Any Successor Trustee may accept the accounts rendered and the property delivered by a preceding Trustee upon the same terms as set forth in the preceding paragraph.

ARTICLE 9

Domestic Trustee

9.1 Any corporation serving as Trustee under this instrument must be a domestic (United States) corporation. If any corporation serving as Trustee under this instrument ceases to be a domestic (United States) corporation, then in such event, such corporation shall immediately resign as Trustee and a successor shall be appointed as provided in Article 8.

ARTICLE 10

Simultaneous Death

10.1 My spouse shall be presumed to predecease me if we die under such circumstances that the order of our deaths cannot be determined.

ARTICLE 11

Compensation of the Trustee

11.1 For its services hereunder, the Trustee shall receive compensation in accordance with its regular schedule of fees in effect at the time such services are rendered.

ARTICLE 12

Acceptance of the Trust by the Trustee

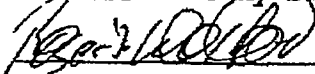
12.1 This trust has been accepted by the Trustee in the Commonwealth of Kentucky, and the trust shall be construed and regulated by the laws of Kentucky.

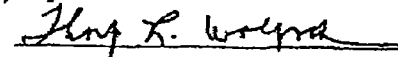
IN TESTIMONY WHEREOF, the parties hereto have entered into this Agreement on the day and year first above written.



PETER KLERNER KNOEFEL

Witnesses to My Signature





FIRST KENTUCKY TRUST COMPANY, TRUSTEE

By Donald R Wood, SVP

This Instrument Prepared By:

Thorpe L. Wolford

THORP L. WOLFORD
Attorney-at-Law
Starks Building
Louisville, Kentucky 40202

Roger J. Wolford

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