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Form **990-PF**Department of the Treasury
Internal Revenue Service

Change of Accounting Period

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

OMB No 1545-0052

2012

Open to Public Inspection

For calendar year 2012 or tax year beginning

3/22/2012

, and ending

12/31/2012

Name of foundation BERNECKER CHARITABLE FOUNDATION INC		A Employer identification number 65-0416459
Number and street (or P.O. box number if mail is not delivered to street address) PO BOX 913	Room/suite	B Telephone number (see instructions) (305) 273-7770
City or town, state, and ZIP code WAXAHACHIE TX 75168		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 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) \$ 1,431,559		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>
J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____		

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)				
2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
3 Interest on savings and temporary cash investments	9,857	9,857		
4 Dividends and interest from securities	9,340	9,340		
5 a Gross rents				
b Net rental income or (loss)				
6 a Net gain or (loss) from sale of assets not on line 10				
b Gross sales price for all assets on line 6a				
7 Capital gain net income (from Part IV, line 2)				
8 Net short-term capital gain				
9 Income modifications				
10 a Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit or (loss) (attach schedule)				
11 Other income (attach schedule)				
12 Total. Add lines 1 through 11	19,197	19,197	0	
Operating and Administrative Expenses				
13 Compensation of officers, directors, trustees, etc.				
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16 a Legal fees (attach schedule)				
b Accounting fees (attach schedule)				
c Other professional fees (attach schedule)				
17 Interest				
18 Taxes (attach schedule) (see instructions)	976	976		
19 Depreciation (attach schedule) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule)	3,639	3,639		
24 Total operating and administrative expenses. Add lines 13 through 23	4,615	4,615	0	0
25 Contributions, gifts, grants paid	20,000			20,000
26 Total expenses and disbursements. Add lines 24 and 25	24,615	4,615	0	20,000
27 Subtract line 26 from line 12	-5,418			
a Excess of revenue over expenses and disbursements		14,582		
b Net investment income (if negative, enter -0-)				
c Adjusted net income (if negative, enter -0-)			0	

For Paperwork Reduction Act Notice, see instructions.

Form **990-PF** (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 (See instructions)

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing	494,660	505,238	505,238
	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)	500,000	500,000	500,000
	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			
	10 a Investments—U S and state government obligations (attach schedule)	32,380	30,386	202,489
	b Investments—corporate stock (attach schedule)			
	c Investments—corporate bonds (attach schedule)			
Liabilities	11 Investments—land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
	12 Investments—mortgage loans	237,834	223,832	223,832
	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)	1,264,874	1,259,456	1,431,559
Net Assets or Fund Balances	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	0	0	
Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	1,264,874	1,259,456	
	30 Total net assets or fund balances (see instructions)	1,264,874	1,259,456	
Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.	31 Total liabilities and net assets/fund balances (see instructions)	1,264,874	1,259,456	

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	1,264,874
2 Enter amount from Part I, line 27a	2	-5,418
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	1,259,456
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	1,259,456

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				
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			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(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	
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))
2011	20,861	1,309,915	0.015925
2010	193,616	1,370,802	0.141243
2009	43,664	1,371,351	0.031840
2008	38,922	1,415,616	0.027495
2007	334,656	1,937,263	0.172747

2 Total of line 1, column (d)	2	0.389250
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	0.077850
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	1,407,080
5 Multiply line 4 by line 3	5	109,541
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	146
7 Add lines 5 and 6	7	109,687
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	20,000

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

1 **a** Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1
Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)

b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b

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-)

3 Add lines 1 and 2

4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)

5 **Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-

6 **Credits/Payments**

a 2012 estimated tax payments and 2011 overpayment credited to 2012

b Exempt foreign organizations—tax withheld at source

c Tax paid with application for extension of time to file (Form 8868)

d Backup withholding erroneously withheld

7 Total credits and payments. Add lines 6a through 6d

8 Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached

9 **Tax due.** If the total of lines 5 and 8 is more than line 7, enter amount owed

10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the amount overpaid

11 Enter the amount of line 10 to be **Credited to 2013 estimated tax** ☐

Refunded ☐

Part VII-A Statements Regarding Activities

1 **a** During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?

b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)?

If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities

c Did the foundation file Form 1120-POL for this year?

d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year

(1) On the foundation ☐ \$ _____ (2) On foundation managers ☐ \$ _____

e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ☐ \$ _____

2 Has the foundation engaged in any activities that have not previously been reported to the IRS?

If "Yes," attach a detailed description of the activities

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

4 **a** Did the foundation have unrelated business gross income of \$1,000 or more during the year?

b If "Yes," has it filed a tax return on Form 990-T for this year?

5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?

If "Yes," attach the statement required by General Instruction T

6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either

• By language in the governing instrument, or

• By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?

7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV

8 **a** Enter the states to which the foundation reports or with which it is registered (see instructions) ☐

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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

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 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? If "Yes," complete Part XIV

10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses

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 ► N/A	13		
14	The books are in care of ► DAVID C BOAS CPA Telephone no ► 305 273-7770 Located at ► 11440 NORTH KENDALL DRIVE MIAMI FL ZIP+4 ► 33176			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the year ► 15			
16	At any time during calendar year 2012, 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.

		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)? Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>	1b	N/A
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 2012?	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 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? <input type="checkbox"/> Yes <input checked="" 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	N/A
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 checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2012 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 2012)	3b	N/A
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 2012?	4b	X

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 N/A	
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	201,076
b	Average of monthly cash balances	1b	503,600
c	Fair market value of all other assets (see instructions)	1c	723,832
d	Total (add lines 1a, b, and c)	1d	1,428,508
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	1,428,508
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	21,428
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,407,080
6	Minimum investment return. Enter 5% of line 5 MIR Prorated - Short Year	6	54,934

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	54,934
2a	Tax on investment income for 2012 from Part VI, line 5	2a	292
b	Income tax for 2012 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	292
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	54,642
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	54,642
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	54,642

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	20,000
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	20,000
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	20,000

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 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				54,642
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			0	
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2012				
a From 2007				
b From 2008				
c From 2009				
d From 2010				
e From 2011				
f Total of lines 3a through e	0			
4 Qualifying distributions for 2012 from Part XII, line 4 ▶ \$ 20,000				
a Applied to 2011, 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 2012 distributable amount				20,000
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2012 (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				
e Undistributed income for 2011 Subtract line 4a from line 2a Taxable amount—see instructions			0	
f Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013				34,642
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 2007 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9				
a Excess from 2008				
b Excess from 2009				
c Excess from 2010				
d Excess from 2011				
e Excess from 2012				

Part I, Line 18 (990-PF) - Taxes

		976	976	0
Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income
1	LICENSES AND TAXES	976	976	

Part I, Line 18 (990-PF) - Taxes

0	
	Disbursements for Charitable Purposes
1	

Part I, Line 23 (990-PF) - Other Expenses

		3,639	3,639	0
Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income
1	ACCOUNTING FEES	3,639	3,639	

Part I, Line 23 (990-PF) - Other Expenses

0	
	Disbursements for Charitable Purposes
1	

Part II, Line 6 (990-PF) - Receivables from Officers, Directors, Trustees and Other Disqualified Persons

Borrower's Name		Title	Original Amount	Book Value at Beginning of Year	Book Value at End of Year	Ending FMV	Security Provided
1	ROBERT BERNECKER IRREVOCABLE TRU		500,000	500,000	500,000	500,000	

MINUTES OF DEBTOR – CREDITOR MEETING 7/8/10

A meeting was held on July 8th, 2010 to discuss and resolve problems with various outstanding loans as described below.

The officers present to discuss these issues were:

Robert Bernecker, as President of Bernecker's Nursery, Inc. and additionally as President of Bernecker Charitable Foundation, Inc., and Donald Bernecker, as Trustee of the Robert G Bernecker Irrevocable 2001 Trust.

The specifics and status of the following Notes were discussed at length:

1. A Mortgage Note in the amount of 1,000,000.00 was executed on October 4th, 2005 in favor of the Robert G Bernecker Irrevocable 2001 Trust by Helen Michael and Preferred Enterprises, Inc., and said note was due in full on October 4th, 2007. This note is currently in default, and funds are not available to pay principal or interest. The note is secured by real estate that has been on the market continuously since late 2005 to the present, and the asking price has been reduced many times during that period of time. The real estate market in the United States was unexpectedly depressed during this period, and, more specifically, the South Florida real estate market has suffered a severe decline and development properties such as the property secured by this note have nearly completely stopped selling during this period. Therefore, while the property remains on the market, there is not a reasonable expectation that it can or will be sold in the near future. If the Robert G. Bernecker Irrevocable 2001 Trust were to foreclose on the property, it would be thereby assuming the annual property tax liability for the property and any other current cash flow requirements, and yet would not have any reasonable expectation to be able to sell the property any faster than Mrs. Michael and/or Preferred Enterprises, Inc.
2. A Promissory Note in the amount of \$500,000.00 was executed on February 7th, 2007 by the Robert G. Bernecker Irrevocable 2001 Trust in favor of Bernecker's Nursery, Inc., and this note was due in full on February 8th, 2008. At the time the note was executed, the Robert G. Bernecker Irrevocable 2001 Trust had substantially no liquid funds available as a result of the investment made in the Mortgage Note referenced above as Item 1, and Bernecker's Nursery, Inc. had substantial cash reserves that were not needed for business purposes at the time and that were earning extremely low rates of return in money market type instruments. Therefore, it was judged in the best interests of both organizations for this Promissory Note to be executed. It was anticipated at the time that the real estate that was security for the Mortgage Note (Item 1, above) would be sold quickly within the next several months, and that the Trust would use the proceeds from the pay-off of the Mortgage Note (Item 1) to very quickly repay this loan.

from Bernecker's Nursery, Inc. Unfortunately, the South Florida real estate market unexpectedly "crashed", the pending sale for the real estate fell through, and the real estate remains unsold despite numerous reductions in the asking price. The Robert G. Bernecker Irrevocable 2001 Trust has not had, and does not currently have, enough cash to pay either the principal or the interest due on this Promissory Note executed on February 7th, 2007 (Item 2), so the note is in default. Because the Trust is the 100% shareholder of Bernecker's Nursery, Inc., Bernecker's Nursery, Inc. has not pursued collection efforts, which would, in effect, be attempting to collect from itself.

3. Shortly following the execution of the Promissory Note described in Item 2 above, Bernecker's Nursery, Inc. began to experience cash flow issues of its own. Anticipating a speedy sale of the real estate securing the Mortgage Note in Item 1 above (which would have resulted in the early pay-offs of both the Mortgage Note described in Item 1 and the Promissory Note described in Item 2), the Nursery borrowed cash from the Bernecker Charitable Foundation, Inc. The Bernecker Charitable Foundation had plenty of liquid funds at the time that were earning an extremely low yield in money-market type investments, so the considerable step-up in yield offered by Bernecker's Nursery, Inc. to the Foundation made this a desirable investment for the Bernecker Charitable Foundation, Inc., one that was considered at the time to be in the best interest of the Foundation. Two Promissory Notes were executed by Bernecker's Nursery, Inc. in favor of Bernecker Charitable Foundation, Inc.; the notes were in the amounts of \$300,000.00 and \$200,000.00, and were dated April 12th, 2007 and January 23rd, 2008 respectively. It was anticipated that both of these notes could and would be paid off by the proceeds that Bernecker's Nursery, Inc. would receive from the pay-off of the Promissory Note described in Item 2. In essence, Bernecker's Nursery, Inc. was now holding a note receivable in the amount of \$500,000.00 (Item 2) and notes payable in the amount of \$500,000.00 (Items 3); which was a wash on the Nursery's balance sheet. Unfortunately, since executing the two notes payable described as Items 3, Bernecker's Nursery, Inc. has experienced a severe decline in business revenue as a result of the national recession and economic turn-down, and is struggling to maintain adequate cash flow to even remain in business. As such, Bernecker's Nursery, Inc. is not able to currently pay or service the debt or interest expenses created by these two Promissory Notes, and these notes are currently in default.

After complete discussion, it was concluded that:

- A. As a result of the huge reduction in revenue and losses experienced by Bernecker's Nursery, Inc. as a result of the national economic recession, Bernecker's Nursery, Inc. is not capable of paying the principal or the interest due on the Promissory Notes described in Item 3 above. Bernecker's Nursery, Inc. would only have enough assets to pay these notes in the event of a total liquidation and sale and/or auction of

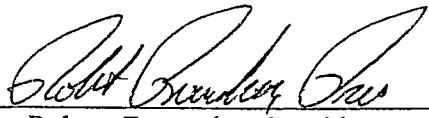
corporate assets and it is uncertain that there would be enough assets even in this eventuality. Further, the current economic situation makes it very unlikely that such a sale and/or liquidation could be accomplished in any manner in the foreseeable future.

- B. The Robert G. Bernecker Irrevocable 2001 Trust is the sole shareholder of Bernecker's Nursery, Inc., and as a result of the Promissory Note described in Item 2 above, also owes Bernecker's Nursery, Inc. an amount of principal equal to the amount of principal that is owed by Bernecker's Nursery, Inc. to the Bernecker Charitable Foundation, Inc. The Trust does not have the cash to pay the Promissory Note described in Item 2 above, and it would not make sense to liquidate the Nursery in order to raise cash to pay a debt owed to the Nursery.
- C. None of the Notes (Items 1, 2, or 3) can be paid at this time, and will likely only be payable if and when the Mortgage Note described in Item 1 above is paid off as a result of the sale of the property securing that note. While the investment in the Mortgage Note is secure by virtue of the real property that is securing the note, the amount of interest, profit, or loss that may eventually be realized from this investment is very uncertain at this point in time as a result of the national recession and the downturn in the South Florida real estate market.
- D. Bernecker Charitable Foundation, Inc. is holding Promissory Notes secured only by Bernecker's Nursery, Inc. and its assets, and the security interest of the Foundation would be increased and strengthened if it were holding notes secured by not just the Nursery corporation, but also by the owner of the Nursery (the Trust), thereby also gaining a security interest in the other assets of the Trust.
- E. The Bernecker Charitable Foundation currently is holding sufficient liquid funds to carry out its regular operations in a normal manner, and is therefore able to carry the indebtedness that was created and is sustained by the Promissory Notes (Items 2 & 3 above) that were executed in anticipation of a timely (or only slightly delinquent) pay off of the Mortgage Note (Item 1 above). The Foundation is the only entity at this point in time that is financially able to carry this debt without forcing liquidation or impeding normal operations.
- F. Therefore, it was decided that the following actions would be in the best interest of the Bernecker Charitable Foundation, Inc., Bernecker's Nursery, Inc., and the Robert G Bernecker Irrevocable 2001 Trust:
 - i. Bernecker's Nursery, Inc. will assign to the Bernecker Charitable Foundation, Inc. any and all interest it holds in the Promissory Note that it holds that is receivable from the Robert G. Bernecker Irrevocable 2001 Trust. This assignment will include any and all principal and interest payable from this note.
 - ii. In return, and in consideration of the note assignment received, the Bernecker Charitable Foundation, Inc. will deem satisfied the Promissory Notes described in Item 3 above, thereby cancelling these Notes.


- iii. As a result of these actions, the Robert G. Bernecker Irrevocable 2001 Trust, the sole shareholder of Bernecker's Nursery, Inc., will directly owe the Bernecker Charitable Foundation, Inc. the principal amount of \$500,000.00 and it would be anticipated by all parties that this indebtedness will be paid off upon the sale of the real estate securing the Mortgage Note in Item 1 above.
- iv. The Robert G. Bernecker Irrevocable 2001 Trust and the Bernecker Charitable Foundation will enter into an agreement regarding the sharing of any interest and/or profit or loss that may eventually be realized from the Mortgage Investment entered into by the Trust on October 4th, 2005. Said agreement would include the renegotiation of the existing assigned notes to reflect the reality of current economic and real estate market conditions, as well as current and historical interest rates.

In witness whereof, we have set our hands and seals this 9th day of JULY, 2010.

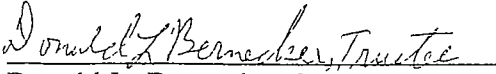
Bernecker's Nursery, Inc.


By Robert Bernecker, President

Bernecker Charitable Foundation, Inc.


By Robert Bernecker, President

Robert G. Bernecker Irrevocable 2001 Trust


Donald L. Bernecker, Trustee

SATISFACTION OF PROMISSORY NOTE


FOR VALUE RECEIVED, and in consideration of the receipt of the Assignment of Promissory Note hereto attached as "Exhibit B", the undersigned, Robert Bernecker, as President of the Bernecker Charitable Foundation, Inc., hereinafter referred to as "releasor" does acknowledge the adequate satisfaction of two certain Promissory Notes payable to Bernecker Charitable Foundation, Inc. from Bernecker's Nursery, Inc., hereinafter referred to as "releasee", dated April 12, 2007 and January 23rd, 2008; copies of which are hereto attached as "Exhibit C".

Bernecker Charitable Foundation Inc. does hereby remise, release, and forever discharge releasee, as well as releasee's heirs, executors, administrators, successors and assigns of and from any and all indebtedness, liability, guarantee, all manner of actions or causes of action, suits, debts, dues, reckonings, bonds, bills, specialties, covenants, contracts, agreements, promises, variances, damages, judgments, claims, or demands whatsoever in law or in equity arising out of the Note(s) attached hereto as "Exhibit C"

Signed under seal this 9th day of JULY, 2010.

Releasor

Bernecker Charitable Foundation, Inc.


Robert Bernecker, President

Releasee

Bernecker's Nursery, Inc.

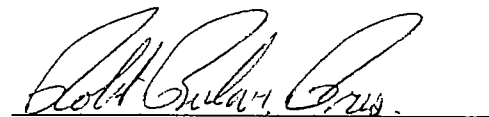

Robert Bernecker, President

EXHIBIT "B"

ASSIGNMENT OF PROMISSORY NOTE

FOR VALUE RECEIVED, the undersigned Assignor, Bernecker's Nursery, Inc., hereby assigns, transfers, and sets over to Bernecker Charitable Foundation, Inc. all right, title, and interest along with all rights to any and all proceeds, income, rentals, fees, profits or monies that shall be due the undersigned in, to, and from a certain contract described as:

A Promissory Note executed on February 8th, 2007 at Miami Dade County, by and between Bernecker's Nursery, Inc. and the Robert G. Bernecker Irrevocable 2001 Trust in the amount of \$500,000.00. Copy of said note is attached hereto as "Exhibit A".

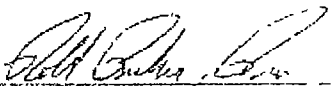
The Assignor warrants and represents that said contract is in full force and effect and is fully assignable.

The Assignee hereby assumes and agrees to perform all the obligations of the Assignor under the contract and guarantees to hold the Assignor harmless from any claim or demand made thereunder.

Signed under seal this 7th day of July, 2010.

Assignor

Bernecker's Nursery, Inc.


Robert Bernecker, President

Assignee

Bernecker Charitable Foundation, Inc.

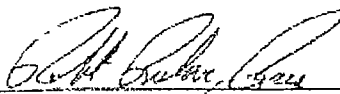

Robert Bernecker, President

EXHIBIT "C"

Page 1 of 2

Promissory Note

FOR VALUE RECEIVED, the undersigned, Robert Bernecker as President for Bernecker's Nursery, Inc., does hereby promise to pay to the order of the Bernecker Charitable Foundation, Inc., a Florida corporation, the sum of Three Hundred Thousand dollars (\$300,000.00), with interest thereon at the rate of 10% per annum on the unpaid balance.

Said sum shall be payable in the manner following

One single lump sum payment of principal and interest on April 12th, 2009

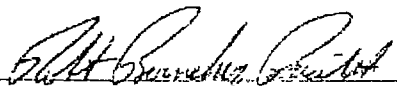
The undersigned shall have the right to prepay this note in whole or in part at any time without penalty. In the event any payment due hereunder is not made when due, the entire balance shall be immediately due at the option of the holder of this note.

In the event of default, the undersigned agree to pay all reasonable attorney fees and costs of collection.

Each maker, surety, guarantor or endorser of this note waives presentation of payment, notice of non-payment, protest and notice of protest and agrees to all extensions, renewals, or release, discharge or exchange of any other party or collateral without notice.

Executed this 12th day of April, 2007 at Miami Dade County, Florida

By Bernecker's Nursery, Inc


Robert Bernecker, President

FOR VALUE RECEIVED, the undersigned do hereby guarantee payment of the above note and agree to remain fully bound until fully paid.

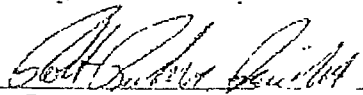

Robert Bernecker, as President of Bernecker's Nursery, Inc

EXHIBIT "C"

Page 2 of 2

Promissory Note

FOR VALUE RECEIVED, the undersigned, Robert Bernecker as President for Bernecker's Nursery, Inc., does hereby promise to pay to the order of the Bernecker Charitable Foundation, Inc., a Florida corporation, the sum of Two Hundred Thousand dollars (\$200,000.00), with interest thereon at the rate of 10% per annum on the unpaid balance.

Said sum shall be payable in the manner following:

One single lump sum payment of principal and interest on January 23rd, 2010.

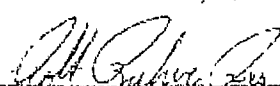
The undersigned shall have the right to prepay this note in whole or in part at any time without penalty. In the event any payment due hereunder is not made when due, the entire balance shall be immediately due at the option of the holder of this note.

In the event of default, the undersigned agree to pay all reasonable attorney fees and costs of collection.

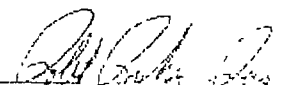
Each maker, surety, guarantor or endorser of this note waives presentation of payment, notice of non-payment, protest and notice of protest and agrees to all extensions, renewals, or release, discharge or exchange of any other party or collateral without notice.

Executed this 23rd day of January, 2008 at Miami Dade County, Florida

By Bernecker's Nursery, Inc.


Robert Bernecker, President

FOR VALUE RECEIVED, the undersigned do hereby guarantee payment of the above note and agree to remain fully bound until fully paid.


Robert Bernecker, as President of Bernecker's Nursery, Inc.

ASSIGNMENT OF PROMISSORY NOTE

FOR VALUE RECEIVED, the undersigned Assignor, Bernecker's Nursery, Inc., hereby assigns, transfers, and sets over to Bernecker Charitable Foundation, Inc. all right, title, and interest along with all rights to any and all proceeds, income, rentals, fees, profits or monies that shall be due the undersigned in, to, and from a certain contract described as:

A Promissory Note executed on February 8th, 2007 at Miami Dade County, by and between Bernecker's Nursery, Inc. and the Robert G. Bernecker Irrevocable 2001 Trust in the amount of \$500,000.00 . Copy of said note is attached hereto as "Exhibit A".

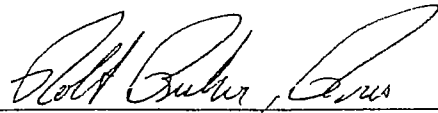
The Assignor warrants and represents that said contract is in full force and effect and is fully assignable.

The Assignee hereby assumes and agrees to perform all the obligations of the Assignor under the contract and guarantees to hold the Assignor harmless from any claim or demand made thereunder.

Signed under seal this 9th day of July, 2010.

Assignor

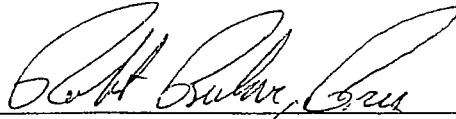
Bernecker's Nursery, Inc.



Robert Bernecker, President

Assignee

Bernecker Charitable Foundation, Inc.



Robert Bernecker, President

EXHIBIT "A"

Promissory Note

FOR VALUE RECEIVED, the undersigned, Donald L. Bernecker as Trustee for the Robert G. Bernecker Irrevocable 2001 Trust, does hereby promise to pay to the order of Bernecker's Nursery, Inc., a Florida corporation, the sum of Five Hundred Thousand dollars (\$500,000.00), with interest thereon at the rate of 5% per annum on the unpaid balance.

Said sum shall be payable in the manner following:

One single lump sum payment of principal and interest on February 8th, 2006

The undersigned shall have the right to prepay this note in whole or in part at any time without penalty. In the event any payment due hereunder is not made when due, the entire balance shall be immediately due at the option of the holder of this note.

In the even of default, the undersigned agree to pay all reasonable attorney fees and costs of collection

Each maker, surety, guarantor or endorser of this note waives presentation of payment, notice of non-payment, protest and notice of protest and agrees to all extensions, renewals, or release, discharge or exchange of any other party or collateral without notice.

Executed this 8th day of February, 2007 at Miami Dade County, Florida

Donald L. Bernecker, Trustee
Donald Bernecker, as Trustee for the Robert G. Bernecker Irrevocable 2001 Trust

FOR VALUE RECEIVED, the undersigned do hereby guarantee payment of the above note and agree to remain fully bound until fully paid

Donald L. Bernecker, Trustee
Donald Bernecker, as Trustee for the Robert G. Bernecker Irrevocable 2001 Trust

Part II, Line 10a (990-PF) - Investments - U.S. and State Government Obligations

		Federal		State/Local		Federal		State/Local		Federal		State/Local	
		Num	Shares/ Face Value	Book Value Beg of Year	Book Value End of Year	FMV Beg of Year	FMV End of Year	Num	Shares/ Face Value	Book Value Beg of Year	Book Value End of Year	FMV Beg of Year	FMV End of Year
1	SEE ATTACHED			32,380	30,386	199,480	202,489			0	0	0	0



Morgan Stanley

CLIENT STATEMENT | For the Period December 1-31, 2012

Account Summary

Active Assets Account
556-227512-471

BERNECKER CHARITABLE
FOUNDATION, INC.

BALANCE SHEET

	Last Period (as of 11/30/12)	This Period (as of 12/31/12)
TOTAL VALUE (incl. accr int.)	\$701,823.57	\$705,726.83
ASSETS	\$701,823.57	\$705,726.83
Cash, Deposits, Money Market Funds	501,019.77	505,237.50
Corporate Fixed Income	25,884.72	25,392.76
Government Securities	20,352.00	20,152.00
Unit Investment Trusts	3,289.31	3,236.08
	151,277.77	151,708.49

LIABILITIES (Outstanding Balance)

There are no liabilities for this account
^ Includes Estimated Accrued Interest

CASH FLOW

	This Period (12/1/12-12/31/12)	This Year (1/1/12-12/31/12)
OPENING CASH, DEPOSITS, MMFs	\$501,019.77	—
INVESTMENT RELATED ACTIVITY	\$1,822.56	\$10,516.18
Purchases	(149,866.20)	(149,866.20)
Sales and Redemptions	149,870.88	149,870.88
Return of Principal	154.73	344.56
Income	1,663.15	10,166.94
CASH RELATED ACTIVITY	\$2,531.57	\$520,302.72
Checks Deposited	—	1,116.19
Electronic Transfers-Credits	2,531.57	17,720.99
Other Credits	—	501,615.54
Other Debits	—	(150.00)
DEBIT CARD/CHECK ACTIVITY	\$(136.40)	\$(25,581.40)
Debit Card	—	—
ATM/Cash Advances	—	—
Checks Written	(136.40)	(24,026.40)
Automated Payments	—	(1,555.00)
CLOSING CASH, DEPOSITS, MMFs	\$505,237.50	\$505,237.50

Part VIII, Line 1 (990-PF) - Compensation of Officers, Directors, Trustees and Foundation Managers

	Name	Check "X" if Business	Street	City	State	Zip Code	Foreign Country	Title	Avg Hrs Per Week	Compensation	Benefits	Expense Account
1	ROBERT BERNECKER		PO BOX 913	WAXAHACHIE	TX	75168		PRES/DIR	10.00	0	0	0
2	WESLEY J BERNECKER		5045 APRIL LANE	WAXAHACHIE	TX	75165		DIRECTOR	2.00	0	0	0
3	BENJAMIN KISSEE		5045 APRIL LANE	WAXAHACHIE	TX	75165		DIRECTOR	2.00	0	0	0
4												

Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

► **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☒ **X**
 - If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form)
- Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Electronic filing (e-file). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed)

A corporation required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns

Enter filer's identifying number, see instructions

Type or print File by the due date for filing your return. See instructions	Name of exempt organization or other filer, see instructions BERNECKER CHARITABLE FOUNDATION INC	Employer identification number (EIN) or 65-0416459
	Number, street, and room or suite no. If a P.O. box, see instructions PO BOX 913	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions WAXAHACHIE TX 75168	

Enter the Return code for the return that this application is for (file a separate application for each return)

04

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ► **ROBERT BERNECKER**

Telephone No. ► **(305) 273-7770**

FAX No. ►

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the whole group, check this box ☐ If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for

- 1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **8/15/2013**, to file the exempt organization return for the organization named above. The extension is for the organization's return for
- ☒ calendar year **2012** or

► ☐ tax year beginning _____, and ending _____

- 2 If the tax year entered in line 1 is for less than 12 months, check reason ☐ Initial return ☐ Final return ☐ Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EQ and Form 8879-EQ for payment instructions.

For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form **8868** (Rev. 1-2013)