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Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

2009

For calendar year 2009, or tax year beginning 01-01-2009 , and ending 12-31-2009

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

Use the IRS label. Otherwise, print or type. See Specific Instructions.

Name of foundation
AVOCET FOUNDATION

Number and street (or P O box number if mail is not delivered to street address) | Room/suite
1660 S HWY 100 PARKDALE PLAZA No 426

City or town, state, and ZIP code
ST LOUIS PARK, MN 55416

A Employer identification number
41-1859473

B Telephone number (see page 10 of the instructions)
(952) 512-1165

C If exemption application is pending, check here ☐
D 1. Foreign organizations, check here ☐
2. Foreign organizations meeting the 85% test, check here and attach computation ☐
E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

H Check type of organization ☑ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 2,857,110

J Accounting method ☑ Cash ☐ Accrual
☐ Other (specify)
(Part I, column (d) must be on cash basis.)

Part I Analysis of Revenue and Expenses

(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))

			(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc , received (attach schedule)	206,002			
	2	Check ▶ ☐ if the foundation is **not** required to attach Sch B				
	3	Interest on savings and temporary cash investments	9,733	9,733		
	4	Dividends and interest from securities	26,963	26,963		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	-92,235			
	b	Gross sales price for all assets on line 6a 321,718				
	7	Capital gain net income (from Part IV, line 2)		0		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule)	-156,555	-1,843		
	12	**Total.** Add lines 1 through 11	-6,092	34,853		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	0	0		0
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule)	15,499	29,500		0
	c	Other professional fees (attach schedule)				
	17	Interest				
	18	Taxes (attach schedule) (see page 14 of the instructions)	25	1,475		25
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule)	30	0		0
	24	**Total operating and administrative expenses.** Add lines 13 through 23	15,554	30,975		25
	25	Contributions, gifts, grants paid	141,000			141,000
	26	**Total expenses and disbursements.** Add lines 24 and 25	156,554	30,975		141,025
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	-162,646			
	b	**Net investment income** (if negative, enter -0-)		3,878		
	c	**Adjusted net income** (if negative, enter -0-)				

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 (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	945,312	937,359	937,359
	3 Accounts receivable ▶ Less allowance for doubtful accounts ▶			
	4 Pledges receivable ▶ Less allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7 Other notes and loans receivable (attach schedule) ▶ Less allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments—U S and state government obligations (attach schedule)			
	b Investments—corporate stock (attach schedule)			
	c Investments—corporate bonds (attach schedule)			
	11 Investments—land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶			
	12 Investments—mortgage loans			
	13 Investments—other (attach schedule)	2,060,466	1,905,773	1,919,751
	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)	3,005,778	2,843,132	2,857,110
Liabilities	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	
Net Assets or Fund Balances	**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	1,841,124	1,841,124	
	28 Paid-in or capital surplus, or land, bldg , and equipment fund	0	0	
	29 Retained earnings, accumulated income, endowment, or other funds	1,164,654	1,002,008	
	30 **Total net assets or fund balances** (see page 17 of the instructions)	3,005,778	2,843,132	
	31 **Total liabilities and net assets/fund balances** (see page 17 of the instructions)	3,005,778	2,843,132	

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	3,005,778
2	Enter amount from Part I, line 27a	2	-162,646
3	Other increases not included in line 2 (itemize) ▶	3	0
4	Add lines 1, 2, and 3	4	2,843,132
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	2,843,132

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	See Additional Data Table			
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	See Additional Data Table			
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	See Additional Data Table			
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	-92,235
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8		3	

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☑ No
If "Yes," the foundation does not qualify under section 4940(e) Do not complete this part

1 Enter the appropriate amount in each column for each year, see page 18 of 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))
2008	138,867	2,874,168	0 048316
2007	150,737	3,123,586	0 048258
2006	105,086	2,654,591	0 039587
2005	79,525	2,201,649	0 036121
2004	64,490	1,667,794	0 038668

2	**Total** of line 1, column (d).	2	0 210950
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 042190
4	Enter the net value of noncharitable-use assets for 2009 from Part X, line 5.	4	2,533,997
5	Multiply line 4 by line 3.	5	106,909
6	Enter 1% of net investment income (1% of Part I, line 27b).	6	39
7	Add lines 5 and 6.	7	106,948
8	Enter qualifying distributions from Part XII, line 4.	8	141,025

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions on page 18

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1 Date of ruling or determination letter ________ (attach copy of letter if necessary–see instructions)				
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☑ and enter 1% of Part I, line 27b			1	39
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	39
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	39
6	Credits/Payments				
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a	2,928		
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	2,928
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached			8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	2,889
11	Enter the amount of line 10 to be **Credited to 2010 estimated tax** ▶ 2,889	**Refunded** ▶		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?	1a		No
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		No
	*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?	1c		No
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year **(1)** On the foundation ▶ $ 0 **(2)** On foundation managers ▶ $ 0			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ 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.*	2		No
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*	3	Yes	
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		No
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		No
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?	6	Yes	
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*	7	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ MN			
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*	8b	Yes	
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 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? *If "Yes," complete Part XIV*	9		No
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		No

Part VII-A Statements Regarding Activities (continued)

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		No
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	Yes	

Website address ▶N/A

14 The books are in care of ▶joanne kletscher Telephone no ▶(952) 512-1165

Located at ▶1660 S HWY 100 STE 426 st louis park MN ZIP+4 ▶55416

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 |

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

	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			Yes	No
1a	During the year did the foundation (either directly or indirectly)				
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☑ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☑ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☑ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☑ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☑ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	☐ Yes ☑ No			
b	If any answer is "Yes" to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)?		1b		
	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 2009?		1c		No
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 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009?	☐ Yes ☑ No			
	If "Yes," list the years ▶ 20____ , 20____ , 20____ , 20____				
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see page 20 of the instructions)		2b		
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20____ , 20____ , 20____ , 20____				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☑ No			
b	If "Yes," did it have excess business holdings in 2009 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 2009.)*		3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		No
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 2009?		4b		No

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

5a	During the year did the foundation pay or incur any amount to			
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☑ No			
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☑ No			
	(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☑ No			
	(4) Provide a grant to an organization other than a charitable, etc , organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions) ☐ Yes ☑ No			
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☑ No			
b	If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)?	5b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No			
	If "Yes," attach the statement required by Regulations section 53.4945–5(d).			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☑ No			
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	6b		No
	If "Yes" to 6b, file Form 8870.			
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☑ No			
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?	7b		

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

1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
joanne kletscher 1660 S HWY 100ste 426 st louis park, MN 55416	CEO, SECRETARY, CFO 0 00	0	0	0

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

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

Total number of other employees paid over $50,000 ▶ 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 (see page 23 of the instructions). If none, enter "NONE".

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

Total number of others receiving over $50,000 for professional services . . . . ▶ 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	
2	
3	
4	

Part IX-B **Summary of Program-Related Investments** (see page 23 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments See page 24 of the instructions	
3	
Total. Add lines 1 through 3. . . . . ▶	0

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
a	Average monthly fair market value of securities	1a	1,639,477
b	Average of monthly cash balances	1b	933,109
c	Fair market value of all other assets (see page 24 of the instructions)	1c	0
d	**Total** (add lines 1a, b, and c)	1d	2,572,586
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	2,572,586
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions)	4	38,589
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	2,533,997
6	**Minimum investment return.** Enter 5% of line 5	6	126,700

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

1	Minimum investment return from Part X, line 6	1	126,700
2a	Tax on investment income for 2009 from Part VI, line 5 2a 39		
b	Income tax for 2009 (This does not include the tax from Part VI) 2b		
c	Add lines 2a and 2b	2c	39
3	Distributable amount before adjustments Subtract line 2c from line 1	3	126,661
4	Recoveries of amounts treated as qualifying distributions	4	0
5	Add lines 3 and 4	5	126,661
6	Deduction from distributable amount (see page 25 of the instructions)	6	0
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	126,661

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

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes		
a	Expenses, contributions, gifts, etc —total from Part I, column (d), line 26	1a	141,025
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	141,025
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	39
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	140,986

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

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

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				126,661
2 Undistributed income, if any, as of the end of 2008				
a Enter amount for 2008 only.			133,323	
b Total for prior years 20___ , 20___ , 20___		0		
3 Excess distributions carryover, if any, to 2009				
a From 2004.				
b From 2005.				
c From 2006.				
d From 2007.				
e From 2008.				
f **Total** of lines 3a through e.	0			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ $ 141,025				
a Applied to 2008, but not more than line 2a			133,323	
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)		0		
c Treated as distributions out of corpus (Election required—see page 26 of the instructions). . .	0			
d Applied to 2009 distributable amount.				7,702
e Remaining amount distributed out of corpus	0			
5 Excess distributions carryover applied to 2009 *(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 page 27 of the instructions . . .		0		
e Undistributed income for 2008 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions			0	
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				118,959
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)	0			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions)	0			
9 **Excess distributions carryover to 2010.** Subtract lines 7 and 8 from line 6a	0			
10 Analysis of line 9				
a Excess from 2005. . . .				
b Excess from 2006. . . .				
c Excess from 2007. . . .				
d Excess from 2008. . . .				
e Excess from 2009. . . .				

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, enter the date of the ruling. . . . . . . ▶

b Check box to indicate whether the organization is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2009	**(b)** 2008	**(c)** 2007	**(d)** 2006	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test—enter **(1)** Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test— enter 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 organization had $5,000 or more in assets at any time during the year—see page 27 of the instructions.)

1 Information Regarding Foundation Managers:

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

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% greater interest

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

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

a The name, address, and telephone number of the person to whom applications should be addressed

joanne kletscher
1660 s hwy 100 parkdale plaza suite
426
st louis park, MN 55416
(952) 512-1165

b The form in which applications should be submitted and information and materials they should include

PAST AND PRESENT INFORMATION ABOUT THE APPLICANT, BUDGET, PROJECTIONS, USE OF FUNDS, OTHER FUND RAISING EFFORTS, TAX EXEMPTION LETTER, ETC

c Any submission deadlines

NONE

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors

NONE

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	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
a *Paid during the year*				
See Additional Data Table				
Total . . . . ▶ **3a**				141,000
b *Approved for future payment*				
Total . . . . ▶ **3b**				0

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	9,733	
4 Dividends and interest from securities			14	26,963	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income			14	0	
8 Gain or (loss) from sales of assets other than inventory			14	-92,235	
9 Net income or (loss) from special events			14	-156,555	
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)		0		-212,094	0

13 **Total.** Add line 12, columns (b), (d), and (e) . . . 13 -212,094

(See worksheet in line 13 instructions on page 28 to verify calculations)

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

Line No.	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes) (See page 28 of the instructions)

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

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of			
	(1) Cash	1a(1)		No
	(2) Other assets	1a(2)		No
b	Other transactions			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		No
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		No
	(3) Rental of facilities, equipment, or other assets	1b(3)		No
	(4) Reimbursement arrangements	1b(4)		No
	(5) Loans or loan guarantees	1b(5)		No
	(6) Performance of services or membership or fundraising solicitations	1b(6)		No
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		No

d If the answer to any of the above is "Yes," complete the following schedule Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received

(a) Line No	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☑ No

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge

******	2010-07-30	******
Signature of officer or trustee	Date	Title

Paid Preparer's Use Only

	Date	Check if self-employed ☐	Preparer's identifying number (see **Signature** on page 30 of the instructions)
Preparer's Signature			
Firm's name (or yours if self-employed), address, and ZIP code	Burr Oak Group Inc 1660 S Hwy 100 Parkdale 426 St Louis Park, MN 55416	EIN Phone no	

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

Schedule of Contributors

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

OMB No 1545-0047

2009

Name of organization
AVOCET FOUNDATION

Employer identification number
41-1859473

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 foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule See instructions

General Rule—

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

Special Rules

☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1 Complete Parts I and II

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or 990-EZ, that received from any one contributor, during the year, aggregate contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals Complete Parts I, II, and III

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or 990-EZ, that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc , purposes, but these contributions did not aggregate to more than $1,000 If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc , purpose Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc , contributions of $5,000 or more during the year . . . . ▶ $ ____________

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

Name of organization
AVOCET FOUNDATION

Employer identification number
41-1859473

Part I **Contributors** (see Instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	CHARITABLE LEAD ANNUITY TRUST NO 1 1660 s hwy 100 parkdale plaza suite st louis park, MN 55416	$ 186,189	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
2	CHARLES H BELL 2001 CHARITABLE LEAD 1660 s hwy 100 parkdale plaza suite st louis park, MN 55416	$ 19,813	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)

Name of organization
AVOCET FOUNDATION

Employer identification number
41-1859473

Part II **Noncash Property** (see Instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

Name of organization
AVOCET FOUNDATION

Employer identification number
41-1859473

Part III ***Exclusively*** **religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations aggregating more than $1,000 for the year.** (Complete columns **(a)** through **(e) and** the following line entry)
For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc , contributions of **$1,000 or less** for the year (Enter this information once See instructions) ▶ $

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP 4	Relationship of transferor to transferee

Additional Data

Software ID: 09000028
Software Version: 2009.03000
EIN: 41-1859473
Name: AVOCET FOUNDATION

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

(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)
class action harmonic	P		
315 evergreen international fund	P	2008-07-16	2009-09-21
15 3534 newgate emerging markets fund	P		2009-04-30
emerging markets investment fund	P		
emerging markets investment fund	P		
evergreen international fund	P		
evergreen international fund	P		
large cap core i	P		
large cap core i	P		
evergreen smallcap fund	P		
evergreen smallcap fund	P		
evergreen smallcap fund	P		
evergreen smallcap fund ii	P		
evergreen smallcap fund ii	P		
evergreen smallcap fund ii	P		
invesco real estate fund	P		
wayzata opportunity fund ii	P		
wayzata opportunity fund ii	P		
wayzata opportunity fund	P		
wayzata opportunity fund	P		
wayzata opportunity fund	P		
flag iv venture partners	P		
flag iii venture partners	P		
flag iii venture partners	P		

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(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)
			15
290,655		283,993	6,662
31,063		25,002	6,061
			-6,665
			-8,325
			33,768
			-17,674
			-82,467
			-15,352
			-8,540
			-764
			15
			-5,079
			416
			3
			153
			3,745
			21
			1,591
			-126
			4
			-93
			1
			395

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

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	
			15
			6,662
			6,061
			-6,665
			-8,325
			33,768
			-17,674
			-82,467
			-15,352
			-8,540
			-764
			15
			-5,079
			416
			3
			153
			3,745
			21
			1,591
			-126
			4
			-93
			1
			395

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	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
a *Paid during the year*				
1000 friends of minnesota26 east exchange street suite 317 st paul, MN 55101			environment	20,000
admission possible450 north syndicate STreet suite 200 st paul, MN 55104			education	10,000
apple tree dental8960 springbrook drive nw suite 150 minneapolis, MN 55433			health and human services	5,000
belwin conservancy1553 stagecoach trail south afton, MN 55001			environment	5,000
minnesota international center711 east river road minneapolis, MN 55455			education	5,000
camp st croix532 county road f hudson, WI 54016			health and human services	5,000
valley outreach1911 curve crest blvd west stillwater, MN 55082			health and human services	2,000
youth frontiers inc6009 excelsior boulevard minneapolis, MN 55416			health and human services	70,000
conservation minnesota1101 west river parkway suite 250 minneapolis, MN 55415			environment	2,000
international bonhoeffer society - grace lutheran church7800 west county road 42 apple valley, MN 55124			religious	5,000
students today leaders forever619 south 10th street suite l10 minneapolis, MN 55404			health and human services	12,000
Total . . . . ▶ **3a**				141,000

TY 2009 Accounting Fees Schedule

Name: AVOCET FOUNDATION

EIN: 41-1859473

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
INVESTMENT EXPENSE	14,510	14,510		0
Evergreen smallcap fund ii	0	612		0
wayzata opportunity fund 1a	0	93		0
flag venture partners iii	0	665		0
FLAG VENTURE PARTNERS IV, L P	0	148		0
evergreen smallcap fund	0	451		0
large cap core i	0	5,926		0
morgan stanley	0	0		0
invesco real estate fund i, l p	0	811		0
newgate	989	989		0
wayzata opportunity fund ii	0	1,387		0
wayzata opportunity fund	0	929		0
newgate investment fund	0	16		0
evergreen international fund	0	983		0
westly capital fund	0	1,980		0

TY 2009 Investments - Other Schedule

Name: AVOCET FOUNDATION

EIN: 41-1859473

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
wayzata opportunity fund llc ia	AT COST	7,808	7,610
flag ventures partners iii, l.p.	AT COST	27,280	14,194
evergreen smallcap fund ii	AT COST	165,609	145,118
euro-pacific growth fund	AT COST	301,478	282,860
FLAG VENTURE PARTNERS IV, L.P.	AT COST	5,169	3,933
large cap core i	AT COST	683,539	746,664
evergreen smallcap fund	AT COST	128,065	123,042
invesco real estate fund	AT COST	72,644	64,015
wayzata opportunity fund	AT COST	50,272	61,338
wayzata opportunity fund ii	AT COST	62,100	63,892
westly capital partners	AT COST	41,800	42,458
vanguard ftse all-world ex-us	AT COST	275,009	279,627
evergreen highbridge fund partnership	AT COST	85,000	85,000

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TY 2009 Other Expenses Schedule

Name: AVOCET FOUNDATION

EIN: 41-1859473

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
BANK CHARGES	30	0		0

TY 2009 Other Income Schedule

Name: AVOCET FOUNDATION

EIN: 41-1859473

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
FLAG VENTURE PARTNERS Iv, L P	-2	-2	-2
wayzata opportunity fund	-116	-116	-116
wayzata opportunity fund II	-2,377	-2,377	-2,377
emerging markets newgate	101	101	101
newgate	33	33	33
wayzata opportunity fund ia	-442	-442	-442
westly capital partners fund	952	952	952
flag venture partners iii	8	8	8

TY 2009 Taxes Schedule

Name: AVOCET FOUNDATION

EIN: 41-1859473

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
STATE OF MINNESOTA filing fee	25	0		25
POCKET PARTNERSHIP	0	1,063		0
wayzata opportunity fund ii	0	6		0
emerging markets investment newgate	0	25		0
evergreen international fund	0	381		0

WRITTEN ACTION
of the
BOARD OF DIRECTORS
of
AVOCET FOUNDATION

The undersigned, being all of the directors of Avocet Foundation, a Minnesota nonprofit corporation, hereby adopt and approve the following resolutions:

RESOLVED, that the Amended and Restated Bylaws attached as Exhibit A are hereby adopted as the Amended and Restated Bylaws of this corporation, and the secretary shall file them with the records of this corporation.

Dated: Nov. 17, 2009

Lucy Heegaard

Jeff Heegaard

EXHIBIT A

Amended and Restated Bylaws

AMENDED AND RESTATED BYLAWS
OF
AVOCET FOUNDATION

ARTICLE 1.
MEMBERS AND MEETINGS OF MEMBERS

Section 1.01. Membership Definition and Criteria.

(a) The initial sole members with voting rights of this foundation shall be Lucy Heegaard and Jeff Heegaard. If, at any time, neither of the named individuals is able to serve due to death, disability, or resignation, the members shall be the natural or legally-adopted children of Lucy and Jeff Heegaard when all such children have attained age thirty (30).

(b) Until all such children listed in (a) above have attained the age of thirty (30), the membership interest of such children shall be considered dormant. When the youngest of all such living children have attained age thirty (30), all of the living children shall become members of the foundation and the memberships shall not be dormant. During periods of dormancy, the foundation shall have two members, with such members to be the first two individuals following sequentially in the order listed: David Hartwell, Lucy Bell Hartwell, Charles Hartwell.

Section 1.02. Voting Rights and Preferences

(a) While either or both of Lucy or Jeff Heegaard are the sole members of the foundation, the members shall have equal voting rights and preferences.

(b) After children of Lucy and Jeff Heegaard, as defined in Section 1.01(a) above, have become the members of the foundation, there shall be one membership vote for each child.

(c) If at any time there are no members of this foundation and there are no dormant memberships in existence, the assets of this foundation shall be distributed to the donees who have received distributions during the three years (or such shorter period of time that the foundation has been in existence) ending on the date of the lapse of membership in the ratio of the distributions to each donee over total distributions during this period (or such shorter period of time as noted above).

Section 1.03. Quorum. A quorum for purposes of holding member meetings shall consist of such persons as are able to cast votes on behalf of two (2) branches as provided above.

Section 1.04. Other Member Provisions. Other provisions relating to the voting members of this foundation shall be as provided in the Minnesota Nonprofit Corporation Act.

Section 1.05. Instructions to Split Foundation. When the youngest living child as defined in Section 1.01 has attained age thirty-five (35), the foundation shall be split into separate charitable foundations, either trusts or corporations, to be controlled respectively by each of such living children. Each separate charitable foundation shall be distributed an equal share of the assets and liabilities of this foundation. Each such foundation shall (i) permit the distribution of assets in compliance with Section 4942 of the Code and other laws and regulations applicable to organizations exempt from federal income taxes as organizations described in Section 501 (c)(3) of the Internal Revenue Code of 1986, as amended, which are private foundations under Section 509(a) of such Code. The members and the Board of Directors shall take all reasonable actions to implement such split offs. If at any time, the original members are not able to reach consensus with respect to the management or operation of the foundation, they shall take action as members and directors to split the foundation into separate charitable foundation. Each such foundation shall be distributed a share of the assets and liabilities of the foundation proportionate to the fair value of the assets contributed to the organization by Lucy Heegaard and her lineal ancestors and Jeff Heegaard and his lineal ancestors, respectively, without any adjustment for the time value of money. Each such trust shall (i) permit the distribution of assets in compliance with Section 4942 of the Code and other laws and regulations applicable to organizations exempt from federal income taxes as organizations described in Section 501 (c)(3) of the Internal Revenue Code of 1986, as amended, which are private foundations under Section 509(a) of such Code. The members and Board of Directors shall take all reasonable actions to implement such a separation.

ARTICLE II.
BOARD OF DIRECTORS

Section 2.01 **General Powers**. The property, affairs, and business of this foundation shall be managed by the Board of Directors.

Section 2.02 **Number, Qualifications, and Term of Office**.

(a) While Lucy and Jeff Heegaard or either of them are members of this foundation, the number of directors shall equal the number of members. When neither Lucy or Jeff Heegaard are members of this foundation, the number of directors shall be equal to the number of non-dormant membership branches as described in Section 1.01(b) of these Bylaws or such greater number as may be required by law.

(b) Each director shall hold office until the next annual meeting of the directors following his or her election and until his or her successor shall have been elected and shall qualify, or until his or her death, disability, resignation, or removal as hereinafter provided.

(c) Notwithstanding the foregoing, at any time at which the membership consists of children of Lucy and Jeff Heegaard as listed in Section 1.01(a) and Section

1.01(b) of these Bylaws, such that each child has a membership interest, each child shall be entitled to elect one (1) Board member and the number of Board members shall equal the number of children with membership rights.

(d) If at any time there are no directors serving under the provision of these Bylaws, and there are dormant membership interests in place, two of the following persons, David Hartwell, Lucy Hartwell, Charles Hartwell, sequentially in the order listed, shall automatically become the directors of this foundation until such time as a child of Lucy and Jeff Heegaard becomes a member of the foundation, at which time the listed persons shall automatically cease being directors of this foundation and such child or children shall exercise their membership rights to elect directors of the foundation in accordance with these Bylaws.

Section 2.03 Organization. At each meeting of the Board of Directors, the directors shall rotate annually the responsibility to preside at meetings. The Secretary of this foundation or, in his or her absence, any person whom the presiding director shall appoint, shall act as secretary of the meeting.

Section 2.04 Resignation. Any director of this foundation may resign at any time by giving written notice to the Board of Directors or to the Secretary of this foundation. The resignation of any director shall take effect at the time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 2.05 Vacancies. Any vacancy in the Board of Directors caused by death, resignation, disqualifications, removal, an increase in the number of directors, expiration of term, or any other cause, may be filled by a vote of the applicable member(s) of the foundation, if any, or as otherwise provided in this Article and each such director shall hold office until the next annual election and until his or her successor shall be duly elected and qualified, unless sooner displaced.

Section 2.06 Place of Meetings. The Board of Directors may hold its meetings at such place or places, within or without the State of Minnesota, as it may from time to time determine.

Section 2.07 Annual Meeting. The annual meeting of the Board of Directors shall be held as may be required under the Minnesota Nonprofit Corporation Act. Notice of such meeting shall be given as hereinafter provided for special meetings of the Board of Directors, or in a consent and waiver of notice thereof signed by all of the directors.

Section 2.08 Special Meetings; Notice. Special meetings of the Board of Directors shall be held whenever called by any one of the directors. Notice of each such special meeting shall be mailed to each director, addressed to him or her at his or her residence or usual place of business, at least two (2) days before the day on which the meeting is to be held, or be delivered personally or by telephone not later than one (1) day before the day on which the meeting is to be held. Each such notice shall state the time and place of the meeting, but need not state the purposes thereof except as otherwise herein expressly provided. Notice of any meeting of the Board need not be given to any director who shall be present as such meeting; and any meeting of the Board shall be a legal meeting without any notice thereof having been given if all of the directors of this foundation then in office shall be present thereat or waive such notice in writing before, at, or after such meeting.

Section 2.09 **Quorum and Manner of Acting**. Except as otherwise provided by statute or by these Bylaws, a majority of directors shall be required to constitute a quorum for the transaction of business at any meeting, and the act of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors, except as provide otherwise in these Bylaws. In the absence of a quorum, a majority of the directors present may adjourn any meeting from time to time until a quorum be had. Notice of any adjourned meeting need not be given.

Section 2.10. **Removal of Directors**. Any director may be removed, either with or without cause, at any time, by unanimous action of the director(s) who elected such director, and the vacancy in the Board of Directors caused by any such removal shall be filled in the manner specified in Section 2.05 hereof.

Section 2.11. **Proxies.** Proxies shall not be allowed or used.

ARTICLE III.
OFFICERS

Section 3.01. **Number.** The officers of this foundation shall be a chief executive officer and a chief financial officer, and such other officers as may be elected by the Board of Directors. All of the directors of this foundation shall be deemed elected annually as chief executive officer and chief financial officer, and have co-extensive power and authority in that capacity.

Section 3.02. **Election, Term of Office, and Qualifications**. All officers shall be elected annually by the Board of Directors, and, except in the case of officers appointed in accordance with the provisions of Section 3.08, each shall hold office until the next annual election of officers and until his or her successor shall have been duly elected and qualified, or until his or her death, or until he or she resign, or until he or she shall have been removed in the manner hereinafter provided.

Section 3.03. **Resignations.** Any officer may resign at any time by giving written notice of his or her resignation to the Board of Directors, or to the Secretary of this foundation, if one is elected. Any such resignation shall take effect at the time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 3.04. **Removal.** Except with respect to the chief executive officer and chief financial officer when persons are jointly holding those positions as provided in Section

3.01, any officer may be removed, either with or without cause, by a unanimous vote of the Board of Directors, at a meeting called for the purpose, and such purpose shall be stated in the notice or waiver of notice of such meeting unless all the directors of this foundation shall be present thereat.

Section 3.05. Vacancies. A vacancy in any office because of death, resignation, removal, or any other cause shall be filled for the unexpired portion of the term in the manner prescribed in these Bylaws for election to such office.

Section 3.06. Chief Executive Officer. The chief executive officer of this foundation and those jointly exercising the duties of that office shall have general active management duties of the business of this foundation. Directors shall alternate responsibility for presiding at all meetings of the directors, unless the directors can unanimously agree on another mechanism for sharing such duties. All persons sharing the chief executive officer duties must execute and deliver in the name of the foundation any deeds, mortgages, bonds, contracts, or other instruments pertaining to the business of this foundation, including, without limitation, any instruments necessary or appropriate to enable this foundation to donate income or principal of the foundation to or for the account of such organizations, causes, and projects described in the Articles of Incorporation of this foundation and as this foundation was organized to support, unless the Board unanimously agrees by resolution or written action, on a not less than annual basis, that fewer than all directors shall be required to bind the foundation or to perform certain (or all) categories of duties normally performed by the chief executive officer or chief financial over. No director jointly exercising chief executive officer authority and using that title with third parties shall represent to such third parties that he/she has more authority than is set forth in this section 3.06 of the Bylaws or than may be set forth in resolutions of the Board unanimously adopted.

Section 3.07. Chief Financial Officer. The chief financial officer of this foundation and those jointly exercising the duties of that office shall be responsible to keep accurate accounts of all moneys of this foundation received or disbursed; shall deposit all moneys, drafts and checks in the name of, and to the credit of, this foundation in such banks and depositaries as approved by the Board of Directors and otherwise perform the duties assigned to the chief financial officer under the Minnesota Nonprofit Corporation Act. Any director shall have power to endorse for deposit all notes, checks, and drafts received by this foundation. Funds shall be disbursed as ordered by the Board of Directors, making proper vouchers therefore. Those exercising the responsibilities of chief financial officer shall cause appropriate accounting records and reports to be prepared for the Board and shall perform such other duties as may from time to time be prescribed by the Board of Directors; and, in general, shall perform all duties usually incident to the office of the chief financial officer. By unanimous action of the Board, by resolution or written action, on a not less than annual basis, the Board may assign certain duties and responsibilities of the chief financial officer to one (1) or more directors. No director jointly exercising chief financial officer authority and using that tile with third parties shall represent to such third parties that he/she has more authority than is set forth in this

Section 3.07 of the Bylaws or than may be set forth in resolutions of the Board unanimously adopted.

Section 3.08. <u>Other Officers.</u> This foundation may have such other officers and agents as may be deemed necessary by the Board of Directors, who shall be appointed in such manner, have such duties, and hold their offices for such terms as may be determined by unanimous resolution of the Board of Directors.

Section 3.09. <u>Compensation.</u> The officers, agents, and employees of this foundation may be paid such reasonable compensation for their services rendered to this foundation in such capacities and be reimbursed for such reasonable expenses necessarily incurred by them in rendering such services as the Board of Directors may from time to time determine to be directly in furtherance of the purposes of, and in the best interest of, this foundation.

Section 3.10. <u>Bond.</u> The Board of Directors of this foundation shall from time to time determine which, if any, officers, agents, or employees of this foundation shall be bonded and the amount of each bond.

ARTICLE IV.
COMMITTEES

Section 4.01. Committees. The Board of Directors may act by and through such committees as may be specified in resolutions adopted unanimously. Each such committee shall have such membership, duties, and responsibilities as are established for it from time to time by the Board of Directors.

Section 4.02. Miscellaneous. Each committee of this foundation may establish the time for its regular meetings and may change that time as it from time to time deems advisable. Special meetings of any committee of this foundation may be called by the chair of that committee. Two days' notice by mail, telephone, telegraph, or fax shall be given of any special meeting of a committee. At all meetings of a committee of this foundation, each member thereof shall be entitled to cast one vote on ay questions coming before such meeting. The presence of a majority of the membership of any committee of this foundation shall constitute a quorum at any meeting thereof, but the members of a committee present at any of such committee, although less than a quorum, may adjourn the meeting from time to time. A majority vote of the members of a committee of this foundation present at any meeting thereof, if there be a quorum, shall be sufficient for the transaction of the business of such committee.

ARTICLE V.
BOOKS OF RECORD, AUDIT AND FISCAL YEAR

Section 5.01. Books and Records. The Board of Directors of this foundation shall cause to be kept:

(a) Records of all proceedings of members, directors, and committees; and
(b) Such other records and books of account as shall be necessary and appropriate to the conduct of the foundation business.

Section 5.02. Documents Kept at Registered Office. The Board of Directors shall cause to be kept at the registered office of this foundation originals or copies of:

(a) Records of all proceedings of members, directors, and committees;
(b) All financial statements of this foundation; and
(c) Articles of Incorporation and Bylaws of this foundation and all amendments thereto and restatements thereof.

Section 5.03. Audit. The Board of Directors may cause the records and books of account of this foundation to be audited at least once in each fiscal year and at such other times as it may deem necessary or appropriate, and my retain such person or firm for such purposes as it may deem appropriate.

Section 5.04. Fiscal Year. The fiscal year of the foundation shall be determined by the Board of Directors.

ARTICLE VI.
WAIVER OF NOTICE

Whenever any notice whatsoever is required to be given by these Bylaws or any of the corporate laws of the State of Minnesota, such notice may be waived in writing, signed by the person or persons entitled to such notice, whether before, at, or after the time stated therein or before, at, or after the meeting.

ARTICLE VII.
AUTHORIZATION WITHOUT MEETING

Any action that may be taken at a meeting of the Board of Directors may be taken without a meeting when authorized in writing signed by all of the directors.

ARTICLE VIII.
REMOTE COMMUNICATIONS; ELECTRONIC RECORDS AND SIGNATURES

Section 8.01. Meetings Conducted Solely Through Means of Remote Communication. The Board of Directors may specify that a member or director meeting will be conducted solely through one or more means of remote communication, provided that proper notice is given, and that the quorum requirements are met. Remote communication includes any communication that is accomplished by means of electronics, telephone, video, or internet conferencing, or such other means through which persons not physically present in the same location may communicate with each other on a substantially simultaneous basis. Participation in a meeting through a form of remote communication that is authorized by the Board of Directors constitutes personal presence at the meeting.

Section 8.02. Attendance and Participation in Meetings by Means of Remote Communication. The Board of Directors may authorize individual attendance and participation by directors at meetings through one or more means of remote communication. Participation in a meeting through a form of remote communication authorized y the Board of Directors constitutes personal presence at the meeting.

Section 8.03. Electronic Records and Signatures. This foundation recognizes that authenticated electronic communication which meets the requirements of this section may legally satisfy written record and signature requirements necessary for valid records, signatures, and contracts. Authenticated communications are those communications that set forth information from which the foundation can reasonably conclude that the communication was sent by the purported sender and are delivered to the principal place of business of the foundation, or to an officer or agent of the foundation who is authorized by the foundation to receive the communications. Electronic records are records that are created, generated, sent, communicated, received or stored by electrical, digital, magnetic, wireless, optical, electromagnetic or similar technologies. Valid electronic signatures are those that are expressed through an electronic sound, symbol or process, and that are logically associated with a record and executed or adopted by a person with intent to sign the record.

ARTICLE IX.
INDEMINIFICATION

The foundation shall indemnify such persons, for such expenses and liabilities, in such manner, under such circumstances, and to such extent as permitted by any applicable law.

ARTICLE X.
AMENDMENTS

The foundation's Articles of Incorporation, as from time to time amended or restated, and these Bylaws, as from time to time amended or restated, may be amended in the manner provided in the Minnesota Nonprofit Corporation Act, provided that, with respect to member approval, any amendment must receive the affirmative vote of all member interests, applying the voting principles set forth in Section 1.02 of the Bylaws.

These Amended and Restated Bylaws have been approved and adopted by the Board of Directors and Member of this foundation by written action dated NOV. 17 ________, ______, 2009.

____
Secretary