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Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

OMB No 1545-0047

2009

Open to Public Inspection

The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2009 calendar year, or tax year beginning JUL 1, 2009 and ending JUN 30, 2010

B Check if applicable: <input type="checkbox"/> Address change <input checked="" type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type See Specific Instructions	C Name of organization AVERA MARSHALL FOUNDATION Doing Business As Number and street (or P.O. box if mail is not delivered to street address) Room/suite 300 SOUTH BRUCE STREET City or town, state or country, and ZIP + 4 MARSHALL, MN 56258	D Employer identification number 41-1784801
	F Name and address of principal officer MARY MAERTENS SAME AS C ABOVE		E Telephone number 507-532-9661
	I Tax-exempt status <input checked="" type="checkbox"/> 501(c) (3) ◀ (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		G Gross receipts \$ 733,016.
	J Website: ▶ WWW.AVERAMARSHALL.ORG		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) H(c) Group exemption number ▶
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶			L Year of formation: 1955
M State of legal domicile: MN			

Part I Summary

	1	Briefly describe the organization's mission or most significant activities FUNDRAISING		
Activities & Governance	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	10
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	9
	5	Total number of employees (Part V, line 2a)	5	0
	6	Total number of volunteers (estimate if necessary)	6	0
	7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	0.
	7b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)		614,211.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)		73,831.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		22,707.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)		710,749.
	Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	
14		Benefits paid to or for members (Part IX, column (A), line 4)		
15		Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)		
16a		Professional fundraising fees (Part IX, column (A), line 11e)		
b		Total fundraising expenses (Part IX, column (D), line 25) ▶ 22,380.		
17		Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)		103,909.
	18	Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)		358,076.
	19	Revenue less expenses Subtract line 18 from line 12		352,673.
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21	Total liabilities (Part X, line 26)	574,397.	9,510,517.
	22	Net assets or fund balances Subtract line 21 from line 20	20,110.	574,397.

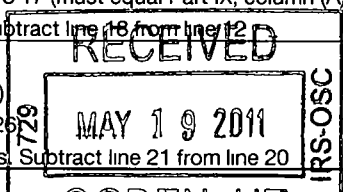
Part II Signature Block

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 officer) is based on all information of which preparer has any knowledge.

Sign Here ▶ Mary Maertens | 6/3/11
 Signature of officer Date
 ▶ **MARY MAERTENS, PRESIDENT & CEO**
 Type or print name and title

Paid Preparer's Use Only	Preparer's signature ▶ KIM HUNWARDSEN Firm's name (or yours if self-employed), address, and ZIP + 4 EIDE BAILLY, LLP 5601 GREEN VALLEY DRIVE SUITE 700 MINNEAPOLIS, MN 55437-1145	Date 05/09/11	Check if self-employed <input type="checkbox"/>	Preparer's identifying number (see instructions) EIN ▶ Phone no. ▶ 952-944-6166
	May the IRS discuss this return with the preparer shown above? (see instructions) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			

SCANNED JUN 16 2011



Handwritten initials 'S' and 'U' in the bottom right corner.

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission

AVERA IS A HEALTH MINISTRY ROOTED IN THE GOSPEL. OUR MISSION IS TO MAKE A POSITIVE IMPACT IN THE LIVES AND HEALTH OF PERSONS AND COMMUNITIES BY PROVIDING QUALITY SERVICES GUIDED BY CHRISTIAN VALUES.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

Yes No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?

Yes No

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

SEE SCHEDULE O FOR CONTINUATION(S)

4a (Code:) (Expenses \$ 273,261. including grants of \$ 254,167.) (Revenue \$ 0.)

IN THE FISCAL YEAR OF 2010, THE AVERA MARSHALL FOUNDATION HAD MANY MAJOR ACCOMPLISHMENTS. THE MOST NOTABLE WAS PROVIDING THE FUNDING FOR A REMODELING PROJECT IN OUR LONG TERM CARE FACILITY TOTALING \$160,000. THE REMODELING BROUGHT THE FACILITY INTO A NEW STRUCTURE OF "NEIGHBORHOOD LIVING" THAT HAS BEEN ENJOYED BY BOTH RESIDENTS AND EMPLOYEES. THE FOUNDATION ALSO HAD THE OPPORTUNITY TO PARTNER WITH OUR AUXILIARY AND PURCHASE NEW ENDOSCOPY EQUIPMENT FOR OUR SURGERY DEPARTMENT, FOR A TOTAL DONATION OF \$65,000. THIS PURCHASE REPLACED SOME EQUIPMENT THAT WAS BECOMING QUICKLY OUTDATED. THE OBSTETRICS DEPARTMENT RECEIVED AN UPGRADE ON THEIR HUGS SYSTEM (SECURITY SYSTEM FOR NEWBORNS) WHICH WAS A COST OF \$16,000 DONATED BY THE FOUNDATION. WE WERE ALSO RECOGNIZED BY THE COMMUNITY AND WERE THE LUCKY RECIPIENTS

4b (Code) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services. (Describe in Schedule O)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses \$ 273,261.

Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i>		X
5	Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? <i>If "Yes," complete Schedule C, Part III</i>		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	X	
11	Is the organization's answer to any of the following questions "Yes"? <i>If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable</i>	X	
	• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i>		
	• Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		
	• Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		
	• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		
	• Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i>		
	• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? <i>If "Yes," complete Schedule D, Part X.</i>		
12	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i>		X
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional</i>	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?		X
14b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Part I</i>		X
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Part II</i>		X
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Part III</i>		X
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	X	
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>		X

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	X	
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	X	
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>		X
28 Was the organization a party to a business transaction with one of the following parties, (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
c An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	X	
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19?	X	

Note. All Form 990 filers are required to complete Schedule O

Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U S Information Returns Enter -0- if not applicable		
	1a	0	
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable		
	1b	0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
	1c		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
	2a	0	
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)		
	2b		
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
	3a		
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O		
	3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
	4a		
b	If "Yes," enter the name of the foreign country: _____ See the instructions for exceptions and filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts		
	4b		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
	5a		
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
	5b		
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
	5c		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?		X
	6a		
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
	6b		
7 Organizations that may receive deductible contributions under section 170(c).			
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	X	
	7a		
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	X	
	7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
	7c		
d	If "Yes," indicate the number of Forms 8282 filed during the year		
	7d		
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
	7e		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
	7f		
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		
	7g		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		
	7h		
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.	Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
	8		
9 Sponsoring organizations maintaining donor advised funds.			
a	Did the organization make any taxable distributions under section 4966?		
	9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		
	9b		
10 Section 501(c)(7) organizations.	Enter.		
a	Initiation fees and capital contributions included on Part VIII, line 12		
	10a		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
	10b		
11 Section 501(c)(12) organizations.	Enter.		
a	Gross income from members or shareholders		
	11a		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		
	11b		
12a Section 4947(a)(1) non-exempt charitable trusts.	Is the organization filing Form 990 in lieu of Form 1041?		
	12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		
	12b		

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

	Yes	No
1a Enter the number of voting members of the governing body		
1b Enter the number of voting members that are independent		
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		X
4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	X	
5 Did the organization become aware during the year of a material diversion of the organization's assets?		X
6 Does the organization have members or stockholders?	X	
7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	X	
7b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	X	
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a The governing body?	X	
b Each committee with authority to act on behalf of the governing body?	X	
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
10a Does the organization have local chapters, branches, or affiliates?		X
b If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
11 Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	X	
11A Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a Does the organization have a written conflict of interest policy? If "No," go to line 13	X	
b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	X	
13 Does the organization have a written whistleblower policy?	X	
14 Does the organization have a written document retention and destruction policy?	X	
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official		X
b Other officers or key employees of the organization		X
If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions)		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed ► **MN**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
 Own website Another's website Upon request
- 19** Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization ►
SHARON WILLIAMS - 507-532-9661
300 SOUTH BRUCE STREET, MARSHALL, MN 56258

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons

Check this box if the organization did not compensate any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
DON LOUWAGIE CHAIR	0.20	X		X				0.	0.	0.
WILLIAM J. COLE DIRECTOR	0.20	X						0.	0.	0.
MICHAEL K. RICH DIRECTOR	0.20	X						0.	0.	0.
ROGER MADISON DIRECTOR	0.20	X						0.	0.	0.
DON MCLAUGHLIN DIRECTOR	0.20	X						0.	0.	0.
GARY BECKER DIRECTOR	0.20	X						0.	0.	0.
WILLARD ENGEL DIRECTOR	0.20	X						0.	0.	0.
JIM KNUDSON DIRECTOR	0.20	X						0.	0.	0.
SARA KRAFT DIRECTOR	0.20	X						0.	0.	0.
MARY B. MAERTENS PRESIDENT & CEO	1.20			X				0.	166,354.	25,567.
SHARON WILLIAMS SEC/TREAS & SRVP FINANCE	0.20			X				0.	116,479.	28,265.

Part VIII Statement of Revenue

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1 a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c 2,840.				
	d Related organizations	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f 611,371.				
	g Noncash contributions included in lines 1a-1f \$	19,094.				
	h Total. Add lines 1a-1f	▶	614,211.			
	Program Service Revenue	2 a _____	Business Code			
b _____						
c _____						
d _____						
e _____						
f All other program service revenue						
g Total. Add lines 2a-2f		▶				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)	▶	82,438.		82,438.	
	4 Income from investment of tax-exempt bond proceeds	▶				
	5 Royalties	▶				
	6 a Gross Rents	(i) Real				
		(ii) Personal				
		b Less: rental expenses				
		c Rental income or (loss)				
	d Net rental income or (loss)	▶				
	7 a Gross amount from sales of assets other than inventory	(i) Securities				
		(ii) Other				
		b Less: cost or other basis and sales expenses	8,607.			
		c Gain or (loss)	<8,607.>			
	d Net gain or (loss)	▶	<8,607.>		<8,607.>	
	8 a Gross income from fundraising events (not including \$ 2,840. of contributions reported on line 1c) See Part IV, line 18	a 36,367.				
		b Less: direct expenses	b 13,660.			
c Net income or (loss) from fundraising events		▶	22,707.		22,707.	
9 a Gross income from gaming activities See Part IV, line 19		a				
b Less: direct expenses	b					
c Net income or (loss) from gaming activities	▶					
10 a Gross sales of inventory, less returns and allowances	a					
	b Less: cost of goods sold	b				
	c Net income or (loss) from sales of inventory	▶				
Miscellaneous Revenue		Business Code				
11 a _____						
	b _____					
	c _____					
	d All other revenue					
	e Total. Add lines 11a-11d	▶				
12 Total revenue See instructions.	▶	710,749.	0.	0.	96,538.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	246,048.	246,048.		
2 Grants and other assistance to individuals in the U S See Part IV, line 22	8,119.	8,119.		
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages				
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes				
11 Fees for services (non-employees).				
a Management				
b Legal				
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	20,871.		20,871.	
g Other				
12 Advertising and promotion				
13 Office expenses	41,564.		41,564.	
14 information technology				
15 Royalties				
16 Occupancy				
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization				
23 Insurance				
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a GENERAL FUNDRAISING EXP	22,380.			22,380.
b IN KIND EXPENSE	19,094.	19,094.		
c _____				
d _____				
e _____				
f All other expenses _____				
25 Total functional expenses. Add lines 1 through 24f	358,076.	273,261.	62,435.	22,380.
26 Joint costs. Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing		1	
	2 Savings and temporary cash investments	574,397.	2	313,982.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net		4	2,389.
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges		9	
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a		
	b Less: accumulated depreciation	10b		10c
	11 Investments - publicly traded securities		11	8,323,120.
	12 Investments - other securities See Part IV, line 11		12	871,026.
	13 Investments - program-related See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets See Part IV, line 11		15	
16 Total assets. Add lines 1 through 15 (must equal line 34)		574,397.	16	9,510,517.
Liabilities	17 Accounts payable and accrued expenses		17	20,110.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities Complete Part X of Schedule D		25	
	26 Total liabilities. Add lines 17 through 25		0.	26
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	574,397.	27	9,842.
	28 Temporarily restricted net assets		28	9,303,090.
	29 Permanently restricted net assets		29	177,475.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	574,397.	33	9,490,407.
34 Total liabilities and net assets/fund balances	574,397.	34	9,510,517.	

Part XI Financial Statements and Reporting

1 Accounting method used to prepare the Form 990: Cash Accrual Other _____

If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O

2a Were the organization's financial statements compiled or reviewed by an independent accountant?

b Were the organization's financial statements audited by an independent accountant?

c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?

If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O

d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both:

Separate basis Consolidated basis Both consolidated and separate basis

3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?

b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

	Yes	No
2a		X
2b	X	
2c	X	
3a		X
3b		

Form 990 (2009)

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")	41,476.	31,282.	59,400.	49,248.	614,211.	795,617.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	41,476.	31,282.	59,400.	49,248.	614,211.	795,617.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						68,990.
6 Public support. Subtract line 5 from line 4						726,627.

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4	41,476.	31,282.	59,400.	49,248.	614,211.	795,617.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	454.				82,438.	82,892.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support. Add lines 7 through 10						878,509.
12 Gross receipts from related activities, etc (see instructions)					12	234,042.
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f))	14	82.71 %
15 Public support percentage from 2008 Schedule A, Part II, line 14	15	97.36 %
16a 33 1/3% support test - 2009. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization	<input checked="" type="checkbox"/>	
b 33 1/3% support test - 2008. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
17a 10% -facts-and-circumstances test - 2009. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
b 10% -facts-and-circumstances test - 2008. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions	<input type="checkbox"/>	

Part III Support Schedule for Organizations Described in Section 509(a)(2) (Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 Total support (Add lines 9, 10c, 11, and 12)						

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here

Section C. Computation of Public Support Percentage

15 Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2008 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2009. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

b 33 1/3% support tests - 2008. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

Schedule D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990,
Part IV, line 6, 7, 8, 9, 10, 11, or 12.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public
Inspection

Name of the organization

AVERA MARSHALL FOUNDATION

Employer identification number

41-1784801

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7

- Purpose(s) of conservation easements held by the organization (check all that apply).

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	
- Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06	2d
- Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____
- Number of states where property subject to conservation easement is located ▶ _____
- Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? Yes No
- Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____
- Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____
- Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? Yes No
- In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8

- If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items
 - If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1	▶ \$ _____
(ii) Assets included in Form 990, Part X	▶ \$ _____
- If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a Revenues included in Form 990, Part VIII, line 1	▶ \$ _____
b Assets included in Form 990, Part X	▶ \$ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a Public exhibition
- b Scholarly research
- c Preservation for future generations
- d Loan or exchange programs
- e Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

	Amount
1c	
1d	
1e	
1f	

- c Beginning balance
- d Additions during the year
- e Distributions during the year
- f Ending balance

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions	216,443.				
c Net investment earnings, gains, and losses	<4,636.>				
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	211,807.				

2 Provide the estimated percentage of the year end balance held as:

- a Board designated or quasi-endowment _____ %
- b Permanent endowment 84.00 %
- c Term endowment 16.00 %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

- (i) unrelated organizations
- (ii) related organizations

	Yes	No
3a(i)		X
3a(ii)	X	
3b	X	

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Investments - Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other				

Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c)) ▶ 0.

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 through 8	9	
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	5	

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)	5	

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4, Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2, Part XI, line 8, Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

PART V, LINE 4: THE FOUNDATION'S ENDOWMENTS CONSIST OF

DONOR-RESTRICTED FUNDS HELD AT THE AVERA HEALTH FOUNDATION AND BOARD

DESIGNATED FUNDS HELD AT A LOCAL FINANCIAL INSTITUTION. AS REQUIRED BY

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, NET ASSETS ASSOCIATED WITH

ENDOWMENT FUNDS, INCLUDING FUNDS DESIGNATED BY THE BOARD OF DIRECTORS TO

FUNCTION AS ENDOWMENTS, ARE CLASSIFIED AND REPORTED BASED ON THE EXISTENCE

OR ABSENCE OF DONOR-IMPOSED RESTRICTIONS. THE BOARD-DESIGNATED ENDOWMENT

FUNDS ARE CLASSIFIED AS TEMPORARILY RESTRICTED NET ASSETS AS THE ORIGINAL

Part XIV Supplemental Information (continued)

FUNDS HAVE BEEN ASSIGNED TO A SPECIAL COMMITTEE FOR FUTURE GRANT-MAKING UNDER A CONTRACTUAL ARRANGEMENT. ALL DONOR-RESTRICTED ENDOWMENT FUNDS OF THE MEDICAL CENTER ARE HELD AT THE AVERA HEALTH FOUNDATION.

PART X: THE FOUNDATION IS PART OF A CONSOLIDATED AUDIT. THE NOTE IN THE FINANCIAL STATEMENTS REGARDING FIN 48 IS THE FOLLOWING: THE MEDICAL CENTER UNDERGOES AN ANNUAL ANALYSIS OF ITS VARIOUS TAX POSITIONS, ASSESSING THE LIKELIHOOD OF THOSE POSITIONS BEING UPHELD UPON EXAMINATION WITH RELEVANT TAX AUTHORITIES, AS DEFINED BY ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA. NO LIABILITIES ARE RECORDED AS A RESULT OF THIS ANALYSIS.

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events	
		2009 GOLF TOURNAMENT (event type)	2010 RACE AGAINST BREAST (event type)	1 (total number)	(add col. (a) through col. (c))	
Revenue	1	Gross receipts	27,025.	6,598.	5,584.	39,207.
	2	Less: Charitable contributions	2,840.			2,840.
	3	Gross income (line 1 minus line 2)	24,185.	6,598.	5,584.	36,367.
Direct Expenses	4	Cash prizes		275.		275.
	5	Noncash prizes	2,725.			2,725.
	6	Rent/facility costs	250.		575.	825.
	7	Food and beverages	1,820.		787.	2,607.
	8	Entertainment			75.	75.
	9	Other direct expenses	3,456.	2,705.	991.	7,152.
	10	Direct expense summary Add lines 4 through 9 in column (d)				(13,659)
	11	Net income summary. Combine line 3, column (d), and line 10				22,708.

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1	Gross revenue			
Direct Expenses	2	Cash prizes			
	3	Noncash prizes			
	4	Rent/facility costs			
	5	Other direct expenses			
	6	Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No
	7	Direct expense summary Add lines 2 through 5 in column (d)			()
	8	Net gaming income summary. Combine line 1, column (d), and line 7			

	Yes	No
9 Enter the state(s) in which the organization operates gaming activities _____ a Is the organization licensed to operate gaming activities in each of these states? b If "No," explain: _____	9a	
10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? b If "Yes," explain _____	10a	
11 Does the organization operate gaming activities with nonmembers?	11	
12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?	12	

SCHEDULE I
(Form 990)

Department of the Treasury
Internal Revenue Service

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States**

Complete if the organization answered "Yes" on Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990.

OMB No 1545-0047

2009

Open to Public
Inspection

Name of the organization

AVERA MARSHALL FOUNDATION

Employer identification number
41-1784801

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? Yes No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
AVERA MARSHALL 300 S BRUCE ST MARSHALL, MN 56258	41-0919153	501(C)(3)	246,048.	0.			DONATION

2 Enter total number of section 501(c)(3) and government organizations **1.**
3 Enter total number of other organizations

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990. Schedule I (Form 990) 2009

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
SCHOLARSHIPS	5	5,000.	0.		
EMPLOYEE ASSISTANCE	11	2,050.	0.		
BABY HAT/BLANKET PROJECT	441	0.	933.	COST OF MATERIALS	BABY BLANKETS/HATS
BOOKS FOR PATIENTS	12	0.	136.	COST OF BOOKS	BOOKS

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information

SCHEDULE I, PART I, LINE 2: THE ORGANIZATION PROVIDES DONATIONS TO A RELATED EXEMPT ORGANIZATION. THE FUNDS ARE MONITORED AS EXPENDITURES ARE APPROVED BY THE BOARD. THE ORGANIZATION ALSO PROVIDED SCHOLARSHIPS, EMPLOYEE ASSISTANCE AND PATIENT ASSISTANCE. THESE FUNDS ARE ALSO MONITORED BY APPROVAL OF THE BOARD.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization

AVERA MARSHALL FOUNDATION

Employer identification number

41-1784801

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply

- | | |
|--|--|
| <input type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?
c Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of

- a** The organization?
b Any related organization?

If "Yes" to line 5a or 5b, describe in Part III.

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization?
b Any related organization?

If "Yes" to line 6a or 6b, describe in Part III.

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b		
2		
4a		X
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2009

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

FORM 990, SCHEDULE J, PART I, LINE 3: THE PRESIDENT & CEO'S
 COMPENSATION IS PAID BY A RELATED ORGANIZATION, AVERA MARSHALL THROUGH
 NOVEMBER 2009. AS OF NOVEMBER 2009, THE PRESIDENT & CEO WAS COMPENSATED BY
 AVERA HEALTH, A RELATED ORGANIZATION. AVERA MARSHALL FOUNDATION RELIED ON
 THE RELATED ORGANIZATION FOR DETERMINING THE COMPENSATION FOR THE PRESIDENT
 & CEO USING THE METHODS DESCRIBED IN PART I, LINE 3.

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990.

OMB No 1545-0047

2009

Open to Public
Inspection

Name of the organization

AVERA MARSHALL FOUNDATION

Employer identification number

41-1784801

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

OF \$10,000 RAISED BY AN OUTSIDE GROUP TO BENEFIT OUR CANCER CARE FUND.

THE FOUNDATION'S ANNUAL EVENTS BROUGHT IN A NET REVENUE OF

APPROXIMATELY \$30,000, WHICH SHOWS A CONTINUED INCREASE THROUGH THE

YEARS.

FORM 990, PART VI, SECTION A, LINE 4: THE ORGANIZATION'S ARTICLES OF

INCORPORATION AND BYLAWS WERE AMENDED TO CHANGE ITS NAME FROM WEINER

MEMORIAL REGIONAL HEALTH FOUNDATION TO AVERA MARSHALL FOUNDATION AND TO

STATE THAT AVERA MARSHALL IS THE CORPORATION'S SOLE MEMBER.

FORM 990, PART VI, SECTION A, LINE 6: THE SOLE MEMBER OF THE ORGANIZATION

IS AVERA MARSHALL, A NONPROFIT CORPORATION ORGANIZED AND EXISTING UNDER THE

LAWS OF THE STATE OF MINNESOTA.

FORM 990, PART VI, SECTION A, LINE 7A: AVERA MARSHALL, AS THE SOLE MEMBER,

HAS THE POWER TO APPOINT AND REMOVE, WITH OR WITHOUT CAUSE, MEMBERS OF THE

BOARD OF DIRECTORS.

FORM 990, PART VI, SECTION A, LINE 7B: AVERA MARSHALL HAS THE FOLLOWING

RIGHTS AS THE MEMBER. 1) TO APPROVE THE ADOPTION, AMENDMENT OR REPEAL OF

THE STATEMENTS OF PHILOSOPHY, MISSION AND VALUES OF CORPORATION; 2) TO

INITIATE THE ADOPTION, AMENDMENT OR REPEAL OF ANY PROVISION OF THE ARTICLES

OF INCORPORATION OR BYLAWS OF CORPORATION, AND TO GIVE FINAL APPROVAL OF

ANY SUCH ACTION WITH RESPECT THERETO; 3) TO APPROVE ANY PLAN OF MERGER,

CONSOLIDATION OR DISSOLUTION OF THE CORPORATION, OR THE DIVESTITURE OF A

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990.

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2009
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Name of the organization

AVERA MARSHALL FOUNDATION

Employer identification number
41-1784801

SPONSORED WORK OR MINISTRY ASSOCIATED WITH THE CORPORATION; 4) TO APPOINT
AND/OR REMOVE, WITH OR WITHOUT CAUSE, THE BOARD OF DIRECTORS OF THE
CORPORATION. 5) TO APPOINT AND/OR REMOVE, WITH OR WITHOUT CAUSE, THE
EXECUTIVE DIRECTOR OF THE CORPORATION. 6) TO APPROVE THE APPOINTMENT OF
AUDITORS. 7) TO ADOPT POLICIES DESIGNED TO EFFECTUATE THE RESERVED POWERS
OF THE MEMBER.

FORM 990, PART VI, SECTION B, LINE 11: THE FORM 990 IS REVIEWED INITIALLY
BY THE CEO AND CFO OF AVERA MARSHALL. THE RETURN IS MADE AVAILABLE TO THE
BOARD OF DIRECTORS FOR REVIEW PRIOR TO FILING.

FORM 990, PART VI, SECTION B, LINE 12C: THE CONFLICT OF INTEREST POLICY
COVERS BOARD MEMBERS, OFFICERS, AND KEY EMPLOYEES. AT EACH BOARD MEETING, A
REQUEST IS MADE FOR ALL BOARD MEMBERS TO DISCLOSE ANY POTENTIAL CONFLICT OF
INTEREST PERTAINING TO ANY ITEM LISTED ON THE AGENDA OR PERTAINING TO ANY
POTENTIAL ITEM THAT COULD BE DISCUSSED DURING THE COURSE OF THE MEETING.
THE DECLARATION OF CONFLICT OF INTEREST IS RECORDED IN THE MEETING MINUTES.
THE BOARD MAKES A DETERMINATION OF WHETHER THERE IS A CONFLICT OF INTEREST
AND IF SO, IMPLEMENTS THE PROCEDURE FOR EVALUATING THE ISSUE OR TRANSACTION
INVOLVED. THE BOARD MEMBER OR OFFICER WITH THE CONFLICT MUST REFRAIN FROM
VOTING.

A STATEMENT OF CONFLICT OF INTEREST DISCLOSURE IS MADE ON AN ANNUAL BASIS
BY BOARD MEMBERS AND OFFICERS. THE INFORMATION IS MAINTAINED IN A DATABASE
AND A REPORT IS PROVIDED TO THE BOARD.

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990.

OMB No 1545-0047

2009

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Name of the organization

AVERA MARSHALL FOUNDATION

Employer identification number
41-1784801

FORM 990, PART VI, SECTION B, LINE

15: MARY MAERTENS, CEO, WAS COMPENSATED BY AVERA MARSHALL THROUGH NOVEMBER
2, 2009. AFTER NOVEMBER 2, 2009, MARY MAERTENS WAS COMPENSATED BY AVERA
HEALTH FOR SERVICES PROVIDED TO AVERA MARSHALL AND AVERA MARSHALL
FOUNDATION.

ANNUALLY THE COMPENSATION COMMITTEE OF AVERA HEALTH, WHICH IS COMPRISED OF
SIX (6) SYSTEM MEMBERS APPOINTED BY THE RELIGIOUS ORDERS, MEETS WITH AN
INDEPENDENT CONSULTANT REGARDING FAIR MARKET VALUE OF OFFICERS AND KEY
EMPLOYEES. THE COMPENSATION COMMITTEE APPROVES ALL SALARIES BASED ON
COMPARABLE DATA AND DOCUMENTS THE BASIS FOR THEIR DECISION IN MEETING
MINUTES.

FORM 990, PART VI, SECTION C, LINE 19: THE ORGANIZATION'S GOVERNING
DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS ARE NOT
MADE AVAILABLE TO THE GENERAL PUBLIC.

FORM 990 PART VII

HOURS TO RELATED ORGANIZATION

WILLIAM COLE, MICHAEL RICK AND ROGER MADISON SERVE AVERA MARSHALL,
RELATED ORGANIZATION, 1.25 HOURS PER WEEK.

MARY MAERTENS AND SHARON WILLIAMS SERVE AVERA MARSHALL, RELATED
ORGANIZATION, 40 HOURS PER WEEK.

Part III Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Dispropor- tion- ate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?
							Yes	No		
avera HOME MEDICAL EQUIPMENT, LLC - 46-0488198, 1325 S. CLIFF AVE., PO BOX 5045, SIOUX FALLS, SD 57117	MEDICAL SERVICES - HOME MEDICAL EQUIPMENT	SD	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MIDWEST REGIONAL IMAGING SERVICES, LLC - 47-0874983, 1325 S. CLIFF AVE., PO BOX 5045, SIOUX FALLS, SD 57117	HEALTH CARE - MEDICAL IMAGING	SD	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MERSCO MEDICAL OF PIERRE, LLC - 46-0444002, 329 E DAKOTA, PIERRE, SD 57501	MEDICAL SERVICES - HOME MEDICAL EQUIPMENT	SD	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
avera HOME MEDICAL EQUIPMENT OF FLOYD VALLEY HOSPITAL, LLC - 82-0582350, 714 LINCOLN ST NE LEMARS, IA 51031	MEDICAL SERVICES - HOME MEDICAL EQUIPMENT	IA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Part IV Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
ACCOUNTS MANAGEMENT INC, - 46-0373021 5132 S. CLIFF AVE., STE. 101 SIOUX FALLS, SD 57108-5434	COLLECTION AGENCY	SD	N/A		N/A	N/A	N/A
avera HEALTH PLANS, INC, - 46-0451539 3900 WEST AVERA DRIVE, STE 101 SIOUX FALLS, SD 57108	HEALTH FINANCING AND HEALTH PLAN ADMIN	SD	N/A		N/A	N/A	N/A
avera PROPERTY INSURANCE, INC, - 46-0463155 610 W. 23RD ST., STE 1, PO BOX 38 YANKTON, SD 57078	INSURANCE	SD	N/A		N/A	N/A	N/A
VALLEY HEALTH SERVICES, INC, - 46-0357149 501 SUMMIT ST YANKTON, SD 57078	MEDICAL EQUIPMENT	SD	N/A		N/A	N/A	N/A
NORTHERN DAKOTA HEALTH COMPANY - 46-0385179 305 S. STATE STREET ABERDEEN, SD 57401	CLINIC	SD	N/A		N/A	N/A	N/A

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, or 36)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity

b Gift, grant, or capital contribution to other organization(s)

c Gift, grant, or capital contribution from other organization(s)

d Loans or loan guarantees to or for other organization(s)

e Loans or loan guarantees by other organization(s)

f Sale of assets to other organization(s)

g Purchase of assets from other organization(s)

h Exchange of assets

i Lease of facilities, equipment, or other assets to other organization(s)

j Lease of facilities, equipment, or other assets from other organization(s)

k Performance of services or membership or fundraising solicitations for other organization(s)

l Performance of services or membership or fundraising solicitations by other organization(s)

m Sharing of facilities, equipment, mailing lists, or other assets

n Sharing of paid employees

o Reimbursement paid to other organization for expenses

p Reimbursement paid by other organization for expenses

q Other transfer of cash or property to other organization(s)

r Other transfer of cash or property from other organization(s)

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of other organization(s)	(b) Transaction type (a-r)	(c) Amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
avera holy family foundation - 42-1317452 926 NORTH 8TH STREET ESTHERVILLE, IA 51334	FUNDRAISING	IOWA	501(C)(3)	9	N/A
ST. BENEDICT HEALTH CENTER, INC. - 46-0226738 401 WEST GLYNN DRIVE, PARKSTON, SD 57366	HEALTHCARE SERVICES	SOUTH DAKOTA	501(C)(3)	3	N/A
ST. BENEDICT HEALTH CENTER FOUNDATION - 46-0458725 WEST GLYNN DRIVE, PO BOX B, PARKSTON, SD 57366	SUPPORT HEALTH RELATED SERVICES	SOUTH DAKOTA	501(C)(3)	11A	N/A
avera MCKENNAN - 46-0224743 1325 S. CLIFF AVE., PO BOX 5045 SIOUX FALLS, SD 57117	HEALTHCARE SERVICES	SOUTH DAKOTA	501(C)(3)	3	N/A
avera QUEEN OF PEACE - 46-0224604 525 NORTH FOSTER MITCHELL, SD 57301	HEALTHCARE SERVICES	SOUTH DAKOTA	501(C)(3)	3	N/A
SACRED HEART HEALTH SERVICES - 46-0225483 501 SUMMIT STREET YANKTON, SD 57078	HEALTHCARE SERVICES	SOUTH DAKOTA	501(C)(3)	3	N/A
SACRED HEART RURAL HEALTH CLINICS - 46-0423930 501 SUMMIT STREET, YANKTON, SD 57078	CLINIC SERVICES	SOUTH DAKOTA	501(C)(3)	3	N/A
HEALTH MANAGEMENT SERVICES - 46-0425483 501 SUMMIT STREET YANKTON, SD 57078	ADULT DAYCARE AND HOMEMAKING SERVICES	SOUTH DAKOTA	501(C)(3)	9	N/A
LEWIS AND CLARK HEALTH ED AND SERV AGENCY - 46-0337013 1000 W 4TH STREET, SUITE 9, YANKTON, SD 57078	HEALTHCARE EDUCATION	SOUTH DAKOTA	501(C)(3)	9	N/A
BENEDICTINE HEALTH FOUNDATION - 41-0370373 1017 WEST FIFTH STREET YANKTON, SD 57078	SUPPORT FOR ORGANIZATIONS PROVIDING HEALTH CARE SERVICES	SOUTH DAKOTA	501(C)(3)	11B	N/A
avera ST. LUKE'S - 46-0224598 305 SOUTH STATE STREET ABERDEEN, SD 57401	HEALTHCARE SERVICES	SOUTH DAKOTA	501(C)(3)	3	N/A
avera WORKERS' COMPENSATION TRUST - 46-0407148 3900 WEST AVERA DRIVE, SIOUX FALLS, SD 57108	ECONOMICAL COVERAGE OF WORKERS' COMPENSATION CLAIMS	SOUTH DAKOTA	501(C)(3)	11B	N/A

Part III Continuation of Identification of Related Organizations Taxable as a Partnership

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, ex- cluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount on box 20 of K-1	(j) General or managing partner?
							Yes	No		
AVERA HOME MEDICAL EQUIPMENT OF ESTHERVILLE, LLC - 20-1686097, PO BOX 5045, SIOUX FALLS, SD 57117	MEDICAL SERVICES - HOME MEDICAL EQUIPMENT	IA	N/A	N/A	N/A	N/A	N/A		N/A	N/A
AVERA HOME MEDICAL EQUIPMENT OF SIOUX CENTER, LLC - 75-3203100, 38 19TH ST SW, SIOUX CENTER, IA 51250	MEDICAL SERVICES - HOME MEDICAL EQUIPMENT	IA	N/A	N/A	N/A	N/A	N/A		N/A	N/A
AVERA HOME MEDICAL EQUIPMENT OF MARSHALL, LLC - 20-5271924, 1104 EAST COLLEGE DRIVE, MARSHALL, MN 56258	MEDICAL SERVICES - HOME MEDICAL EQUIPMENT	MN	N/A	N/A	N/A	N/A	N/A		N/A	N/A
Q&M PROPERTIES, LLC - 73-1652049, 525 NORTH FOSTER, MITCHELL, SD 57301	MEDICAL CLINIC BUILDING	SD	N/A	N/A	N/A	N/A	N/A		N/A	N/A
SURGICAL ASSOCIATES ENDOSCOPY CLINIC, LLC - 46-0461429, 310 S PENNSYLVANIA ST, ABERDEEN, SD 57401	SURGICAL ASSOCIATES	SD	N/A	N/A	N/A	N/A	N/A		N/A	N/A
AVERA HOME MEDICAL EQUIPMENT OF SPENCER HOSPITAL, LLC - 80-0619999, 2400 S MINNESOTA AVENUE, #102, SIOUX FALLS, SD	MEDICAL SERVICES - HOME MEDICAL EQUIPMENT	SD	N/A	N/A	N/A	N/A	N/A		N/A	N/A
MARSHALL MEDICAL SERVICES, LLC - 20-8874448, 300 S BRUCE STREET, MARSHALL, MN 56258	MEDICAL SERVICES	MN	N/A	N/A	N/A	N/A	N/A		N/A	N/A

EXHIBIT A

**ARTICLES OF AMENDMENT
RESTATING THE ARTICLES OF INCORPORATION
OF
AVERA MARSHALL FOUNDATION
(formerly, Weiner Memorial Regional Health Foundation)**

PURSUANT TO THE PROVISIONS OF MINNESOTA STATUTES, THE UNDERSIGNED CORPORATION ADOPTS THE FOLLOWING RESTATED ARTICLES OF INCORPORATION:

ARTICLE I: The name of the Corporation shall be AVERA MARSHALL FOUNDATION.

ARTICLE II: The period of existence is perpetual.

ARTICLE III. The purpose for which the Corporation is organized and, at all times hereafter, is to operate and act exclusively as a public foundation for the benefit of and to make distributions to Avera Marshall, a Minnesota nonprofit corporation which is exempt from Federal income taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"); and for the further purposes:

(1) To lend money, make loans, discount bills, notes, and other commercial papers; buy and sell securities; make investments and grants; and otherwise, engage in financial transactions of all types with persons, partnerships, firms, associations, corporations, governments, and governmental agencies solely for the purposes mentioned herein, but nothing contained herein shall be construed as authorizing the Corporation to engage in the business of commercial bank, savings bank or trust company;

(2) To receive and administer funds and contributions received by gift, deed, bequest, or devise or in any other manner, and to otherwise acquire money, securities, property, rights and services of every kind and description, and to hold, invest, expend, contribute, use, sell, or otherwise dispose of any money, securities, property, rights, or services so acquired for the purposes mentioned herein;

(3) To borrow money and to make, accept, endorse, execute and issue bonds, debentures, promissory notes, and other corporate obligations for money borrowed, or in payment for property acquired, or for any of the purposes of the Corporation, and to secure payment of any such litigation by mortgage, pledge, deed, indenture, agreement or other instrument of trust, or by other lien upon, assignment of, or agreement in regard to all or any part of the property, rights, or privileges of the Corporation;

(4) To invest, reinvest, and lend its funds in such mortgages, bonds, notes, debentures, shares of preferred and common stock, and any other securities of any kind whatsoever, and property, real, personal, or mixed, tangible or intangible, solely for the purposes mentioned herein;

(5) To acquire, by purchase or otherwise, own, hold, operate, use, improve, lease, rent, sell, convey, dispose of, encumber and otherwise engage and deal in businesses, securities, good will, property, property rights, franchises, and assets of every kind, with or without undertaking, either wholly or in part, liabilities of any person, partnership, firm, association or corporation; and to pay for the same in cash, stocks, bonds or other evidences of indebtedness of the Corporation, or otherwise; to hold, maintain, operate, or in any manner dispose of, the whole or any part of the businesses, good will, property, property rights, franchises, and assets of every kind so acquired; and to conduct in any lawful manner, the whole or any part of any business so acquired, solely for the purposes mentioned herein;

(6) To enter into, make, perform, and carry out contracts, agreements, commitments, assurances, and leases of every kind for the purposes for which the Corporation is organized with any person, partnership, firm, association, corporation, United States of America, State of Minnesota, and its political subdivisions, and other states of the United States of America and their respective political subdivisions, or any of their agencies solely for the purposes mentioned herein;

(7) To receive inventions, applications for patents, both foreign and domestic, and of rights, licenses and interests in inventions, processes and patents, and to accept the same subject to such conditions or trusts as may be attached thereto with respect to the payment of royalties, application of the principal, income or proceeds, or otherwise, and to manage, control, supervise and direct such property and rights and to obligate the Corporation to perform and execute any and all such conditions, trusts and obligations; to prosecute and or aid in the prosecution of applications for patents, copyrights and licenses, and to obtain patents, copyrights and licenses, both foreign and domestic, and to enter into contracts or trust agreements with inventors or applicants for or owners of patents, or patent rights, licenses, or interests, for the rendering of aid in the obtaining, perfecting and/or maintaining of patents, both foreign and domestic, and the protection thereof, and for the testing, development, improvement, manufacture, use and disposition of patented articles, devices, and processes, and for the disposition of the patent rights, licenses and interests of the inventory, upon such terms and conditions, and with such provisions as to application and use of earnings and proceeds as may be agreed upon;

(8) To acquire, lease as lessee or lessor, buy, assign, pledge, mortgage, hold, and to sell and dispose of inventories, applications for patents, both foreign and domestic, and interests therein, and patent rights, inventories, trade marks, trade names, licenses, and privileges, including territorial rights, and to grant licenses to others to manufacture, use and sell, or either, or, to itself manufacture, use and sell, or either, under patents, both foreign and domestic, or other licenses, rights and interests therein, and to receive, collect and enforce collection of royalties, or other considerations, for patents, patent rights, or interests or devices, articles or processes, of which disposition may be made or contracted for;

(9) To prosecute infringements or invasions of any patent or patent rights or other privileges in which the Corporation may be interested, and to defend against infringement, and protect, any such patent, copyright license or patent rights;

(10) To engage in and to promote and encourage scholarly writing and to utilize the proceeds of scholarly writing in the same manner as herein provided and to exercise the same or equally broad powers with respect to copyrights as in the case of patents and similar rights;

(11) All of the purposes and powers in which the Corporation is permitted to engage by these Articles of Incorporation shall be exclusively for such charitable, educational, religious and scientific purposes as are within the meaning of Code Section 501(c)(3). The Corporation shall neither have nor exercise any power, nor shall it directly or indirectly engage in any activity, that would jeopardize the Corporation's tax-exempt status for federal income tax purposes;

(12) The Corporation shall not engage in any prohibited transactions described in Code Section 503. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office;

(13) In general, and subject to such limitations and conditions as are or may be permitted by law, to exercise such other powers which now are or hereafter may be conferred by law, upon a corporation organized for the purposes hereinbefore set forth, or necessary or incidental to the powers so conferred, or conducive to the attainment of the purposes of the Corporation, subject to the further limitation and condition that, notwithstanding any other provision of these Articles, only such powers shall be exercised as are in furtherance of the tax-exempt purposes of the Corporation and as may be exercised by an organization exempt under Code Section 501(c)(3).

(14) The Corporation is organized exclusively for charitable, religious, educational and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Code Section 501(c)(3). If at any time the Corporation is determined to be a private foundation or a private operating foundation as defined in Code Section 509 or 4942, then the following provisions shall apply:

(a) the Corporation shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Code Section 4942;

(b) the Corporation shall not engage in any act of self-dealing as defined in Code Section 4941(d);

(c) the Corporation shall not retain any excess business holdings as defined in Code Section 4943(c);

(d) the Corporation shall not make any investments in such manner as to subject it to tax under Code Section 4944; and

(e) the Corporation shall not make any taxable expenditures as defined in Code Section 4945(d).

ARTICLE IV. The Corporation is formed without corporate stock and shall have no members except only as provided for in Article X hereof.

ARTICLE V. No part of the net earnings of the Corporation shall inure to the benefit of any director or officer of the Corporation, or any private individual (except that reasonable compensation may be paid for services rendered to or for the Corporation affecting one or more of its purposes) and no director or officer of the Corporation or any private individual shall be entitled to share in the distribution of any part of the corporate assets on dissolution of the Corporation.

ARTICLE VI. Upon the dissolution of the Corporation or the windup of its affairs, any remaining assets, subject to the liabilities then outstanding, shall be distributed exclusively to the Member of the Corporation or its designee. In the event disposition is to an organization other than the Member, it is the intent that such disposition of asset to be to organization(s) organized and operated exclusively for charitable, educational, religious or scientific purposes as shall at the time qualify as an exempt organization(s) under Code Section 501(c)(3).

ARTICLE VII. The place where the principal business of the Corporation is to be transacted is in the City of Marshall, State of Minnesota, but the Corporation may establish and operate branch offices to accomplish the purposes thereof at such other places within the State of Minnesota or at such other places other than the State of Minnesota.

ARTICLE VIII. The address of the registered office of the Corporation is 300 S. Bruce St., Marshall, MN 56258.

ARTICLE IX. The private property of the Member, the members of the Board of Directors and the employees of the Corporation shall not be liable for its corporate debts.

ARTICLE X. The Member of the Corporation shall be Avera Marshall, a nonprofit corporation organized and existing under the laws of the State of Minnesota and an organization exempt under Code Section 501(c)(3).

ARTICLE XI. The number of the members of the Board of Directors shall be fixed from time to time in the Bylaws of the Corporation, but shall not be less than nine (9). All members of the Board of Directors of the Corporation shall be appointed and/or removed by the Member as provided for in the Bylaws of the Corporation.

ARTICLE XII. The business affairs of the Corporation shall be conducted by the Board of Directors. The Board of Directors shall have and exercise all powers which may be exercised

or performed by the Corporation under the laws of the State of Minnesota, subject to the powers reserved to the Member of the Corporation as stated in the Bylaws. Such powers shall be exercised by the Board of Directors and the Member in furtherance of the tax exempt purposes of the Corporation and as may be exercised by an organization exempt under Code Section 501(c)(3).

ARTICLE XIII. The Member of the Corporation shall have the power to make, and thereafter to alter or amend, these Articles of Incorporation and the Bylaws of the Corporation as the Member may deem proper for the management of the affairs of the Corporation, not inconsistent with these Articles, or with the laws of the State of Minnesota relating to and governing nonprofit corporations, at any annual, regular or special meeting of the Member called for that purpose.

I certify that I am authorized to execute these Articles of Amendment, and I further certify that I understand that by signing these Articles I am subject to the penalties of perjury as set forth in Section 609.48 as if I had signed these Articles under oath.

Dated: _____, 2009.

(Signature of Authorized Person)

EXHIBIT B
BYLAWS
OF
AVERA MARSHALL FOUNDATION

ARTICLE I. CORPORATION IN GENERAL

1.1. NAME AND DESCRIPTION. The name of the Corporation shall be Avera Marshall Foundation. It is a nonprofit corporation organized and existing under the laws of the State of Minnesota.

1.2 PURPOSES. The purposes for which the Corporation has been formed shall be those set forth in the Articles of Incorporation of the Corporation.

1.3 ETHICAL AND RELIGIOUS DIRECTIVES. The affairs of the Corporation, whether by the Member, Board of Directors, Officers or otherwise shall be conducted consistent with the *Ethical and Religious Directives for Catholic Health Care Services* as approved from time to time by the United States Conference of Catholic Bishops.

ARTICLE II. MEMBERSHIP

2.1 MEMBERSHIP. The Member of the Corporation shall be Avera Marshall, a nonprofit corporation organized and existing under the laws of the State of Minnesota.

2.2 RIGHTS OF MEMBER. The following rights and actions of the Member shall be reserved to and exercised exclusively by the Member:

- (a) To approve the adoption, amendment or repeal of the statements of philosophy, mission and values of the Corporation;
- (b) To initiate the adoption, amendment or repeal of any provision of the Articles of Incorporation or Bylaws of the Corporation, and to give final approval of any such action with respect thereto;
- (c) To approve any plan of merger, consolidation or dissolution of the Corporation, or the divestiture of a sponsored work or ministry associated with the Corporation;
- (d) To appoint and remove, with or without cause, the Board of Directors of the Corporation;
- (e) To appoint and/or remove, with or without cause, the Executive Director of the Corporation;
- (f) To approve the appointment of auditors; and

- (g) To adopt policies designed to effectuate the reserved powers of the Member.

ARTICLE III. ACTIONS OF MEMBER

The Member shall vote or otherwise act through its president, through the president's designee, through a proxy signed by its president, or through such other person who produces a certified copy of a resolution by the Member's board of directors which authorizes such person to vote or to otherwise act.

ARTICLE IV. BOARD OF DIRECTORS

4.1 POWER OF THE BOARD OF DIRECTORS. The Board of Directors shall exercise oversight of the business affairs of the Corporation and shall have and exercise all of the powers which may be exercised or performed by the Corporation under the laws of the State of Minnesota, the Corporation's Articles of Incorporation and these Bylaws, subject to the powers reserved to the Member of the Corporation as stated in the Articles of Incorporation and these Bylaws.

4.2 COMPOSITION OF THE BOARD. The Board of Directors shall consist of not less than nine (9) voting Directors, the actual number of Directors to be determined by the Member. The composition of the Board shall include at least two (2) Directors who also serve on the board of directors of the Member, and at least five (5) Directors who are residents of Lyon County, Minnesota or those Minnesota counties contiguous to Lyon County. The President of the Corporation (who is also the president of the Member) shall serve as an ex-officio Director with vote.

4.3 APPOINTMENT OF DIRECTORS. The Member shall appoint Directors at the annual meeting of the Member. A slate of names proposed by the Nominating Committee of the Board of Directors for appointment as Directors shall be submitted to the Member by the Chair of the Board, provided, however, that the Member may appoint individuals as Directors who have not been nominated by the Nominating Committee.

4.4 SELECTION CRITERIA FOR DIRECTORS. The Member shall establish a policy regarding selection criteria for individuals serving as Directors. The criteria shall include, without limitation: endorsement of *The Ethical and Religious Directives for Catholic Health Care Services*; understanding and affirmation of the mission and philosophy of the Member and its religious sponsors; a desire to promote the good of all, especially the poor; those who have and continue to financially contribute to the corporation, and the commitment to devote time and to understand and carry out essential functions of governance within a multi-institution system.

4.5 TERM. The term of each Director shall be for four (4) years from the date designated as their appointment and terminating four years thereafter. Initial appointments of Directors may be for a period either longer or shorter than a four-year term such that one-fourth of the Directors shall be subject to reappointment each year. With the exception of the ex-officio members of the Board, a Director may not serve more than two four-year terms (excluding partial terms served), without at least a one-year break in service on the Board.

4.6 RESIGNATION; SUSPENSION/REMOVAL. A Director may resign at any time by giving written notice to the Chair of the Board of Directors. A Director may be suspended or removed from the Board at any time, with or without cause, by the Member.

4.7 VACANCIES. Vacancies on the Board of Directors shall be filled by appointment by the Member in the same manner as provided in Section 4.3 of these Bylaws. The initial term of office of a Director appointed to fill such a vacancy shall be equal to the unexpired term of the Director whom the Director is replacing, after which the Director may be appointed to regular terms as provided in these Bylaws.

4.8 CHAIR AND VICE CHAIR OF THE BOARD. A Chair and a Vice Chair of the Board of Directors shall be elected by the members of the Board. The Chair and Vice Chair shall serve for a period of two (2) years or until their successors are duly appointed. The Chair shall preside at all meetings of the Board of Directors and shall carry out other duties assigned by the Board. In the event of the absence or disability of the Chair, the Vice Chair shall preside at all meetings of the Board of Directors and shall perform such other duties as may be delegated to the Vice Chair from time to time by the Board of Directors.

4.9 ANNUAL MEETING. A regular annual meeting of the Board of Directors shall be called by the Chair each year for the purpose of electing officers of the Board of Directors and for the transaction of other business as may come before the meeting. The Board of Directors may provide by resolution the time and place for the holding of additional regular meetings of the Board of Directors without other notice than such resolution.

4.10 SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by the Member, Chair or designee and shall be called by the Chair upon the written request of a majority of the members of the Board of Directors, provided that notice stating the time, place and purpose(s) of the special meeting has been communicated to each Director not less than five (5) nor more than forty (40) days prior to the meeting.

4.11 PLACE OF MEETING. The Chair may designate any place, either within or without the State of Minnesota, as the place of meeting for any regular or special meeting of the Board of Directors. If no designation is made, the place of meeting shall be the principal office of Corporation.

4.12 QUORUM. A majority of the members of the Board of Directors shall constitute a quorum for the transaction of business at all meetings of the Board of Directors.

4.13 MANNER OF ACTING. The act of a majority of the Directors present at a meeting at which a quorum is present shall constitute an action of the Board of Directors.

4.14 VOTING BY BALLOT. Voting on any question or on any Corporation matter may be by voice, unless the presiding officer shall order, or a Director shall demand, that voting be by ballot.

4.15 **INFORMAL ACTION BY DIRECTORS.** Any action required or permitted to be taken at a regular or special meeting of the Board of Directors may be taken without a vote if a consent in writing, setting forth the action so taken, is signed by all of the Directors.

4.16 **ATTENDANCE BY TELEPHONE.** The Directors may participate in any meeting through the use of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at the meeting.

4.17 **PRESUMPTION OF ASSENT.** Any Director who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be conclusively presumed to have assented to action taken unless (i) the Director abstains and the Director abstention is recorded in the minutes of the Corporation; or (ii) the Director's dissent shall be entered in the minutes of the meeting.

ARTICLE V. COMMITTEES OF THE BOARD OF DIRECTORS

5.1 **COMMITTEES GENERALLY.** Committees shall be designed to facilitate the actions of the Board of Directors. Committees only recommend actions and do not have the authority of the Board except where expressly authorized by these Bylaws or by resolution of the Board.

5.2 **COMMITTEES.** There shall be a standing nominating committee. Additionally, the Board of Directors by resolution may designate one or more additional committees of the Board beyond those provided for in these Bylaws. Each committee so established shall have at least two or more Directors as committee members, which shall have and exercise such responsibilities and authority as is provided for in such resolution and which is consistent with these Bylaws and the powers reserved to the Member. Each such committee, subject to the approval of the Board of Directors, may prescribe rules and regulations relating to the conduct of its affairs and shall keep regular minutes of its meetings.

5.3 **NOMINATING COMMITTEE.** The Nominating Committee shall consist of at least three (3) members, all of whom shall be Directors and at least one (1) of whom shall be a member of the Member's Board of Directors. The Nominating Committee shall prepare, for approval by the Board, a slate of nominees for the appointment of Directors to the Corporation. The slate of nominees then shall be presented to the Member at least thirty (30) days prior to the

meeting of the Member held for the appointment of Directors. The Member may add to, or delete from, this slate.

5.4 COMMITTEE MEMBERSHIP. The Chair of the Board shall appoint the members of each committee (unless membership is specified in these Bylaws or Board resolution) and, unless otherwise provided, shall designate one member, who shall be a Director of the Corporation, to be committee chairperson.

5.5 SPECIAL COMMITTEE. As a result of the transfer of membership of Avera Marshall, the City of Marshall will donate or has donated Ten Million Dollars (\$10,000,000) of the proceeds from such transfer to the Corporation. This gift is restricted to certain enumerated purposes and shall be administered in accordance with such restrictions, as set forth in the gift instrument or letter from the City. To oversee the use and distribution of the City's contribution, plus any Corporation fund balances existing as of November 2, 2009, a special committee ("Special Committee") of the Board of Directors of the Corporation is hereby established.

5.5.1 Membership. The Special Committee shall be comprised of five (5) members: two (2) persons appointed by the City of Marshall, two (2) persons appointed by Avera Marshall, and a fifth person appointed by a majority of the other members of the Special Committee. The term of each member of the Special Committee shall be for five (5) years from the date of appointment, or until the earlier dissolution of the Special Committee, and until his or her successor is appointed; provided, however, that each member shall serve at the pleasure of the entity or group appointing him or her, and a member may be suspended or removed from the Special Committee at any time, with or without cause, by the appointing entity or group. Any vacancy on the Special Committee shall be filled for the remainder of the term by the entity or group entitled to fill that position. The Special Committee shall elect from among its members a Chair of the Special Committee, who shall preside at meetings of the Special Committee and carry out other duties assigned by the Special Committee.

5.5.2 Authority. The Special Committee shall have the authority to distribute the Corporation's funds received from the City and other funds of the Corporation existing on November 2, 2009, as described above. The Special Committee's distribution decisions, within the scope of this Section 5.5 and the restrictions placed on such funds, are not subject to change by the Board of Directors.

5.5.3 Duration. Effective November 2, 2019, the Special Committee will be dissolved. Any remaining funds held by the Corporation shall be managed, invested and distributed by the Board of Directors, subject, however, to the restrictions contained thereon.

ARTICLE VI. OFFICERS OF THE CORPORATION

6.1 OFFICERS. The officers of the Corporation shall be the President, Secretary/Treasurer and such other officers as may be determined from time to time by the Board of Directors. The powers and duties of the officers shall be as set forth in these Bylaws and as otherwise designated from time to time by the Board of Directors, to the extent consistent with

law, the Articles of Incorporation and these Bylaws. Any number of offices may be held by the same person except that the Secretary/Treasurer may not serve concurrently as the President.

6.2 PRESIDENT. The president of the Member shall also serve as President of the Corporation. The President shall be the Chief Executive Officer of the Corporation and shall be the direct executive representative of the Board of Directors in the management of the Corporation. The President shall have and exercise general management and supervision of the affairs of the Corporation, subject to the reserved powers of the Member and the direction of the Board of Directors.

6.3 SECRETARY/TREASURER. The Secretary/Treasurer shall be the custodian of and shall maintain the corporate books, records and the minutes of the meetings of the Board of Directors. The Secretary/Treasurer shall assure that all required notices are duly given in accordance with these Bylaws, the Articles of Incorporation or as otherwise may be required by law. The Secretary/Treasurer shall also have general charge and responsibility relating to the financial concerns of the Corporation. In general, the Secretary/Treasurer shall perform all duties incident to the offices of Secretary and Treasurer, subject to the control of the Board of Directors, and shall do and perform such other duties as may be assigned from time to time by the Board of Directors

6.4 RESIGNATION AND REMOVAL. Officers may resign at any time by filing a written resignation with the Chair of the Board. Further, except for the President, the Board of Directors may remove officers by means of a resolution receiving a two-thirds affirmative vote of the Board of Directors. The President may only be removed by the Member.

6.5 VACANCIES. A vacancy in an office, except that of the President, may be filled by the Board of Directors for the unexpired portion of the term of such vacant office. A vacancy in the office of President shall be filled by the Member after consultation with the Board of Directors.

6.6 DELEGATION. The Board may delegate temporarily the powers and duties of any officer, in case of such officer's absence or for any other reason, to any other officer, and may authorize the delegation by an officer or any such officer's powers and duties to any agent or employee subject to the general supervision of such officer. Delegation of the powers and duties of the President shall occur only upon approval of the Member.

ARTICLE VII. CONFLICT OF INTEREST

Any Director, officer, employee, or committee member having an interest in a transaction, contract or other matter presented to the Board of Directors or a committee thereof for authorization, approval or ratification shall provide prompt, full and frank disclosure of his or her interest to the Board or committee prior to its acting on such contract or transaction. The body to which such disclosure is made shall determine, by a majority vote, whether a duality or conflict of interest exists or can reasonably be construed to exist. If a conflict or duality is deemed to exist, such person shall not vote on, nor use his or her personal influence on, nor participate (other than to present factual information or to respond to questions) in the

discussions or deliberations with respect to, such contract or transaction. Such person may be counted in determining the existence of a quorum at any meeting where the contract or transaction under discussion is being voted on. The minutes of the meeting shall reflect the disclosure made, the vote thereon and, where applicable, the abstention from voting and participation, and whether a quorum is present. Corporation may also adopt policies from time to time more clearly setting forth any requirements regarding disclosure and actions relating to duality or conflicts of interest.

ARTICLE VIII. CONTRACTS

The Board of Directors, except as these Bylaws or the Articles of Incorporation may otherwise provide, may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation.

ARTICLE IX. FISCAL YEAR

The fiscal year of Corporation shall be July 1 to June 30.

ARTICLE X. PROHIBITION AGAINST SHARING IN CORPORATE EARNINGS

No Director, officer, employee, committee member or other person connected or affiliated with Corporation, and no other private individual, shall receive at any time any of the net earnings or pecuniary profit from the operation of the Corporation, provided that this shall not prevent the payment to any such person of such reasonable compensation for services rendered to or for the Corporation in effecting any of its purposes as such compensation shall be fixed by the Board of Directors; and no such person or persons shall possess any proprietary right in or to the property of the Corporation or be entitled to share in the distribution of any of the corporate assets upon dissolution of the Corporation.

ARTICLE XI. AMENDMENTS

The Member shall have the authority to make, alter, amend and repeal the Bylaws of the Corporation pursuant to the manner set forth herein for action by the Member. In addition, the Member and the Board of Directors shall regularly review the Bylaws and recommend revisions as appropriate.

ARTICLE XII. WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of the Minnesota Nonprofit Corporation Act or these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated herein, shall be deemed equivalent to the giving of such notice. Attendance at any meeting shall constitute a waiver of notice unless the Member, Director or committee member attends the meeting to object to the transaction of business because the meeting is not lawfully convened.

ARTICLE XIII. INDEMNIFICATION

13.1 INDEMNIFICATION IN GENERAL. The Corporation shall indemnify any person who is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that such person is or was a Director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such suit or proceeding if such person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the Corporation, and with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was unlawful.

13.2 ACTION BY OR IN THE RIGHT OF THE CORPORATION. The Corporation shall indemnify any person who is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorney fees) actually and reasonably incurred by such person in connection with the defense or settlement or such action or suit if such person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Corporation except that no indemnification may be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of the person's duty to the Corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application, that despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses which the court deems proper.

13.3 EXPENSES AND ATTORNEY FEES. To the extent that a Director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 13.1 and 13.2 of this Article or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorney fees) actually and reasonably incurred by such person in connection therewith.

13.4 AUTHORIZATION. Any indemnification under Sections 13.1 or 13.2 of this Article (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the Director, officer, employee or

agent is proper in the circumstance because such person has met the applicable standard of conduct set forth Sections 13.1 or 13.2. Such determination shall be made by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, or if such a quorum is not obtainable or, even if obtainable a quorum of disinterested Directors directs, by independent legal counsel in a written opinion.

13.5 DETERMINATION OF GOOD FAITH. For purposes of any determination under Section 13.4 of this Article, a person may be deemed to have acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, or with respect to any criminal action or proceeding, to have had no reasonable cause to believe such person's conduct was unlawful, if such person's action is based on the records or books of account of the Corporation or another enterprise or on the advice of legal counsel, a certified public accountant or an appraiser selected with reasonable care by the Corporation or another enterprise. The term "another enterprise" as used in this Section 13.5 shall mean any other corporation, partnership, joint venture, trust or other enterprise of which such person is or was serving as a Director, officer, employee or agent at the request of the Corporation. The provisions of this Section 13.5 shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth in Sections 13.1 and 13.2 of this Article, as the case may be.

13.6 ADVANCE EXPENSES. Expenses incurred in defending or investigating a threatened or pending civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the Director, officer, employee or agent to repay such amount unless it shall ultimately be determined that such person is entitled to be indemnified by the Corporation as authorized in this Article XIII.

13.7 NONEXCLUSIVITY. The indemnification provided by this Article XIII shall not be exclusive of any rights to which those seeking indemnification may be entitled under any agreement or vote of disinterested Directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, it being the policy of the Corporation that indemnification of persons specified in Sections 13.1 and 13.2 of this Article shall be made to the fullest extent permitted by law. The provisions of this Article XIII shall not be deemed to preclude the indemnification of any person not specified in Sections 13.1 and 13.2 of this Article but who the Corporation has the power or obligation to indemnify under the provisions of the Minnesota Nonprofit Corporation Act or otherwise. The indemnification provided by this Article XIII shall continue as to a person who has ceased to be a Director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

13.8 INSURANCE. The Corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against the person and incurred by such person in any capacity, or

arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this Article XIII.

13.9 MINNESOTA LAW. Notwithstanding the indemnification provided under this Article XIII of the Bylaws, indemnification to any person by the Corporation shall only occur in compliance with the Minnesota Nonprofit Corporation Act.

ARTICLE XIV. EXEMPT ACTIVITIES

The Corporation is organized exclusively for charitable, educational, religious and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). No part of the net earnings of the Corporation shall inure to the benefit of any Director, or officer of the Corporation, or any private individual (except that reasonable compensation may be paid for services rendered to or for the Corporation affecting one or more of its purposes), and no Director or officer of the Corporation, or any private individual, shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Corporation.

No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office.

Notwithstanding any other provision of the Articles of Incorporation or these Bylaws, the Corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt under Code Section 501(c)(3), or by an organization contributions to which are deductible under Code Section 170(c)(2).

ARTICLE XV. OFFICE AND REGISTERED AGENT

15.1 OFFICE. The principal office and location of the Corporation shall be as stated in the Articles of Incorporation unless otherwise designated from time to time by the Member.

15.2 REGISTERED AGENT. The Corporation shall have and continuously maintain a registered office and agent in the State of Minnesota. The location of the registered office and the name of the registered agent shall be such as designated by the Member.

ARTICLE XVI. DISSOLUTION OF THE CORPORATION

Upon dissolution of the Corporation as directed and approved by the Member, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Corporation, dispose of all of the assets of the Corporation to the Member, or its designee. In the event disposition is to an organization other than the Member, it is the intent that such disposition of assets be to organization(s) organized and operated exclusively for charitable, educational, religious or scientific purposes as shall at the time qualify as an exempt organization(s) under Code Section 501(c)(3).

ARTICLE XVII. INVESTMENTS.

The Corporation shall have the right to retain all or any part of any securities or property acquired by it in whatever manner, and to invest and reinvest any funds held by it, according to the investment policy of the Member of the Corporation without being restricted, provided, however, that no action shall be taken by or on behalf of the Corporation if such action is a prohibited transaction or would result in the denial of a tax exemption under the provisions of the Code.

ARTICLE XVIII. EXONERATION FROM PERSONAL LIABILITY.

The Member of the Corporation, the members of the Board of Directors, officers and employees thereof shall not, as such, be liable for or on any obligations of the Corporation.

ARTICLE XIX. CORPORATE NAME.

Whenever the word "Corporation" has been referred to herein it has reference to Avera Marshall Foundation.

Adopted _____.