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Form **990-PF**

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

OMB No. 1545-0052

Department of the Treasury
Internal Revenue Service

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

2010For calendar year 2010, or tax year beginning **July 1**, 2010, and ending **June 30**, 20 **11**

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

Name of foundation Henry Krause Charitable Foundation		A Employer identification number 48-615013 48-6105132
Number and street (or P O box number if mail is not delivered to street address) 2509 Tyler St.	Room/suite	B Telephone number (see page 10 of the instructions) 620-727-7115
City or town, state, and ZIP code Hutchinson, KS 67502		C If exemption application is pending, check here <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$165,756.02	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
(Part I, column (d) must be on cash basis.)		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

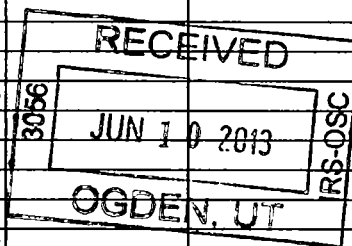
Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)	15400			
	2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	11.49	11.49		
	4 Dividends and interest from securities	0	8852.51		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	128580.02			
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)		114455.21		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less: Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11	143991.51	123319.21	0		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)				
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions)	40.00			40.00
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	10.52			0
	24 Total operating and administrative expenses. Add lines 13 through 23	50.52	0	0	40.00
25 Contributions, gifts, grants paid	15400.00			15400.00	
26 Total expenses and disbursements. Add lines 24 and 25	15450.52			15440.00	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	128540.99				
b Net investment income (if negative, enter -0-)		123319.21			
c Adjusted net income (if negative, enter -0-)			0		

For Paperwork Reduction Act Notice, see page 30 of the instructions.

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing	2123.82	165756.02	165756.02
	2 Savings and temporary cash investments			
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7 Other notes and loans receivable (attach schedule) ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments—U.S. and state government obligations (attach schedule)			
	b Investments—corporate stock (attach schedule)	35091.21	0	0
	c Investments—corporate bonds (attach schedule)			
	11 Investments—land, buildings, and equipment: basis ▶			
Liabilities	Less: accumulated depreciation (attach schedule) ▶			
	12 Investments—mortgage loans			
	13 Investments—other (attach schedule)			
	14 Land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation (attach schedule) ▶			
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	37215.03	165756.02	165756.02
	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
Net Assets or Fund Balances	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	0	0	
	Foundations that follow SFAS 117, check here <input type="checkbox"/>			
	and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/>			
	and complete lines 27 through 31.			
Net Assets or Fund Balances	27 Capital stock, trust principal, or current funds	37215.03	165756.02	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see page 17 of the instructions)	37215.03	165756.02	
	31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	37215.03	165756.02	

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	37215.03
2 Enter amount from Part I, line 27a	2	128540.99
3 Other increases not included in line 2 (itemize) ▶	3	0
4 Add lines 1, 2, and 3	4	165756.02
5 Decreases not included in line 2 (itemize) ▶	5	0
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	165756.02

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	Krause Corporation – Common Stock	D	11/16/1968	05/04/2011
b				
c				
d				
e				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 163671.23	0	11103.26	152567.97
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(j) F.M.V. as of 12/31/69	(i) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a 40363.45	2250.75	38112.70	114455.27
b			
c			
d			
e			

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	114455.21
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8	3	0

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2009	10040.00	128975.87	.0778
2008	15758.00	108787.63	.1449
2007	7541.00	97250.40	.0775
2006	7502.00	96571.08	.0777
2005	9569.04	129005.51	.0815

2 Total of line 1, column (d)	2	.4594
3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	.0919
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	145045.58
5 Multiply line 4 by line 3	5	13329.69
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1233.19
7 Add lines 5 and 6	7	14562.88
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18.	8	15440.00

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

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary—see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	1233	19
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2		0
3 Add lines 1 and 2	3	1233	19
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4		0
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	1233	19
6 Credits/Payments:			
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a		
b Exempt foreign organizations—tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7		0
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		0
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	1233	19
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		0
11 Enter the amount of line 10 to be: Credited to 2011 estimated tax Refunded	11		0

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		✓
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.</i>		✓
c Did the foundation file Form 1120-POL for this year?		✓
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ \$ _____ (2) On foundation managers. ▶ \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>		✓
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes.</i>	✓	
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		✓
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>		✓
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	✓	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV</i>	✓	
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ <u>Kansas</u>		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If "No," attach explanation</i>	✓	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? <i>If "Yes," complete Part XIV</i>		✓
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		✓

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		✓
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	✓	
Website address ▶ None				
14	The books are in care of ▶ Steven L Krause	Telephone no. ▶	620-727-7115	
	Located at ▶ 2509 Tyler St., Hutchinson, KS	ZIP+4 ▶	67502-3337	
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here. ▶ <input type="checkbox"/>			
	and enter the amount of tax-exempt interest received or accrued during the year ▶ 15			
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16	Yes	No
	See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶			✓

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly):		
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? . . .	1b	
	Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/>		
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?	1c	✓
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a	At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	If "Yes," list the years ▶ 20____, 20____, 20____, 20____		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 22 of the instructions.)	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ 20____, 20____, 20____, 20____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2010 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010.)	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	✓
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?	4b	✓

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to:(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☐ No(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions) ☐ Yes ☒ No(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No**b** If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? **5b**Organizations relying on a current notice regarding disaster assistance check here ☐**c** If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53.4945–5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No**b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** ☒

If "Yes" to 6b, file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No**b** If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? **7b****Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1** List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Steven L Krause 2509 Tyler St., Hutchinson, KS 67502	President As Required	-0-	None	None
Wendolyn Krause Van Duyne 1046 Pine Knoll Dr., Estes Park, CO 89517	Secretary & Treas. As Required	-0-	None	None

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

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

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

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3 Five highest-paid independent contractors for professional services** (see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
None		
Total number of others receiving over \$50,000 for professional services		0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

Expenses

1 None**2****3****4****Part IX-B Summary of Program-Related Investments** (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.

Amount

1 None**2**

All other program-related investments. See page 24 of the instructions.

3 None**Total.** Add lines 1 through 3

0

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	119979.29
b	Average of monthly cash balances	1b	27274.09
c	Fair market value of all other assets (see page 25 of the instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	147253.38
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	147253.38
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	2208.80
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	145045.58
6	Minimum investment return. Enter 5% of line 5	6	7252.23

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

1	Minimum investment return from Part X, line 6	1	7252.23
2a	Tax on investment income for 2010 from Part VI, line 5	2a	1233.19
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	0
c	Add lines 2a and 2b	2c	1233.19
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	6019.04
4	Recoveries of amounts treated as qualifying distributions	4	0
5	Add lines 3 and 4	5	6019.04
6	Deduction from distributable amount (see page 25 of the instructions)	6	0
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	6019.04

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

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1a	15440.00
b	Program-related investments—total from Part IX-B	1b	0
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	0
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	0
b	Cash distribution test (attach the required schedule)	3b	0
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	15440.00
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	1233.19
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	14206.81

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

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

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				6019.04
2 Undistributed income, if any, as of the end of 2010:				
a Enter amount for 2009 only			0	
b Total for prior years: 20____, 20____, 20____		0		
3 Excess distributions carryover, if any, to 2010:				
a From 2005	3665.79			
b From 2006	2676.63			
c From 2007	2679.07			
d From 2008	10329.16			
e From 2009	6286.73			
f Total of lines 3a through e	25673.38			
4 Qualifying distributions for 2010 from Part XII, line 4: ► \$ 15440.00				
a Applied to 2009, but not more than line 2a			0	
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)		0		
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)	0			
d Applied to 2010 distributable amount				6019.04
e Remaining amount distributed out of corpus	9420.96			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a).)	0			0
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	35094.34			
b Prior years' undistributed income. Subtract line 4b from line 2b		0		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0		
d Subtract line 6c from line 6b. Taxable amount—see page 27 of the instructions		0		
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions			0	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)	0			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)	3665.79			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	31428.55			
10 Analysis of line 9:				
a Excess from 2006	2676.63			
b Excess from 2007	2679.07			
c Excess from 2008	10329.16			
d Excess from 2009	6286.73			
e Excess from 2010	9420.96			

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, enter the date of the ruling ▶

1b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year				(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test—enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see page 28 of the instructions.)

- 1 Information Regarding Foundation Managers:**
- a** List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)

None

- b** List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

None

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

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

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

Steven L Krause, 2509 Tyler St., Hutchinson, KS 67502 620-727-7115

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

Letter Format - no application to complete

- c** Any submission deadlines:

No

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

Reno County, Kansas

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
United Way of Reno County	None		Distributions to lcl orgs	12000.00
Hutchinson Community College Endowment Assoc.	None		Scholarships	3400.00
Total			3a	15400.00
b Approved for future payment				
None				
Total			3b	0

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions.)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount		
1 Program service revenue:						
a						
b						
c						
d						
e						
f						
g Fees and contracts from government agencies						
2 Membership dues and assessments						
3 Interest on savings and temporary cash investments			14	11.49		
4 Dividends and interest from securities			14	8852.51		
5 Net rental income or (loss) from real estate:						
a Debt-financed property						
b Not debt-financed property						
6 Net rental income or (loss) from personal property						
7 Other investment income						
8 Gain or (loss) from sales of assets other than inventory						
9 Net income or (loss) from special events						
10 Gross profit or (loss) from sales of inventory						
11 Other revenue: a _____						
b _____						
c _____						
d _____						
e _____						
12 Subtotal. Add columns (b), (d), and (e)				8864.00		
13 Total. Add line 12, columns (b), (d), and (e)				13		8864.00

(See worksheet in line 13 instructions on page 29 to verify calculations.)

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

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

1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		Yes	No
a	Transfers from the reporting foundation to a noncharitable exempt organization of:			
(1)	Cash	1a(1)		✓
(2)	Other assets	1a(2)		✓
b	Other transactions:			
(1)	Sales of assets to a noncharitable exempt organization	1b(1)		✓
(2)	Purchases of assets from a noncharitable exempt organization	1b(2)		✓
(3)	Rental of facilities, equipment, or other assets	1b(3)		✓
(4)	Reimbursement arrangements	1b(4)		✓
(5)	Loans or loan guarantees	1b(5)		✓
(6)	Performance of services or membership or fundraising solicitations	1b(6)		✓
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		✓
d	If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.			

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

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

b If "Yes," complete the following schedule.

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

Sign Here

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

Signature of officer or trustee Date 6/4/2013 President Title

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

Schedule of Contributors

OMB No. 1545-0047

2010

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

Name of the organization

Henry Krause Charitable Foundation

Employer identification number

48-6150132

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

- ☐ 501(c)() (enter number) organization
- ☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
- ☐ 527 political organization

Form 990-PF

- ☒ 501(c)(3) exempt private foundation
- ☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
- ☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

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

Special Rules

- ☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year ▶ \$

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

Name of organization

Henry Krause Charitable Foundation

Employer identification number

48-6150132

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
	Krause Corporation 305 S. Monroe St. Hutchinson, KS 67501	\$ 15400.00	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

HENRY KRAUSE CHARITABLE FOUNDATION
TIN 48-6105132
FYE 6/30/11

FORM 990-PF PAGE 1:

PART I, LINE 18: TAXES

ANNUAL FRANCHISE TAX- STATE OF KANSAS

40.00

PART I, LINE 23: OTHER ADMINISTRATIVE EXPENSES

EXCISE TAX PAID

10.52

CHRIS BIGGS
Secretary of State



Memorial Hall, 1st Floor
120 S.W. 10th Avenue
Topeka, KS 66612-1594
(785) 296-4564

STATE OF KANSAS

October 22, 2010

CHARLES D. LEE
MARTINDELL SWEARER SHAFFER RIDENOUR LLP
P. O. BOX 1907
HUTCHINSON KS 67504-1907

RE: THE HENRY KRAUSE CHARITABLE FOUNDATION

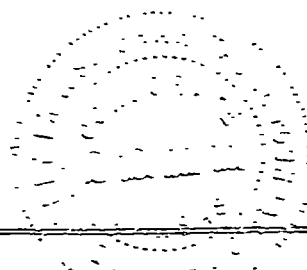
ID #: 19-440-7

To The Corporation

A certified copy of the amendment that was recently filed in the Corporations Division of our office is enclosed.


Every corporation in Kansas is assigned an identification number. Use of this number in any correspondence with our office will give us immediate access to your file and enable us to offer you faster, more efficient service. Your corporation's identification number is at the top of this letter.

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VALIDATION COVER PAGE

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053 013	10-22-2010
\$20.00	3 10:25:49 AM
	FILE#: 0194407


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19-440-7

53-1

**AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
HENRY KRAUSE CHARITABLE FOUNDATION**

The name of the corporation is The Henry Krause Charitable Foundation. The corporation was originally incorporated on September 4, 1959.

In accord with the provisions of K.S.A. 17-6605, the undersigned corporation, pursuant to a resolution duly adopted by its board of directors and approved by its members, hereby adopts the following Amended and Restated Articles of Incorporation.

First: The name of the Corporation is

THE HENRY KRAUSE CHARITABLE FOUNDATION

Second: The location of its registered office is the State of Kansas is

2509 Tyler
Hutchinson, Kansas 67502.

Third: The name and address of its Resident Agent in the State of Kansas is

Steven L. Krause
2509 Tyler
Hutchinson, Kansas 67502

Fourth: This Corporation is organized NOT for profit, and the objects and purposes to be transacted, promoted or carried on by the Corporation shall be those ordinarily carried on by non-profit organizations. The Corporation is organized exclusively for religious, charitable, scientific, literary or educational purposes and the funds and property of the Corporation shall at all times be handled, administered, operated and distributed by the Corporation in aid of such religious, charitable, scientific, literary and educational purposes, as in the judgment of the Board of Directors of the Corporation shall be in the furtherance of the public welfare and tend to promote the well-doing or well-being of mankind, and/or to or for the use of the United States of

America, any state, Territory, or political subdivision thereof, or the District of Columbia, for such exclusively public purposes as said Board of Directors shall determine.

In order to accomplish the purposes, and to attain the objects for which this Corporation is formed and for which the funds and property of the Corporation shall be handled, administered, operated and distributed, the Corporation, its Officers and Directors, shall possess and exercise all powers, authorities and privileges granted by and under the laws of the State of Kansas and, in addition thereto, the following powers, authorities and privileges, all within such limitations and restrictions as may be imposed by these Articles of Incorporation:

(a) To receive donations, and to receive, manage, take and hold real and personal property, by gift, grant, devise, or bequest; and also, to receive, hold, manage, convert, sell, assign, transfer, alter, reinvest and otherwise deal with all the properties held by the Corporation, and all additions thereto, as in the discretion of the Board of Directors shall be deemed best to promote and accomplish the purposes of the Corporation;

(b) To retain the original properties received by it from donors for such time as the Board of Directors of the Corporation shall deem best, at all times from time to time, to sell, convert, reconvert, partition or exchange, any property at any time comprising a part of the assets of the Corporation, or any part or parts thereof, or any claim or interest the Corporation might have in such property, and to make, execute and deliver all such instruments as the Board of Directors may deem necessary or expedient for such purposes, and to make contracts with reference to the property belonging to the Corporation, or any part thereof, as the Board of Directors may see fit;

(c) To participate in the liquidation, reorganization, consolidation or other financial readjustment of any corporation or business in which this Corporation is, or

shall be, finically interested;

(d) To invest any money which it may have at any time in such bonds, stocks, notes, real estate, mortgages or other securities, or in such other property, real or personal, as the Board of Directors shall deem wise;

(e) To hold all shares of stock and other securities belonging to it at any time in its own name, or in the name of any nominee of the Corporation; to vote any of said shares of stock through any of its duly authorized officers, or by proxy; to assent to or waive any stockholders right or privilege in respect thereof, including any right or privilege to subscribe for or otherwise acquire any additional stock; to assent to any merger, consolidation or reorganization of any property, corporation or other enterprise in which this Corporation may be interested, or whose obligations or securities may be held by this Corporation, and to join therein and exchange the securities held by it for such other securities as may be issued pursuant to such action or arrangement; to unite with other owners of similar properties or securities in any plan, agreement of deposit, designed to effectuate any such purpose, and to pay all assessments, or expenses, incidental thereto, and to consent to any lease or other corporate act;

(f) To join or unite with any other stockholder or stockholders or any parties beneficially or otherwise interested in any shares of stock in any corporation in which this Corporation may be a stockholder, for the purpose of securing the more efficient management of such corporation, and to that end and also to enter into any voting trust or lawful agreement to concentrate or unify the control of any stock of any such corporation embodying such terms and provisions as may appear acceptable to the Board of Directors of this Corporation, and deposit the shares of interests held by this Corporation under such trust or agreement, all as the Board of Directors of this Corporation may deem

prudent;

(g) To compromise, arbitrate or otherwise adjust claims in favor of or against the Corporation and to join in, maintain, defend or otherwise dispose of any litigation in any manner arising in connection with the property belonging to the Corporation, upon such terms as the Board of Directors of the Corporation shall deem advisable; and, in the exercise of these powers, to execute and deliver any and all receipts, releases or instruments necessary or advisable;

(h) To promote, and conduct any legitimate objects or purposes for which natural persons may, under the Laws of the State of Kansas lawfully associate themselves together;

(i) To borrow or raise moneys for any of the purposes of the Corporation and, and from time to time , without limit as to amount, to draw, make, accept, endorse, execute and issue promissory notes, drafts, bills of exchange, warrants, bonds, debentures and other negotiable or non-negotiable instruments and evidences of indebtedness, and to secure the payment of any thereof and of the interest thereon by mortgage upon or pledge, conveyance or assignment in trust of the whole or any part of the property of the Corporation, whether at the time owned or thereafter acquired, and to sell, pledge or otherwise dispose of such bonds or other obligations of the Corporation for its corporate purposes;

(j) In general to have and exercise all powers conferred upon corporations by the Laws of the State of Kansas, now or hereafter in effect, for the accomplishment of the purposes and the carrying on and promotion of the business and objects of this Corporation, which are any one or more of the acts and things herein set forth;

(k) To hire such agents, representatives, attorneys and employees as the Board of

Directors may deem necessary and advisable, and to pay such costs and expenses, including the compensation of its agent, representatives, attorneys and employees, as may be incurred in the administration of its affairs;

(l) To institute such suits and proceedings at law or in equity as its Board of Directors may deem necessary or advisable for the proper protection or proper in the administration of its property and affairs;

(m) To lease any real estate at any time constituting a portion of the property of the Corporation for such term or terms and rentals, and with such conditions and provisions, including such agreements for renewals and for the purchase or disposal of buildings upon, or to be placed upon, any such real estate, as its Board of Directors may deem proper;

(n) To mortgage any real estate at any time constituting any portion of its property, on such terms and conditions as may seem to its Board of Directors proper for the payment of taxes and assessments, or for the replacement of other liens, or for the repair, construction or alteration of buildings thereon, and for expenses incidental thereto;

(o) By and through its officers, to execute and deliver any and all proxies, powers of attorney, contracts, deeds and other instruments, necessary or proper in the administration of its property and affairs;

PROVIDED, HOWEVER, That, anything herein to the contrary notwithstanding, in no event and under no circumstances shall any part of the funds, property or assets owned or acquired by the Corporation, whether principal, income, or accumulations, or the net earnings thereof, be distributed to, or inure to the benefit of

(1) Any donor to the Corporation or his heirs or personal representatives;

(2) Any Director or Officer of this Corporation;

(3) Any Corporation, association, organization, society, trust or agency, unless it be organized and operated exclusively for religious, charitable, scientific, literary or educational purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation, or to, directly or indirectly, participate or intervene in any political campaign on behalf of, or in opposition to, any candidate for public office.

(4) The United States, any state territory, or any political subdivision thereof, or the District of Columbia, unless for one or more exclusively public purposes;
And no part of the funds, property or assets of the Corporation, or the income therefrom, shall be expended for any purpose other than those herein designated; and,

PROVIDED FURTHER, That, anything herein to the contrary notwithstanding, no part of the Corporation's activities shall be the carrying on of propaganda or otherwise attempting to influence legislation, or to, directly or indirectly, participate or intervene in any political campaign on behalf of, or in opposition to, any candidate for public office, whatever; and,

PROVIDED STILL FURTHER, that, anything to the contrary notwithstanding,

(1) 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 Section 4942 of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal tax laws.

(2) The Corporation shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal tax laws.

(3) The Corporation shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal tax laws.

(4) The Corporation shall not make any investments in such manner as to subject it to tax under Section 4944 of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal tax laws.

(5) The Corporation shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code of 1954, or corresponding provisions for any subsequent Federal tax laws.

Fifth: In the event of the dissolution of this Corporation, then all of the property, funds and assets of the Corporation at the time of such dissolution, shall be distributed exclusively for religious, charitable, scientific, literary and/or educational purposes as the Board of Directors of the Corporation may direct.

Sixth: The Corporation shall NOT have authority to issue capital stock.

Seventh: The conditions of membership in the Corporation shall be fixed by the Bylaws of the Corporation.

Eighth: The names and places of residence of each of the Incorporators are as follows:

Henry Krause	Hutchinson, Kansas
Norman L. Krause	Hutchinson, Kansas
Gilbert R. Rains	Hutchinson, Kansas

Ninth: The term for which this Corporation is to exist is perpetual.

Tenth: The private property of the members of the Corporation shall not be subject to the payment of corporate debts to nay extent whatever.

Eleventh: The Corporation and its business, property and affairs shall be managed and governed by a Board of not less than three (3) nor more than eleven (11) Directors. The Board of Directors or the Corporation shall always be chosen from among the direct descendants, or the spouses of direct descendants, of Henry and Anna Krause. Such Board of Directors is expressly authorized to adopt, alter, amend and repeal Bylaws of the Corporation and to have and exercise such other powers and authorities as are normally exercised by Board of Directors, including the power and authority to amend these Articles of Incorporation.

The foregoing Amended and Restated Articles of Incorporation supersede the original Articles of Incorporation and all amendments thereto.

Dated: October 20, 2010.

THE HENRY KRAUSE CHARITABLE FOUNDATION

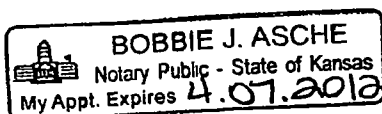
By Steven L. Krause
President

By Richard A. Brown
Secretary

STATE OF KANSAS, COUNTY OF RENO, SS:

Personally appeared before me, a Notary Public, in and for Reno County, Kansas, the above-named Steven L. Krause, and Richard A. Brown, who are personally known to me to be the same persons who executed the foregoing instrument of writing, and duly acknowledged the execution of the same.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, this 20th day of October, 2010.



Bobbie J. Asche
Notary Public

I hereby certify this to be a true and correct copy of the original on file.
Certified on this date: October 20, 2010
Chris Biggs
Chris Biggs, Secretary of State

**AMENDED AND RESTATED BYLAWS
OF
THE HENRY KRAUSE CHARITABLE FOUNDATION**

(Incorporated Under the Laws of Kansas)

Article I

Offices

Section 1. The location of the Principal Office of the Henry Krause Charitable Foundation, herein referred to as the "Foundation", is 2509 Tyler, Hutchinson, Kansas 67502.

Section 2. The Foundation may have offices and places of business at such other places within or without the State of Kansas as shall be determined by the Directors.

Article II

Membership

Section 1. Initial membership in the Foundation will consist of those members of the Krause Corporation Board of Directors who are direct descendents of Henry and Anna Krause. Other members may be selected and invited by the Foundation's Board of Directors, but only to the extent that such other members are direct descendents, or the spouses of direct descendents, of Henry and Anna Krause.

Section 2. The right of a member to vote and all his or her right, title, and interest in or to the Foundation shall cease on the termination of his or her membership. No member shall be entitled to share in the distribution of the Foundation assets upon the dissolution of the Foundation.

Section 3. Any member may resign from the Foundation by delivering a written resignation to the President or Secretary of the Foundation.

Article III

Meetings

Section 1 - Annual Meeting. The annual meeting of the members of the Foundation shall be held on the first Saturday in October for the purpose of electing Directors and for the transaction of such other business as may properly come before the meeting. Such meetings may be held within or without the State of Kansas.

Section 2 - Notice of Meeting. Notice of the time, place and purpose or purposes of the annual meeting, either written or printed, shall be personally delivered to, or sent by United States mail, facsimile or email to all the members, not less than ten nor more than fifty days, before the meeting.

Section 3 - Special Meetings. Special meetings of the members may be called at any time by the President or Vice President or by a majority of the Board of Directors and must be called by the President or Secretary on receipt of the written request of one-third of the members of the Foundation. Notice of special meetings shall be given in the manner required in the case of annual meetings.

Section 4 - Quorum. A majority of the members of the Foundation, present in person or by proxy, shall constitute a quorum for all purposes, and the act of a majority of the members present at any meeting at which there is a quorum shall be the act of the full membership. In the absence of a quorum, a majority of the members present in person or by proxy may adjourn the meeting from time to time, without notice other than by announcement at the meeting without further notice to any absent member. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 5 - Voting. At every meeting of members each member shall be entitled to vote in person, or by proxy duly appointed by instrument in writing which is subscribed by such member and which bears a date not more than eleven (11) months prior to such meeting. Each member of the Foundation shall be entitled to one vote. The vote for Directors need not be by ballot but may be by oral vote or show of hands unless written demand for election by ballot is made by two or more members of the Foundation.

Section 6 - Waiver of Notice. The notice of any meeting of the members may be waived by any member in writing either before or after such meeting, and a waiver of notice sent by email or facsimile shall be deemed to be a waiver of notice in writing signed by the member sending the same. The presence of a member at any meeting of the members of the Foundation shall constitute a waiver of notice thereof.

Article IV

Board of Directors

Section 1. The business, property and affairs of the Foundation, including determination and election of membership, shall be managed and controlled by a Board of Directors. The number of Directors of the Foundation shall not be less than three (3) nor more than eleven (11), the exact number thereof to be fixed from time to time by Resolution or Resolutions of the Board of Directors, receiving the affirmative votes of not less than a majority of the members of the entire Board of Directors.

Section 2 – Election. The Directors of the Foundation shall be elected annually by the members of the Foundation to hold office until the next annual meeting of the members or until the election and qualification of their successors, or until their

resignation in writing has been filed in the office of the secretary of the Foundation, PROVIDED THAT the Directors shall be chosen from among the direct descendents, or the spouses of direct descendents, of Henry and Anna Krause.

Section 3. Any Director may resign at any time by filing written notice of such resignation in the office of the secretary of the Foundation.

Section 4 – Vacancies. Any vacancy in the Board of Directors occurring during the year may be filled for the unexpired portion of the term by the Directors then serving, although less than a quorum, by affirmative vote of a majority thereof. Any Director so elected by the Board of Directors shall hold office until the next annual meeting of the members of the Foundation or until the election and qualification of his or her successor, or until his or her resignation in writing has been filed in the office of secretary of the Foundation.

Section 5 - Annual Meetings. Immediately after each annual meeting of the members of the Foundation, the newly elected Directors shall meet forthwith for the purpose of electing officers and transaction of other business, if a quorum of the Directors are not then present, those newly elected Directors who are then present shall fix the time and place of the annual meeting which shall be held within thirty days thereafter, upon five (5) days notice thereof.

Section 6 – Notice. Notice of all Directors meetings, except as herein otherwise provided, shall be given by written or printed notice personally delivered to, or sent by United States mail, facsimile or email to all Directors at least 5 days prior to the meeting. Regular meetings of the Board of Directors may be held without notice at such time and place as may be determined by the Board. Any business may be transacted at any meeting

of the Board of Directors.

Section 8 - Waiver of Notice. The notice of any meeting of the Directors may be waived by an Director in writing either before or after such meeting, and a waiver of notice sent by, facsimile or email shall be deemed to be a waiver of notice in writing by the Director sending same. The presence of a Director at any meeting of the Board of Directors shall conclusively constitute a waiver thereof.

Section 9. At all meetings of the Board of Directors, the President or Vice President, or in their absence, a chairman selected by the Directors present, shall preside.

Section 10 – Quorum. At all meetings of the Board of Directors a majority of the Directors shall be necessary and sufficient to constitute a quorum for the transaction of business and the election of Officers and the act of the majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors. If at any meeting of the Directors there is less than a quorum present, a majority of those present may adjourn the meeting from time to time without further notice other than announcement at the meeting.

Article IV

Officers

Section 1. The Officers of the Foundation shall be a President, Vice President, Secretary and Treasurer. All offices may be held by the same person. All Officers shall be elected annually by the Board of Directors at its annual meeting. The officers shall hold their offices until their successors are chosen and qualified unless the respective term of office has been terminated by a resignation in writing duly filed in the office of the Secretary of the Foundation. All officers, except Assistant Secretaries and/or Assistant

Treasurers as hereinafter provided for, shall be elected from among the Directors of the Foundation.

Section 2. The Board of Directors shall require the Treasurer, and may require any other officer, to give bond for the faithful performance of his or her or her duties in such sum and with such sureties as said Board of Directors may provide, and such bond or bonds shall be renewed at least every three years.

Section 3 - Subordinate Officers. The Board of Directors may appoint such other officers (for example Assistant Secretary or Assistant Secretaries or Assistant Treasurer or Assistant Treasurers, etc.), agents and factors as it may deem necessary, to hold office for such period, have such authority and perform such duties as the Board of Directors may delegate to them. The Board of Directors may delegate to any officer the power to appoint any such subordinate officers or agents.

Section 4. Any officer may resign at any time by filing his or her written resignation in the office of the Secretary of the Foundation.

Section 5 – Vacancies. In case of any vacancy in the office of President, Vice President, Secretary or Treasurer by reason of death, resignation, disqualification or any other cause, the majority of the Directors then in office, although less than a quorum, shall elect an officer to fill such vacancy, and the officer so elected shall hold office and serve until the election and qualification of his or her successor.

Section 6 - The President. The President shall be the chief executive officer of the Foundation, and shall administer the affairs of the Foundation as directed by the Board of Directors. He or she shall preside at meetings of the Board of Directors and in general shall perform all duties incident to the office of President and such other duties as from

time to time may be assigned to him or her or her by the Board of Directors.

Section 7 - Vice President. In the event of the absence or disability of the President, the Vice President shall perform the duties of the President. The Vice President shall also perform such other duties as shall from time to time be imposed upon him or her or her by the Board of Directors.

Section 8 – Secretary. The Secretary shall:

(a) record all the proceedings of the meetings of the Foundation and Directors in a book to be kept for that purpose;

(b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law;

(c) be custodian of the records of the Foundation;

(d) see that books, reports, statements, certificates, and all other documents and records required by law are properly made, kept and filed;

(e) in general, perform all duties incident to the office of Secretary, and such other duties as are provided by these Bylaws and as from time to time are assigned to him or her by the Board of Directors.

Section 9 - Assistant Secretary. If one or more Assistant Secretaries shall be appointed pursuant to the provisions of this Article in respect of subordinate officers, then, at the request of the Secretary, or in his or her absence or disability, the Assistant Secretary designated by the Secretary (or in the absence of such designations, then any one of such Assistant Secretaries) shall perform the duties of Secretary, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the Secretary.

Section 10 – Treasurer. The Treasurer shall give bond in such sum and with such sureties as may be provided by the Board of Directors and such bond shall be renewed at least every three years.

The Treasurer Shall:

(a) have charge and custody of all funds and securities of the Foundation and shall deposit the same in such bank or trust company as shall be designated by the Board of Directors.

(b) from time to time render a statement of the condition of the finances of the Foundation at the request of the Board of Directors and shall render a complete financial report at the annual meeting of the Board of Directors, if called upon to do so.

(c) receive, and give receipt for, moneys due and payable to the Foundation from any source whatsoever;

(d) in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the Board of Directors.

Section 11 - Assistant Treasurer. If one or more Assistant Treasurers shall be appointed pursuant to the provisions of this Article in respect of subordinate officers, then, at the request of the Treasurer, or in his or her absence or disability, the Assistant Treasurer designated by the Treasurer (or in the absence of such designation, then any one of such Assistant Treasurers) shall perform the duties of Treasurer, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the Treasurer.

ARTICLE V

SEAL

The seal of the Foundation, bearing the words "THE HENRY KRAUSE CHARITABLE FOUNDATION" and identified by an impression thereof of the margin of this page, shall be the seal of the Foundation until the Board of Directors, by resolution duly adopted, shall otherwise provide.

ARTICLE VI

FISCAL YEAR

The fiscal year of the Foundation shall begin on the 1st day of October of each year and terminate on the last day of September until and unless otherwise provided by resolution of the Board of Directors.

ARTICLE VII

GENERAL

Section 1. This Foundation has been organized exclusively for religious, charitable, scientific, literary or educational purposes and shall be administered and operated exclusively for the benefit of, and the funds and property of the Foundation shall at all times be handled, administered, operated and distributed by the Foundation exclusively in aid of such religious, charitable, scientific, literary and educational purposes, as in the judgment of the Board of Directors of the Foundation shall be in the furtherance of the public welfare and tend to promote the well-doing and well-being of mankind, and/or to or for the use of the United States, any state, territory, or any political sub-division thereof, or the District of Columbia, for such exclusively public purposes, as the said Board of Directors shall determine, the distribution of funds and property of the

Foundation to be made at one time or from time to time, and at such times, and in such manners and amounts, as the Board of Directors, in their absolute discretion, shall deem to be prudent.

Section 2. In no event and under no circumstances shall any part of the funds, property, or assets owned or acquired by the Foundation, whether principal, income or accumulations, or the net earnings thereof, be distributed to, or inure to the benefit of:

(a) any donor to the Foundation or his or her heirs or personal representatives;

(b) any Director or Officer of this Foundation;

(c) any corporation, association, organization, society, trust or agency, unless it be organized and operated exclusively for religious, charitable, scientific, literary or educational purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation, or to directly or indirectly, participate or intervene in any political campaign on behalf of or in opposition to, any candidate for public office.

(d) The United States, any state, territory, or any political sub-division thereof, or the District of Columbia, unless for one or more exclusively public purpose.

(e) The corporation shall distribute its income for each taxable year at such time and in such manner as not to become subject to the 4942 of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal tax laws.)

(f) The Corporation shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal tax laws.

(g) The Corporation shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal tax laws.

(h) The Corporation shall not make any investments in such manner as to subject it to tax under Section 4944 of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal tax laws.

(i) The Corporation shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal tax laws.

Section 3. In the event of the dissolution of this Foundation, then all of the property, funds and assets of the Foundation at the time of such dissolution, shall be distributed exclusively for religious, charitable, scientific, literary and/or educational purposes as the Board of Directors of the Foundation may direct.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 1 – Depositories. The Board of Directors shall designate the banks or trust companies in which shall be deposited from time to time the money or securities of the Foundation.

Section 2 - Checks, Drafts, Notes, Etc. All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Foundation, shall be signed by such officer or officers or agent or agents as shall from time to time be designated by resolution of the Board of Directors.

Section 3. Any stock in any other corporation which may from time to time be

held by the Foundation may be represented and voted at any meeting of stockholders of such corporation by the President or Vice President or Treasurer or Secretary or by any proxy appointed in writing by the President or Vice President or Treasurer or Secretary of the Foundation, or by such person as may be authorized by the Board of Directors. Notices of meetings of stockholders of any corporation, stock of which is held by the Foundation, may be waived on behalf of the Foundation by the President or Vice President or Treasurer or Secretary of the Foundation. Shares of stock belonging to the Foundation may be hold for the benefit of the Foundation in the individual name of such nominee as may be designated for the purpose by the Board of Directors.

Section 4. Any Director or Officer may waive any notice required to be given to him or her under these Bylaws.

Section 5. No salary or attendance fee shall ever, under any circumstances, be paid to any Director of the Foundation, but Directors may be reimbursed for necessary expenses actually incurred by them in connection with attendance at an annual or special meeting of the Board of Directors.

Section 6. The Board of Directors of the Foundation shall have authority to appoint an advisory committee and such other committees as said Board of Directors deems advisable.

Section 7. The Board of Directors, except as in these Bylaws otherwise provided, may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of and on the behalf of the Foundation, and such authority may be general or confined to a specific instance; and unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the

corporation by any contract or engagement, or to pledge its credit, or render it liable pecuniarily for any purpose or to any amount.

ARTICLE IX

AMENDMENT, ALTERATION OR REPEAL OF BYLAWS

The Board of Directors is expressly authorized to adopt, alter, amend and repeal Bylaws of the Foundation by resolution of the Board of Directors receiving the affirmative vote of a majority of the members of the entire Board.

ATTEST:



Secretary or Assistant Secretary