

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF RAMSEY

SECOND JUDICIAL DISTRICT

FILE NO. C5-58-302795

In the Matter of the Trust Created by  
Article VII of the Last Will and Testament of  
CHARLES K. BLANDIN,

*AMENDED*  
ORDER APPOINTING  
SPECIAL MASTER

Deceased.

Pursuant to Rule 53.01 *et seq.* of the Minnesota Rules of Civil Procedure:

IT IS HEREBY ORDERED that:

1. Peter Ulmen is appointed as Special Master herein to monitor compliance by the above-captioned Trust (Trust) and the Charles K. Blandin Foundation (Foundation) with Paragraph III of the Stipulation and Order entered in this matter by this Court on December 17, 2003. A copy of this Stipulation and Order is attached and incorporated herein by reference.

2. The Special Master is charged with inquiring into the Foundation's grant distributions and allocation of those distributions to the Grand Rapids Area, as said area is defined in the Stipulation and Order attached hereto, taking into consideration the requirement that the Grand Rapids Area receive an average of at least fifty-five (55%) percent of all grants made over a six-year rolling period, said six-year period to begin January 1, 2003.

3. The Foundation shall annually provide to the Special Master reports that identify the following:

- (a) The grant amounts paid in the prior year on a cash basis of accounting to the Grand Rapids area;

- (b) The grant amounts paid in the prior year on a cash basis of accounting outside of the Grand Rapids area;
- (c) The program expenses paid in the prior year on an accrual basis of accounting;
- (d) The administrative expenses paid in the prior year on an accrual basis of accounting; and
- (e) The total expenditures on a cash basis of accounting for the prior year.

The Foundation's report shall be in such form and contain such other information as the Special Master shall determine from time to time. In addition, as provided in Minn. R. Civ. P. 53.03 and 53.04, the Special Master shall have full power to access the books and records of the Trust and the Foundation and access to employees and officers thereof for purposes of carrying out the duties to monitor compliance with the Court's December 17, 2003 Order's requirement for grant distribution and allocation to the Grand Rapids area and to report to the Court.

4. Pursuant to Minn. Civ. R. 53.05, the Special Master shall prepare and provide an annual report to the Minnesota Attorney General, the Trustees of the Trust Created by Article VII of the Will of Charles K. Blandin (Residuary Trust), and this Court. The report shall address the Special Master findings about the Trust and the Foundation's compliance with Paragraph III of the Stipulation and Order, including any significant changes to the Foundation's grantmaking and charitable distribution practices. In connection with the conduct of this review and any resulting inquiry, the Special Master shall discuss any questions or concerns with the Foundation representatives and/or the Minnesota Attorney General or his/her representative prior to filing of his report. The copy of the report that is provided to the Minnesota Attorney General's Office shall be included in the public files.

5. The Special Master may, from time to time, have questions indirectly related to Paragraph III of the December 11, 2003 Stipulation and Order. Such considerations should be directed to the Court by way of an informational meeting to be attended by representatives of the Trustees and the Foundation and Attorney General's office, if they elect to attend, for discussions regarding any Court-directed follow-up as part of the tri-annual petition for approval of accounts.

6. The Special Master has no responsibility for monitoring issues of the Foundation corporate governance, internal management matters, grant-making or program-related decisions, investment decisions or any other aspects of the normal and ordinary operation of the Blandin Foundation. The Special Master does not have the responsibilities of a compliance officer nor is the Special Master responsible for monitoring the Trust's or Foundation's investments or investment strategies as part of his regular reporting obligation under this Order.

7. The continued appointment of a Special Master shall be evaluated at the close of the first six (6) year rolling period which began January 1, 2003.


8. The Trustees will make an informal presentation to the Court at the request of the Court to update the Court on the Trust and Foundation's activities, including the Trust's and Foundation's investments and investment strategies and respond to any questions from the Court or Special Master or the Attorney General's Office. The Special Master and Attorney General's Office shall be provided a copy of all presentation materials at least seven (7) days prior to the presentation and the Special Master shall direct any comments or questions to the Court. The presentation shall be closed at the request of a party and at the discretion of the Court in order to protect any proprietary information of the Trust's and Foundation's investment consultant or for other reasons deemed sufficient by the Court.

9. The Special Master shall be paid reasonable fees plus expenses as provided for and approved by this Court, which fees shall be paid from the Trust.

10. Nothing in this Order precludes the Special Master from contacting the manager of the Charities Division, or other designee of the Attorney General's Office, concerning the Blandin Foundation or Trust.

11. Either the Foundation, Residuary Trust, or Special Master may request that the Court order issues or findings addressed in draft reports be kept confidential for valid reasons asserted by them, or the Court on its own motion may order issues or findings to be kept confidential.

Dated: May 8<sup>th</sup>, 2007

  
Honorable Margaret Marrinan