

*Public Inspection Copy*  
EXEMPT ORGANIZATION RETURNS

For The Year Ended December 31, 2008

**C.K. BLANDIN FOUNDATION**

**CLIENT COPY  
RETAIN FOR YOUR RECORDS**

**Exempt Organization Business Income Tax Return**  
(and proxy tax under section 6033(e))

**2008**

Open to Public Inspection for 501(c)(3) Organizations Only

Department of the Treasury  
Internal Revenue Service

For calendar year 2008 or other tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

<b>A</b> <input type="checkbox"/> Check box if address changed	<b>Print or Type</b>	Name of organization ( <input type="checkbox"/> Check box if name changed and see instructions.) <b>C.K. BLANDIN FOUNDATION</b>	Employer identification number (Employees' trust, see instructions for Block D on page 9.) <b>41-6038619</b>
<b>B</b> Exempt under section <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a)		Number, street, and room or suite no. If a P.O. box, see page 9 of instructions. <b>100 N POKEGAMA AVENUE</b>	Unrelated business activity codes (See instructions for Block E on page 9.) <b>531120</b>
		City or town, state, and ZIP code <b>GRAND RAPIDS, MN 55744</b>	
<b>C</b> Book value of all assets at end of year <b>331,825,635.</b>	<b>F</b> Group exemption number (See instructions for Block F.) ▶		
	<b>G</b> Check organization type ▶ <input checked="" type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust		

**H** Describe the organization's primary unrelated business activity. ▶ **SEE STATEMENT 1**

**I** During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ▶  Yes  No  
If "Yes," enter the name and identifying number of the parent corporation. ▶

**J** The books are in care of ▶ **JEAN LANE** Telephone number ▶ **218-326-0523**

Part I Unrelated Trade or Business Income	(A) Income	(B) Expenses	(C) Net
1a Gross receipts or sales			
b Less returns and allowances			
c Balance	1c		
2 Cost of goods sold (Schedule A, line 7)	2		
3 Gross profit. Subtract line 2 from line 1c	3		
4a Capital gain net income (attach Schedule D)	4a		
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b		
c Capital loss deduction for trusts	4c		
5 Income (loss) from partnerships and S corporations (attach statement)	5	28,577. STMT 2	28,577.
6 Rent income (Schedule C)	6		
7 Unrelated debt-financed income (Schedule E)	7		
8 Interest, annuities, royalties, and rents from controlled organizations (Sch. F)	8		
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9		
10 Exploited exempt activity income (Schedule I)	10		
11 Advertising income (Schedule J)	11		
12 Other income (See instructions; attach schedule.)	12		
13 Total. Combine lines 3 through 12	13	28,577.	28,577.

Part II Deductions Not Taken Elsewhere (see instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income.)			
14 Compensation of officers, directors, and trustees (Schedule K)	14		
15 Salaries and wages	15		
16 Repairs and maintenance	16		
17 Bad debts	17		
18 Interest (attach schedule)	18		
19 Taxes and licenses	19		
20 Charitable contributions (See instructions for limitation rules.)	20		
21 Depreciation (attach Form 4562)	21		
22 Less depreciation claimed on Schedule A and elsewhere on return	22a		22b
23 Depletion	23		
24 Contributions to deferred compensation plans	24		
25 Employee benefit programs	25		
26 Excess exempt expenses (Schedule I)	26		
27 Excess readership costs (Schedule J)	27		
28 Other deductions (attach schedule)	28		
29 Total deductions. Add lines 14 through 28	29		0.
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	30		28,577.
31 Net operating loss deduction (limited to the amount on line 30)	31		
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	32		28,577.
33 Specific deduction (Generally \$1,000, but see instructions for exceptions)	33		1,000.
34 Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32	34		27,577.

**Part III Tax Computation**

35 Organizations Taxable as Corporations. See instructions for tax computation.  
 Controlled group members (sections 1561 and 1563) check here  See instructions and:  
 a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):  
 (1) \$ \_\_\_\_\_ (2) \$ \_\_\_\_\_ (3) \$ \_\_\_\_\_  
 b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$ \_\_\_\_\_  
 (2) Additional 3% tax (not more than \$100,000) \$ \_\_\_\_\_  
 c Income tax on the amount on line 34 **35c** 4,137.  
 36 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from:  
 Tax rate schedule or  Schedule D (Form 1041) **36**  
 37 Proxy tax. See instructions **37**  
 38 Alternative minimum tax **38**  
 39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies **39** 4,137.

**Part IV Tax and Payments**

40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) **40a**  
 b Other credits (see instructions) **40b**  
 c General business credit. Attach Form 3800 **40c**  
 d Credit for prior year minimum tax (attach Form 8801 or 8827) **40d**  
 e Total credits. Add lines 40a through 40d **40e**  
 41 Subtract line 40e from line 39 **41** 4,137.  
 42 Other taxes. Check if from:  Form 4255  Form 8611  Form 8697  Form 8866  Other (attach schedule) **42**  
 43 Total tax. Add lines 41 and 42 **43** 4,137.  
 44a Payments: A 2007 overpayment credited to 2008 **44a** 6,236.  
 b 2008 estimated tax payments **44b**  
 c Tax deposited with Form 8868 **44c**  
 d Foreign organizations: Tax paid or withheld at source (see instructions) **44d**  
 e Backup withholding (see instructions) **44e**  
 f Other credits and payments:  Form 2439  Form 4136  Other \_\_\_\_\_ Total **44f**  
 45 Total payments. Add lines 44a through 44f **45** 6,236.  
 46 Estimated tax penalty (see instructions). Check if Form 2220 is attached  **46**  
 47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed **47**  
 48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid **48** 2,099.  
 49 Enter the amount of line 48 you want: Credited to 2009 estimated tax **49** 2,099. Refunded 0.

**Part V Statements Regarding Certain Activities and Other Information** (See instructions on page 18)

1 At any time during the 2008 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here  Yes  No  
 2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see page 5 of the instructions for other forms the organization may have to file.  Yes  No  
 3 Enter the amount of tax-exempt interest received or accrued during the tax year  \$

**Schedule A - Cost of Goods Sold.** Enter method of inventory valuation **N/A**

1 Inventory at beginning of year	1		6 Inventory at end of year	6	
2 Purchases	2		7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	7	
3 Cost of labor	3		8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4a Additional section 263A costs	4a				
b Other costs (attach schedule)	4b				
5 Total. Add lines 1 through 4b	5				

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

**Sign Here**  
 Signature of officer: *Dean M. Lane* Date: 11/13/09 Title: *Treasurer/Finance Director*  
 May the IRS discuss this return with the preparer shown below (see instructions)?  Yes  No

**Paid Preparer's Use Only**  
 Preparer's signature: *David J. Larson* Date: 11/13/2009 Check if self-employed   
 Firm's name (or yours if self-employed), address, and ZIP code: **LARSON ALLEN LLP**  
**220 SOUTH SIXTH STREET, SUITE 300**  
**MINNEAPOLIS, MN 55402**  
 Preparer's SSN or PTIN: **P00078514**  
 EIN: **41-0746749**  
 Phone no.: **612-376-4500**

Schedule C - Rent income (From Real Property and Personal Property Leased With Real Property)(see instr. on pg 19)

1 Description of property

Table with 3 columns: (a) From personal property, (b) From real and personal property, and 3(a) Deductions directly connected with the income. Includes rows (1)-(4) and a Totals row showing 0.

Schedule E - Unrelated Debt-Financed Income (See instructions on page 19)

Table with 5 columns: 1 Description of debt-financed property, 2 Gross income from or allocable to debt-financed property, 3 Deductions directly connected with or allocable to debt-financed property, 4 Amount of average acquisition debt, 5 Average adjusted basis, 6 Column 4 divided by column 5, 7 Gross income reportable, 8 Allocable deductions. Includes rows (1)-(4) and a Totals row showing 0.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (See instructions on page 20)

Table for Exempt Controlled Organizations with 6 columns: 1 Name of controlled organization, 2 Employer identification number, 3 Net unrelated income (loss), 4 Total of specified payments made, 5 Part of column 4 that is included in the controlling organization's gross income, 6 Deductions directly connected with income in column 5. Includes rows (1)-(4).

Nonexempt Controlled Organizations

Table with 5 columns: 7 Taxable income, 8 Net unrelated income (loss), 9 Total of specified payments made, 10 Part of column 9 that is included in the controlling organization's gross income, 11 Deductions directly connected with income in column 10. Includes rows (1)-(4) and a Totals row showing 0.

**Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization**

(see instructions on page 21)

1 Description of Income	2 Amount of Income	3 Deductions directly connected (attach schedule)	4 Set-asides (attach schedule)	5 Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
Totals	0.			0.

**Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income**

(see instructions on page 21)

1 Description of exploited activity	2 Gross unrelated business income from trade or business	3 Expenses directly connected with production of unrelated business income	4 Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5 Gross income from activity that is not unrelated business income	6 Expenses attributable to column 5	7 Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals	0.	0.				0.

**Schedule J - Advertising Income** (see instructions on page 21)

**Part I Income From Periodicals Reported on a Consolidated Basis**

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))	0.	0.				0.

**Part II Income From Periodicals Reported on a Separate Basis** (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
(5) Totals from Part I	0.	0.				0.
Totals, Part II (lines 1-5)	0.	0.				0.

**Schedule K - Compensation of Officers, Directors, and Trustees** (see instructions on page 22)

1 Name	2 Title	3 Percent of time devoted to business	4 Compensation attributable to unrelated business
		%	
		%	
		%	
		%	
Total. Enter here and on page 1, Part II, line 14			0.

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FORM 990-T	DESCRIPTION OF ORGANIZATION'S PRIMARY UNRELATED BUSINESS ACTIVITY	STATEMENT 1
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DEBT FINANCED RENTAL REAL ESTATE FROM PARTNERSHIPS

TO FORM 990-T, PAGE 1

FORM 990-T

INCOME (LOSS) FROM PARTNERSHIPS

STATEMENT

2

DESCRIPTION

AMOUNT

SEE STATEMENT 3

28,577.

TOTAL TO FORM 990-T, PAGE 1, LINE 5

28,577.

	<u>2008 UBIT Income</u>
G&I II Ten Brookline Place LLC	3,446
Baker Communications Fund II	(10)
European Strategic Partners II	(167)
Lyme Northern Forest Products	6,077
Metropolitan RE II	812
Portfolio Advisors II	3,099
RCP QP I	1,113
RCP QP II	2,218
Rosemont Partners II, LP	11,989
Totals	<u>28,577</u>
	28,577