

Form 1023 Checklist

(Revised December 2013)

Application for Recognition of Exemption under Section 501(c)(3) of the Internal Revenue Code

Note. Retain a copy of the completed Form 1023 in your permanent records. Refer to the General Instructions regarding Public Inspection of approved applications.

Check each box to finish your application (Form 1023). Send this completed Checklist with your filled-in application. If you have not answered all the items below, your application may be returned to you as incomplete.

- Assemble the application and materials in this order:
- Form 1023 Checklist
 - Form 2848, *Power of Attorney and Declaration of Representative* (if filing)
 - Form 8821, *Tax Information Authorization* (if filing)
 - Expedite request (if requesting)
 - Application (Form 1023 and Schedules A through H, as required)
 - Articles of organization
 - Amendments to articles of organization in chronological order
 - Bylaws or other rules of operation and amendments
 - Documentation of nondiscriminatory policy for schools, as required by Schedule B
 - Form 5768, *Election/Revocation of Election by an Eligible Section 501(c)(3) Organization To Make Expenditures To Influence Legislation* (if filing)
 - All other attachments, including explanations, financial data, and printed materials or publications. Label each page with name and EIN.
- User fee payment placed in envelope on top of checklist. DO NOT STAPLE or otherwise attach your check or money order to your application. Instead, just place it in the envelope.
- Employer Identification Number (EIN)
- Completed Parts I through XI of the application, including any requested information and any required Schedules A through H.
- You must provide specific details about your past, present, and planned activities.
 - Generalizations or failure to answer questions in the Form 1023 application will prevent us from recognizing you as tax exempt.
 - Describe your purposes and proposed activities in specific easily understood terms.
 - Financial information should correspond with proposed activities.
- Schedules. Submit only those schedules that apply to you and check either "Yes" or "No" below.
- | | | | | | |
|------------|---------|--|------------|---------|--|
| Schedule A | Yes ___ | No <input checked="" type="checkbox"/> | Schedule E | Yes ___ | No <input checked="" type="checkbox"/> |
| Schedule B | Yes ___ | No <input checked="" type="checkbox"/> | Schedule F | Yes ___ | No <input checked="" type="checkbox"/> |
| Schedule C | Yes ___ | No <input checked="" type="checkbox"/> | Schedule G | Yes ___ | No <input checked="" type="checkbox"/> |
| Schedule D | Yes ___ | No <input checked="" type="checkbox"/> | Schedule H | Yes ___ | No <input checked="" type="checkbox"/> |

- An exact copy of your complete articles of organization (creating document). Absence of the proper purpose and dissolution clauses is the number one reason for delays in the issuance of determination letters.
 - Location of Purpose Clause from Part III, line 1 (Page, Article and Paragraph Number) Page 1, Article III
 - Location of Dissolution Clause from Part III, line 2b or 2c (Page, Article and Paragraph Number) or by operation of state law Page 3, Article IX
- Signature of an officer, director, trustee, or other official who is authorized to sign the application.
 - Signature at Part XI of Form 1023.
- Your name on the application must be the same as your legal name as it appears in your articles of organization.

Send completed Form 1023, user fee payment, and all other required information, to:

Internal Revenue Service
P.O. Box 192
Covington, KY 41012-0192

If you are using express mail or a delivery service, send Form 1023, user fee payment, and attachments to:

Internal Revenue Service
201 West Rivercenter Blvd.
Attn: Extracting Stop 312
Covington, KY 41011



Department of the Treasury Internal Revenue Service

Notice 1382

(Rev. October 2013)

Changes for Form 1023

- Mailing address
- Parts IX, X, and XI

Reminder: Do Not Include Social Security Numbers on Publicly Disclosed Forms

Because the IRS is required to disclose approved exemption applications and information returns, exempt organizations should not include Social Security numbers on these forms. Documents subject to disclosure include supporting documents filed with the form, and correspondence with the IRS about the filing.

Changes for Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code

Change of Mailing Address

The mailing address shown on Form 1023 Checklist, page 28, the first address under the last checkbox; and in the Instructions for Form 1023, page 4 under *Where To File*, has been changed to:

Internal Revenue Service
P.O. Box 12192
Covington, KY 41012-0192

To file using a private delivery service, mail to:

201 West Rivercenter Blvd.
Attn: Extracting Stop 312
Covington, KY 41011

Changes for Parts IX and X

Changes to Parts IX and X are necessary to comply with new regulations that eliminated the advance ruling process. Until Form 1023 is revised to reflect this change, please follow the directions on this notice when completing Part IX and Part X of Form 1023. For more information about the elimination of the advance ruling process, visit us at IRS.gov. In the top right "Search" box, type "Elimination of the Advance Ruling Process" (exactly as written) and select "Search."

Part IX. Financial Data

The instructions at the top of Part IX on page 9 of Form 1023 are now as follows. For purposes of this schedule, years in existence refer to completed tax years.

1. If in existence less than 5 years, complete the statement for each year in existence and provide projections of your likely revenues and expenses based on a reasonable and good faith estimate of your future finances for a total of:
 - a. Three years of financial information if you have not completed one tax year, or
 - b. Four years of financial information if you have completed one tax year.

(Continued)

2. If in existence 5 or more years, complete the schedule for the most recent 5 tax years. You will need to provide a separate statement that includes information about the most recent 5 tax years because the data table in Part IX has not been updated to provide for a 5th year.

Part X. Public Charity Status

Do not complete line 6a on page 11 of Form 1023, and do not sign the form under the heading "Consent Fixing Period of Limitations Upon Assessment of Tax Under Section 4940 of the Internal Revenue Code."

Only complete line 6b and line 7 on page 11 of Form 1023, if in existence 5 or more tax years.

Part XI. Increase in User Fees

User fee increases are effective for all applications postmarked after January 3, 2010.

1. \$400 for organizations whose gross receipts do not exceed \$10,000 or less annually over a 4-year period.
2. \$850 for organizations whose gross receipts exceed \$10,000 annually over a 4-year period.

For the current user fee amounts, go to IRS.gov and in the "Search" box at the top right of the page, enter "Exempt Organizations User Fees." You can also call 1-877-829-5500.

Application for reinstatement and retroactive reinstatement. An organization must apply to have its tax-exempt status reinstated if it was automatically revoked for failure to file a return or notice for three consecutive years. The organization must:

- (1) Complete and file Form 1023 if applying under section 501(c)(3) or Form 1024 if applying under a different Code section;
- (2) Pay the appropriate user fee and enclose it with the application;
- (3) Write "Automatically Revoked" at the top of the application and mailing envelope; and
- (4) Submit a written statement supporting its request if applying for retroactive reinstatement.

If the application is approved, the date of reinstatement generally will be the postmark date of the application, unless the organization qualifies for retroactive reinstatement. Alternate submissions and standards apply for retroactive reinstatement back to the date of automatic revocation. See Notice 2011-44, 2011-25 I.R.B. 883, at http://www.irs.gov/irb/2011-25_IRB/ar10.html, for details.

Changes for the Instructions for Form 1023

- Change to Part III. Required Provisions in Your Organizing Documents
- Clarification to Appendix A. Sample Conflict of Interest Policy

(Continued)

Changes to Instructions for Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code (Rev. June 2006)

Part III. Required Provisions in Your Organizing Document

Applicable to organizations in the state of New York. Changes are necessary to comply with Rev. Proc. 82-2, 1982-1 C.B. 367, to incorporate the state of New York as a jurisdiction that complies with the *cy pres* doctrine to keep a charitable testamentary trust from failing the requirement for a dissolution clause under Regulations section 1.501(c)(3)-1(b)(4), when the language of the trust instrument demonstrates a general intent to benefit charity. Therefore, the instructions on page 8, line 2c, after the third paragraph now include the state of New York in the state listing as an authorized state. Since the state of New York allows testamentary charitable trusts formed in that state and the language in the trust instruments provides for a general intent to benefit charity, you do not need a specific provision in your trust agreement or declaration of trust providing for the distribution of assets upon dissolution.

Appendix A. Sample Conflict of Interest Policy

Appendix A, Sample Conflict of Interest Policy, is only intended to provide an example of a conflict of interest policy for organizations. The sample conflict of interest policy does not prescribe any specific requirements. Therefore, organizations should use a conflict of interest policy that best fits their organization.

**Application for Recognition of Exemption
Under Section 501(c)(3) of the Internal Revenue Code**

(00) OMB No. 1545-0056

Note: If exempt status is approved, this application will be open for public inspection.

▶ (Use with the June 2006 revision of the Instructions for Form 1023 and the current Notice 1382)

Use the instructions to complete this application and for a definition of all **bold** items. For additional help, call IRS Exempt Organizations Customer Account Services toll-free at 1-877-829-5500. Visit our website at www.irs.gov for forms and publications. If the required information and documents are not submitted with payment of the appropriate user fee, the application may be returned to you.

Attach additional sheets to this application if you need more space to answer fully. Put your name and EIN on each sheet and identify each answer by Part and line number. Complete Parts I - XI of Form 1023 and submit only those Schedules (A through H) that apply to you.

Part I Identification of Applicant

1 Full name of organization (exactly as it appears in your organizing document)		2 c/o Name (if applicable)	
Blue Lips Foundation		Randy Wilharber	
3 Mailing address (Number and street) (see instructions)	Room/Suite	4 Employer Identification Number (EIN)	
3201 163rd Street		47-4689048	
City or town, state or country, and ZIP + 4		5 Month the annual accounting period ends (01 - 12)	
Urbandale, Iowa 50323		12	
6 Primary contact (officer, director, trustee, or authorized representative)		b Phone: 515-508-9349	
a Name: Randy Wilharber		c Fax: (optional) 515-243-2100	
7 Are you represented by an authorized representative, such as an attorney or accountant? If "Yes," provide the authorized representative's name, and the name and address of the authorized representative's firm. Include a completed Form 2848, <i>Power of Attorney and Declaration of Representative</i> , with your application if you would like us to communicate with your representative.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
8 Was a person who is not one of your officers, directors, trustees, employees, or an authorized representative listed in line 7, paid, or promised payment, to help plan, manage, or advise you about the structure or activities of your organization, or about your financial or tax matters? If "Yes," provide the person's name, the name and address of the person's firm, the amounts paid or promised to be paid, and describe that person's role.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
9a Organization's website:			
b Organization's email: (optional) www.bluelipsfoundation.org (under development)			
10 Certain organizations are not required to file an information return (Form 990 or Form 990-EZ). If you are granted tax-exemption, are you claiming to be excused from filing Form 990 or Form 990-EZ? If "Yes," explain. See the instructions for a description of organizations not required to file Form 990 or Form 990-EZ.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
11 Date incorporated if a corporation, or formed, if other than a corporation. (MM/DD/YYYY)		08 / 03 / 2015	
12 Were you formed under the laws of a foreign country ? If "Yes," state the country.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Part II Organizational Structure

You must be a corporation (including a limited liability company), an unincorporated association, or a trust to be tax exempt. (See instructions.) **DO NOT file this form unless you can check "Yes" on lines 1, 2, 3, or 4.**

- 1 Are you a **corporation**? If "Yes," attach a copy of your articles of incorporation showing **certification of filing** with the appropriate state agency. Include copies of any amendments to your articles and be sure they also show state filing certification. **Yes** **No**
- 2 Are you a **limited liability company (LLC)**? If "Yes," attach a copy of your articles of organization showing certification of filing with the appropriate state agency. Also, if you adopted an operating agreement, attach a copy. Include copies of any amendments to your articles and be sure they show state filing certification. Refer to the instructions for circumstances when an LLC should not file its own exemption application. **Yes** **No**
- 3 Are you an **unincorporated association**? If "Yes," attach a copy of your articles of association, constitution, or other similar organizing document that is dated and includes at least two signatures. Include signed and dated copies of any amendments. **Yes** **No**
- 4a Are you a **trust**? If "Yes," attach a signed and dated copy of your trust agreement. Include signed and dated copies of any amendments. **Yes** **No**
- b Have you been funded? If "No," explain how you are formed without anything of value placed in trust. **Yes** **No**
- 5 Have you adopted **bylaws**? If "Yes," attach a current copy showing date of adoption. If "No," explain how your officers, directors, or trustees are selected. **Yes** **No**

Part III Required Provisions in Your Organizing Document

The following questions are designed to ensure that when you file this application, your organizing document contains the required provisions to meet the organizational test under section 501(c)(3). Unless you can check the boxes in both lines 1 and 2, your organizing document does not meet the organizational test. **DO NOT file this application until you have amended your organizing document.** Submit your original and amended organizing documents (showing state filing certification if you are a corporation or an LLC) with your application.

- 1 Section 501(c)(3) requires that your organizing document state your exempt purpose(s), such as charitable, religious, educational, and/or scientific purposes. Check the box to confirm that your organizing document meets this requirement. Describe specifically where your organizing document meets this requirement, such as a reference to a particular article or section in your organizing document. Refer to the instructions for exempt purpose language. Location of Purpose Clause (Page, Article, and Paragraph): Page 1, Article III
- 2a Section 501(c)(3) requires that upon dissolution of your organization, your remaining assets must be used exclusively for exempt purposes, such as charitable, religious, educational, and/or scientific purposes. Check the box on line 2a to confirm that your organizing document meets this requirement by express provision for the distribution of assets upon dissolution. If you rely on state law for your dissolution provision, do not check the box on line 2a and go to line 2c.
- 2b If you checked the box on line 2a, specify the location of your dissolution clause (Page, Article, and Paragraph). Do not complete line 2c if you checked box 2a. Page 3, Article IX
- 2c See the instructions for information about the operation of state law in your particular state. Check this box if you rely on operation of state law for your dissolution provision and indicate the state: Iowa

Part IV Narrative Description of Your Activities

Using an attachment, describe your *past, present, and planned* activities in a narrative. If you believe that you have already provided some of this information in response to other parts of this application, you may summarize that information here and refer to the specific parts of the application for supporting details. You may also attach representative copies of newsletters, brochures, or similar documents for supporting details to this narrative. Remember that if this application is approved, it will be open for public inspection. Therefore, your narrative description of activities should be thorough and accurate. Refer to the instructions for information that must be included in your description.

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors

- 1a List the names, titles, and mailing addresses of all of your officers, directors, and trustees. For each person listed, state their total annual **compensation**, or proposed compensation, for all services to the organization, whether as an officer, employee, or other position. Use actual figures, if available. Enter "none" if no compensation is or will be paid. If additional space is needed, attach a separate sheet. Refer to the instructions for information on what to include as compensation.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)
Randy J. Wilharber	Director	3201 163rd Street Urbandale Iowa 50323	None
Meredith Wilharber	Director	3201 163rd Street Urbandale Iowa 50323	None
Wm. Timothy Wegman	Director	14070 Lake Shore Drive Clive, Iowa 50325	None
Christopher Bagby	Director	15119 Brookview Drive Urbandale Iowa 50323	None
Derek Hetland	Director	3118 162nd Street Urbandale Iowa 50323	None

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

b List the names, titles, and mailing addresses of each of your five highest compensated employees who receive or will receive compensation of more than \$50,000 per year. Use the actual figure, if available. Refer to the instructions for information on what to include as compensation. Do not include officers, directors, or trustees listed in line 1a.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)

c List the names, names of businesses, and mailing addresses of your five highest compensated **independent contractors** that receive or will receive compensation of more than \$50,000 per year. Use the actual figure, if available. Refer to the instructions for information on what to include as compensation.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)

The following "Yes" or "No" questions relate to *past, present, or planned* relationships, transactions, or agreements with your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in lines 1a, 1b, and 1c.

- 2a** Are any of your officers, directors, or trustees **related** to each other through **family or business relationships**? If "Yes," identify the individuals and explain the relationship. **Yes** **No**
- b** Do you have a business relationship with any of your officers, directors, or trustees other than through their position as an officer, director, or trustee? If "Yes," identify the individuals and describe the business relationship with each of your officers, directors, or trustees. **Yes** **No**
- c** Are any of your officers, directors, or trustees related to your highest compensated employees or highest compensated independent contractors listed on lines 1b or 1c through family or business relationships? If "Yes," identify the individuals and explain the relationship. **Yes** **No**

3a For each of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c, attach a list showing their name, qualifications, average hours worked, and duties.

- b** Do any of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c receive compensation from any other organizations, whether tax exempt or taxable, that are related to you through **common control**? If "Yes," identify the individuals, explain the relationship between you and the other organization, and describe the compensation arrangement. **Yes** **No**

4 In establishing the compensation for your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, and 1c, the following practices are recommended, although they are not required to obtain exemption. Answer "Yes" to all the practices you use.

- a** Do you or will the individuals that approve compensation arrangements follow a conflict of interest policy? **Yes** **No**
- b** Do you or will you approve compensation arrangements in advance of paying compensation? **Yes** **No**
- c** Do you or will you document in writing the date and terms of approved compensation arrangements? **Yes** **No**

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

- d Do you or will you record in writing the decision made by each individual who decided or voted on compensation arrangements? Yes No
- e Do you or will you approve compensation arrangements based on information about compensation paid by **similarly situated** taxable or tax-exempt organizations for similar services, current compensation surveys compiled by independent firms, or actual written offers from similarly situated organizations? Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation. Yes No
- f Do you or will you record in writing both the information on which you relied to base your decision and its source? Yes No
- g If you answered "No" to any item on lines 4a through 4f, describe how you set compensation that is **reasonable** for your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in Part V, lines 1a, 1b, and 1c.
-
- 5a Have you adopted a **conflict of interest policy** consistent with the sample conflict of interest policy in Appendix A to the instructions? If "Yes," provide a copy of the policy and explain how the policy has been adopted, such as by resolution of your governing board. If "No," answer lines 5b and 5c. Yes No
- b What procedures will you follow to assure that persons who have a conflict of interest will not have influence over you for setting their own compensation?
- c What procedures will you follow to assure that persons who have a conflict of interest will not have influence over you regarding business deals with themselves?
- Note:** A conflict of interest policy is recommended though it is not required to obtain exemption. Hospitals, see Schedule C, Section I, line 14.
-
- 6a Do you or will you compensate any of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in lines 1a, 1b, or 1c through **non-fixed payments**, such as discretionary bonuses or revenue-based payments? If "Yes," describe all non-fixed compensation arrangements, including how the amounts are determined, who is eligible for such arrangements, whether you place a limitation on total compensation, and how you determine or will determine that you pay no more than reasonable compensation for services. Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation. Yes No
- b Do you or will you compensate any of your employees, other than your officers, directors, trustees, or your five highest compensated employees who receive or will receive compensation of more than \$50,000 per year, through non-fixed payments, such as discretionary bonuses or revenue-based payments? If "Yes," describe all non-fixed compensation arrangements, including how the amounts are or will be determined, who is or will be eligible for such arrangements, whether you place or will place a limitation on total compensation, and how you determine or will determine that you pay no more than reasonable compensation for services. Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation. Yes No
-
- 7a Do you or will you purchase any goods, services, or assets from any of your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," describe any such purchase that you made or intend to make, from whom you make or will make such purchases, how the terms are or will be negotiated at **arm's length**, and explain how you determine or will determine that you pay no more than **fair market value**. Attach copies of any written contracts or other agreements relating to such purchases. Yes No
- b Do you or will you sell any goods, services, or assets to any of your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," describe any such sales that you made or intend to make, to whom you make or will make such sales, how the terms are or will be negotiated at arm's length, and explain how you determine or will determine you are or will be paid at least fair market value. Attach copies of any written contracts or other agreements relating to such sales. Yes No
-
- 8a Do you or will you have any leases, contracts, loans, or other agreements with your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," provide the information requested in lines 8b through 8f. Yes No
- b Describe any written or oral arrangements that you made or intend to make.
- c Identify with whom you have or will have such arrangements.
- d Explain how the terms are or will be negotiated at arm's length.
- e Explain how you determine you pay no more than fair market value or you are paid at least fair market value.
- f Attach copies of any signed leases, contracts, loans, or other agreements relating to such arrangements.
-
- 9a Do you or will you have any leases, contracts, loans, or other agreements with any organization in which any of your officers, directors, or trustees are also officers, directors, or trustees, or in which any individual officer, director, or trustee owns more than a 35% interest? If "Yes," provide the information requested in lines 9b through 9f. Yes No

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

- b Describe any written or oral arrangements you made or intend to make.
- c Identify with whom you have or will have such arrangements.
- d Explain how the terms are or will be negotiated at arm's length.
- e Explain how you determine or will determine you pay no more than fair market value or that you are paid at least fair market value.
- f Attach a copy of any signed leases, contracts, loans, or other agreements relating to such arrangements.

Part VI Your Members and Other Individuals and Organizations That Receive Benefits From You

The following "Yes" or "No" questions relate to goods, services, and funds you provide to individuals and organizations as part of your activities. Your answers should pertain to *past*, *present*, and *planned* activities. (See instructions.)

- 1a In carrying out your exempt purposes, do you provide goods, services, or funds to individuals? If "Yes," describe each program that provides goods, services, or funds to individuals. Yes No
- b In carrying out your exempt purposes, do you provide goods, services, or funds to organizations? If "Yes," describe each program that provides goods, services, or funds to organizations. Yes No
- 2 Do any of your programs limit the provision of goods, services, or funds to a specific individual or group of specific individuals? For example, answer "Yes," if goods, services, or funds are provided only for a particular individual, your members, individuals who work for a particular employer, or graduates of a particular school. If "Yes," explain the limitation and how recipients are selected for each program. Yes No
- 3 Do any individuals who receive goods, services, or funds through your programs have a family or business relationship with any officer, director, trustee, or with any of your highest compensated employees or highest compensated independent contractors listed in Part V, lines 1a, 1b, and 1c? If "Yes," explain how these related individuals are eligible for goods, services, or funds. Yes No

Part VII Your History

The following "Yes" or "No" questions relate to your history. (See instructions.)

- 1 Are you a **successor** to another organization? Answer "Yes," if you have taken or will take over the activities of another organization; you took over 25% or more of the fair market value of the net assets of another organization; or you were established upon the conversion of an organization from for-profit to non-profit status. If "Yes," complete Schedule G. Yes No
- 2 Are you submitting this application more than 27 months after the end of the month in which you were legally formed? If "Yes," complete Schedule E. Yes No

Part VIII Your Specific Activities

The following "Yes" or "No" questions relate to specific activities that you may conduct. Check the appropriate box. Your answers should pertain to *past*, *present*, and *planned* activities. (See instructions.)

- 1 Do you support or oppose candidates in **political campaigns** in any way? If "Yes," explain. Yes No
- 2a Do you attempt to **influence legislation**? If "Yes," explain how you attempt to influence legislation and complete line 2b. If "No," go to line 3a. Yes No
- b Have you made or are you making an **election** to have your legislative activities measured by expenditures by filing Form 5768? If "Yes," attach a copy of the Form 5768 that was already filed or attach a completed Form 5768 that you are filing with this application. If "No," describe whether your attempts to influence legislation are a substantial part of your activities. Include the time and money spent on your attempts to influence legislation as compared to your total activities. Yes No
- 3a Do you or will you operate bingo or **gaming** activities? If "Yes," describe who conducts them, and list all revenue received or expected to be received and expenses paid or expected to be paid in operating these activities. **Revenue and expenses** should be provided for the time periods specified in Part IX, Financial Data. Yes No
- b Do you or will you enter into contracts or other agreements with individuals or organizations to conduct bingo or gaming for you? If "Yes," describe any written or oral arrangements that you made or intend to make, identify with whom you have or will have such arrangements, explain how the terms are or will be negotiated at arm's length, and explain how you determine or will determine you pay no more than fair market value or you will be paid at least fair market value. Attach copies or any written contracts or other agreements relating to such arrangements. Yes No
- c List the states and local jurisdictions, including Indian Reservations, in which you conduct or will conduct gaming or bingo.

Part VIII Your Specific Activities (Continued)

4a Do you or will you undertake **fundraising**? If "Yes," check all the fundraising programs you do or will conduct. (See instructions.) **Yes** **No**

- mail solicitations
- email solicitations
- personal solicitations
- vehicle, boat, plane, or similar donations
- foundation grant solicitations
- phone solicitations
- accept donations on your website
- receive donations from another organization's website
- government grant solicitations
- Other

Attach a description of each fundraising program.

b Do you or will you have written or oral contracts with any individuals or organizations to raise funds for you? If "Yes," describe these activities. Include all revenue and expenses from these activities and state who conducts them. Revenue and expenses should be provided for the time periods specified in Part IX, Financial Data. Also, attach a copy of any contracts or agreements. **Yes** **No**

c Do you or will you engage in fundraising activities for other organizations? If "Yes," describe these arrangements. Include a description of the organizations for which you raise funds and attach copies of all contracts or agreements. **Yes** **No**

d List all states and local jurisdictions in which you conduct fundraising. For each state or local jurisdiction listed, specify whether you fundraise for your own organization, you fundraise for another organization, or another organization fundraises for you.

e Do you or will you maintain separate accounts for any contributor under which the contributor has the right to advise on the use or distribution of funds? Answer "Yes" if the donor may provide advice on the types of investments, distributions from the types of investments, or the distribution from the donor's contribution account. If "Yes," describe this program, including the type of advice that may be provided and submit copies of any written materials provided to donors. **Yes** **No**

5 Are you **affiliated** with a governmental unit? If "Yes," explain. **Yes** **No**

6a Do you or will you engage in **economic development**? If "Yes," describe your program. **Yes** **No**

b Describe in full who benefits from your economic development activities and how the activities promote exempt purposes.

7a Do or will persons other than your employees or volunteers **develop** your facilities? If "Yes," describe each facility, the role of the developer, and any business or family relationship(s) between the developer and your officers, directors, or trustees. **Yes** **No**

b Do or will persons other than your employees or volunteers **manage** your activities or facilities? If "Yes," describe each activity and facility, the role of the manager, and any business or family relationship(s) between the manager and your officers, directors, or trustees. **Yes** **No**

c If there is a business or family relationship between any manager or developer and your officers, directors, or trustees, identify the individuals, explain the relationship, describe how contracts are negotiated at arm's length so that you pay no more than fair market value, and submit a copy of any contracts or other agreements.

8 Do you or will you enter into **joint ventures**, including partnerships or **limited liability companies** treated as partnerships, in which you share profits and losses with partners other than section 501(c)(3) organizations? If "Yes," describe the activities of these joint ventures in which you participate. **Yes** **No**

9a Are you applying for exemption as a childcare organization under section 501(k)? If "Yes," answer lines 9b through 9d. If "No," go to line 10. **Yes** **No**

b Do you provide child care so that parents or caretakers of children you care for can be **gainfully employed** (see instructions)? If "No," explain how you qualify as a childcare organization described in section 501(k). **Yes** **No**

c Of the children for whom you provide child care, are 85% or more of them cared for by you to enable their parents or caretakers to be gainfully employed (see instructions)? If "No," explain how you qualify as a childcare organization described in section 501(k). **Yes** **No**

d Are your services available to the general public? If "No," describe the specific group of people for whom your activities are available. Also, see the instructions and explain how you qualify as a childcare organization described in section 501(k). **Yes** **No**

10 Do you or will you publish, own, or have rights in music, literature, tapes, artworks, choreography, scientific discoveries, or other **intellectual property**? If "Yes," explain. Describe who owns or will own any copyrights, patents, or trademarks, whether fees are or will be charged, how the fees are determined, and how any items are or will be produced, distributed, and marketed. **Yes** **No**

Part VIII Your Specific Activities (Continued)

- 11** Do you or will you accept contributions of: real property; conservation easements; closely held securities; intellectual property such as patents, trademarks, and copyrights; works of music or art; licenses; royalties; automobiles, boats, planes, or other vehicles; or collectibles of any type? If "Yes," describe each type of contribution, any conditions imposed by the donor on the contribution, and any agreements with the donor regarding the contribution. **Yes** **No**
-
- 12a** Do you or will you operate in a **foreign country or countries**? If "Yes," answer lines 12b through 12d. If "No," go to line 13a. **Yes** **No**
- b** Name the foreign countries and regions within the countries in which you operate.
- c** Describe your operations in each country and region in which you operate.
- d** Describe how your operations in each country and region further your exempt purposes.
-
- 13a** Do you or will you make grants, loans, or other distributions to organization(s)? If "Yes," answer lines 13b through 13g. If "No," go to line 14a. **Yes** **No**
- b** Describe how your grants, loans, or other distributions to organizations further your exempt purposes.
- c** Do you have written contracts with each of these organizations? If "Yes," attach a copy of each contract. **Yes** **No**
- d** Identify each recipient organization and any **relationship** between you and the recipient organization.
- e** Describe the records you keep with respect to the grants, loans, or other distributions you make.
- f** Describe your selection process, including whether you do any of the following:
- (i)** Do you require an application form? If "Yes," attach a copy of the form. **Yes** **No**
- (ii)** Do you require a grant proposal? If "Yes," describe whether the grant proposal specifies your responsibilities and those of the grantee, obligates the grantee to use the grant funds only for the purposes for which the grant was made, provides for periodic written reports concerning the use of grant funds, requires a final written report and an accounting of how grant funds were used, and acknowledges your authority to withhold and/or recover grant funds in case such funds are, or appear to be, misused. **Yes** **No**
- g** Describe your procedures for oversight of distributions that assure you the resources are used to further your exempt purposes, including whether you require periodic and final reports on the use of resources.
-
- 14a** Do you or will you make grants, loans, or other distributions to foreign organizations? If "Yes," answer lines 14b through 14f. If "No," go to line 15. **Yes** **No**
- b** Provide the name of each foreign organization, the country and regions within a country in which each foreign organization operates, and describe any relationship you have with each foreign organization.
- c** Does any foreign organization listed in line 14b accept contributions earmarked for a specific country or specific organization? If "Yes," list all earmarked organizations or countries. **Yes** **No**
- d** Do your contributors know that you have ultimate authority to use contributions made to you at your discretion for purposes consistent with your exempt purposes? If "Yes," describe how you relay this information to contributors. **Yes** **No**
- e** Do you or will you make pre-grant inquiries about the recipient organization? If "Yes," describe these inquiries, including whether you inquire about the recipient's financial status, its tax-exempt status under the Internal Revenue Code, its ability to accomplish the purpose for which the resources are provided, and other relevant information. **Yes** **No**
- f** Do you or will you use any additional procedures to ensure that your distributions to foreign organizations are used in furtherance of your exempt purposes? If "Yes," describe these procedures, including site visits by your employees or compliance checks by impartial experts, to verify that grant funds are being used appropriately. **Yes** **No**

Part VIII Your Specific Activities (Continued)

- | | | | |
|-----------|--|------------------------------|--|
| 15 | Do you have a close connection with any organizations? If "Yes," explain. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 16 | Are you applying for exemption as a cooperative hospital service organization under section 501(e)? If "Yes," explain. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 17 | Are you applying for exemption as a cooperative service organization of operating educational organizations under section 501(f)? If "Yes," explain. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 18 | Are you applying for exemption as a charitable risk pool under section 501(n)? If "Yes," explain. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 19 | Do you or will you operate a school ? If "Yes," complete Schedule B. Answer "Yes," whether you operate a school as your main function or as a secondary activity. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 20 | Is your main function to provide hospital or medical care ? If "Yes," complete Schedule C. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 21 | Do you or will you provide low-income housing or housing for the elderly or handicapped ? If "Yes," complete Schedule F. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 22 | Do you or will you provide scholarships, fellowships, educational loans, or other educational grants to individuals, including grants for travel, study, or other similar purposes? If "Yes," complete Schedule H. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

Note: Private foundations may use Schedule H to request advance approval of individual grant procedures.

Part IX Financial Data

For purposes of this schedule, years in existence refer to completed tax years. If in existence 4 or more years, complete the schedule for the most recent 4 tax years. If in existence more than 1 year but less than 4 years, complete the statements for each year in existence and provide projections of your likely revenues and expenses based on a reasonable and good faith estimate of your future finances for a total of 3 years of financial information. If in existence less than 1 year, provide projections of your likely revenues and expenses for the current year and the 2 following years, based on a reasonable and good faith estimate of your future finances for a total of 3 years of financial information. (See instructions.)

A. Statement of Revenues and Expenses

	Type of revenue or expense	Current tax year	3 prior tax years or 2 succeeding tax years			(e) Provide Total for (a) through (d)
		(a) From 2015 To 2016	(b) From 2016 To 2017	(c) From 2017 To 2018	(d) From To	
Revenues	1 Gifts, grants, and contributions received (do not include unusual grants)	50,000	150,000	250,000		450,000
	2 Membership fees received	0	0	0		0
	3 Gross investment income	0	0	0		0
	4 Net unrelated business income	0	0	0		0
	5 Taxes levied for your benefit	0	0	0		0
	6 Value of services or facilities furnished by a governmental unit without charge (not including the value of services generally furnished to the public without charge)	0	0	0		0
	7 Any revenue not otherwise listed above or in lines 9-12 below (attach an itemized list)	0	0	0		
	8 Total of lines 1 through 7	50,000	150,000	250,000		450,000
	9 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to your exempt purposes (attach itemized list)	10,000	10,000	10,000		30,000
	10 Total of lines 8 and 9	60,000	160,000	260,000		480,000
	11 Net gain or loss on sale of capital assets (attach schedule and see instructions)	0	0	0		0
	12 Unusual grants	0	0	0		0
	13 Total Revenue Add lines 10 through 12	60,000	160,000	260,000		480,000
Expenses	14 Fundraising expenses	10,000	25,000	25,000		
	15 Contributions, gifts, grants, and similar amounts paid out (attach an itemized list)	40,000	125,000	220,000		
	16 Disbursements to or for the benefit of members (attach an itemized list)	0	0	0		
	17 Compensation of officers, directors, and trustees	0	0	0		
	18 Other salaries and wages	0	0	0		
	19 Interest expense	0	0	0		
	20 Occupancy (rent, utilities, etc.)	0	0	0		
	21 Depreciation and depletion	0	0	0		
	22 Professional fees	2500	3000	4000		
	23 Any expense not otherwise classified, such as program services (attach itemized list)	0	0	0		
	24 Total Expenses Add lines 14 through 23	52,500	153,000	249,000		

Part IX Financial Data (Continued)

B. Balance Sheet (for your most recently completed tax year)

Year End:
(Whole dollars)

Assets			
1	Cash	1	0
2	Accounts receivable, net	2	0
3	Inventories	3	0
4	Bonds and notes receivable (attach an itemized list)	4	0
5	Corporate stocks (attach an itemized list)	5	0
6	Loans receivable (attach an itemized list)	6	0
7	Other investments (attach an itemized list)	7	0
8	Depreciable and depletable assets (attach an itemized list)	8	0
9	Land	9	0
10	Other assets (attach an itemized list)	10	0
11	Total Assets (add lines 1 through 10)	11	0
Liabilities			
12	Accounts payable	12	0
13	Contributions, gifts, grants, etc. payable	13	0
14	Mortgages and notes payable (attach an itemized list)	14	0
15	Other liabilities (attach an itemized list)	15	0
16	Total Liabilities (add lines 12 through 15)	16	0
Fund Balances or Net Assets			
17	Total fund balances or net assets	17	0
18	Total Liabilities and Fund Balances or Net Assets (add lines 16 and 17)	18	0

19 Have there been any substantial changes in your assets or liabilities since the end of the period shown above? If "Yes," explain. Yes No

Part X Public Charity Status

Part X is designed to classify you as an organization that is either a **private foundation** or a **public charity**. Public charity status is a more favorable tax status than private foundation status. If you are a private foundation, Part X is designed to further determine whether you are a **private operating foundation**. (See instructions.)

1a Are you a private foundation? If "Yes," go to line 1b. If "No," go to line 5 and proceed as instructed. If you are unsure, see the instructions. Yes No

b As a private foundation, section 508(e) requires special provisions in your organizing document in addition to those that apply to all organizations described in section 501(c)(3). Check the box to confirm that your organizing document meets this requirement, whether by express provision or by reliance on operation of state law. Attach a statement that describes specifically where your organizing document meets this requirement, such as a reference to a particular article or section in your organizing document or by operation of state law. See the instructions, including Appendix B, for information about the special provisions that need to be contained in your organizing document. Go to line 2.

2 Are you a private operating foundation? To be a private operating foundation you must engage directly in the active conduct of charitable, religious, educational, and similar activities, as opposed to indirectly carrying out these activities by providing grants to individuals or other organizations. If "Yes," go to line 3. If "No," go to the signature section of Part XI. Yes No

3 Have you existed for one or more years? If "Yes," attach financial information showing that you are a private operating foundation; go to the signature section of Part XI. If "No," continue to line 4. Yes No

4 Have you attached either (1) an affidavit or opinion of counsel, (including a written affidavit or opinion from a certified public accountant or accounting firm with expertise regarding this tax law matter), that sets forth facts concerning your operations and support to demonstrate that you are likely to satisfy the requirements to be classified as a private operating foundation; or (2) a statement describing your proposed operations as a private operating foundation? Yes No

5 If you answered "No" to line 1a, indicate the type of public charity status you are requesting by checking one of the choices below. You may check only one box.

- The organization is not a private foundation because it is:
- a 509(a)(1) and 170(b)(1)(A)(i)—a church or a convention or association of churches. Complete and attach Schedule A.
 - b 509(a)(1) and 170(b)(1)(A)(ii)—a school. Complete and attach Schedule B.
 - c 509(a)(1) and 170(b)(1)(A)(iii)—a hospital, a cooperative hospital service organization, or a medical research organization operated in conjunction with a hospital. Complete and attach Schedule C.
 - d 509(a)(3)—an organization supporting either one or more organizations described in line 5a through c, f, g, or h or a publicly supported section 501(c)(4), (5), or (6) organization. Complete and attach Schedule D.

Part X Public Charity Status (Continued)

- e 509(a)(4)—an organization organized and operated exclusively for testing for public safety.
- f 509(a)(1) and 170(b)(1)(A)(iv)—an organization operated for the benefit of a college or university that is owned or operated by a governmental unit.
- g 509(a)(1) and 170(b)(1)(A)(vi)—an organization that receives a substantial part of its financial support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public.
- h 509(a)(2)—an organization that normally receives not more than one-third of its financial support from gross **investment income** and receives more than one-third of its financial support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions).
- i A publicly supported organization, but unsure if it is described in 5g or 5h. The organization would like the IRS to decide the correct status.

6 If you checked box g, h, or i in question 5 above, you must request either an **advance** or a **definitive ruling** by selecting one of the boxes below. Refer to the instructions to determine which type of ruling you are eligible to receive.

a Request for Advance Ruling: By checking this box and signing the consent, pursuant to section 6501(c)(4) of the Code you request an advance ruling and agree to extend the statute of limitations on the assessment of excise tax under section 4940 of the Code. The tax will apply only if you do not establish public support status at the end of the 5-year advance ruling period. The assessment period will be extended for the 5 advance ruling years to 8 years, 4 months, and 15 days beyond the end of the first year. You have the right to refuse or limit the extension to a mutually agreed-upon period of time or issue(s). Publication 1035, *Extending the Tax Assessment Period*, provides a more detailed explanation of your rights and the consequences of the choices you make. You may obtain Publication 1035 free of charge from the IRS web site at www.irs.gov or by calling toll-free 1-800-829-3676. Signing this consent will not deprive you of any appeal rights to which you would otherwise be entitled. If you decide not to extend the statute of limitations, you are not eligible for an advance ruling.

Consent Fixing Period of Limitations Upon Assessment of Tax Under Section 4940 of the Internal Revenue Code

For Organization

(Signature of Officer, Director, Trustee, or other authorized official)

(Type or print name of signer)

(Date)

(Type or print title or authority of signer)

For IRS Use Only

IRS Director, Exempt Organizations

(Date)

b Request for Definitive Ruling: Check this box if you have completed one tax year of at least 8 full months and you are requesting a definitive ruling. To confirm your public support status, answer line 6b(i) if you checked box g in line 5 above. Answer line 6b(ii) if you checked box h in line 5 above. If you checked box i in line 5 above, answer both lines 6b(i) and (ii).

(i) (a) Enter 2% of line 8, column (e) on Part IX-A. Statement of Revenues and Expenses. _____

(b) Attach a list showing the name and amount contributed by each person, company, or organization whose gifts totaled more than the 2% amount. If the answer is "None," check this box.

(ii) (a) For each year amounts are included on lines 1, 2, and 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each **disqualified person**. If the answer is "None," check this box.

(b) For each year amounts are included on line 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each payer, other than a disqualified person, whose payments were more than the larger of (1) 1% of line 10, Part IX-A. Statement of Revenues and Expenses, or (2) \$5,000. If the answer is "None," check this box.

7 Did you receive any unusual grants during any of the years shown on Part IX-A. Statement of Revenues and Expenses? If "Yes," attach a list including the name of the contributor, the date and amount of the grant, a brief description of the grant, and explain why it is unusual. **Yes** **No**

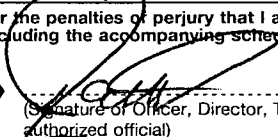
Part XI User Fee Information

You must include a user fee payment with this application. It will not be processed without your paid user fee. If your average annual gross receipts have exceeded or will exceed \$10,000 annually over a 4-year period, you must submit payment of \$850. If your gross receipts have not exceeded or will not exceed \$10,000 annually over a 4-year period, the required user fee payment is \$400. See instructions for Part XI, for a definition of **gross receipts** over a 4-year period. Your check or money order must be made payable to the United States Treasury. *User fees are subject to change. Check our website at www.irs.gov and type "User Fee" in the keyword box, or call Customer Account Services at 1-877-829-5500 for current information.*

- 1 Have your annual gross receipts averaged or are they expected to average not more than \$10,000? **Yes** **No**
 If "Yes," check the box on line 2 and enclose a user fee payment of \$400 (Subject to change—see above).
 If "No," check the box on line 3 and enclose a user fee payment of \$850 (Subject to change—see above).
- 2 Check the box if you have enclosed the reduced user fee payment of \$400 (Subject to change).
- 3 Check the box if you have enclosed the user fee payment of \$850 (Subject to change).

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

Please Sign Here



 (Signature of Officer, Director, Trustee, or other authorized official)

Randy Wilharber

 (Type or print name of signer)

September 1, 2015

 (Date)

Director

 (Type or print title or authority of signer)

Reminder: Send the completed Form 1023 Checklist with your filled-in-application. Form **1023** (Rev. 12-2013)

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**ARTICLES OF INCORPORATION
OF
BLUE LIPS FOUNDATION**

The undersigned, acting as incorporator, pursuant to Section 202 of the Revised Iowa Nonprofit Corporation Act, adopts the following Articles of Incorporation:

ARTICLE I - NAME

The name of the corporation is the Blue Lips Foundation.

ARTICLE II - PURPOSE

The purpose of the corporation is to provide grant funding for research and treatment for patients suffering from pulmonary hypertension, and to fund patient and caregiver expenses associated with such treatment. The corporation may carry out its purpose directly or by making gifts, grants, or other payments to qualifying organizations within the meaning of Section 501(c)(3) of the Internal Revenue Code, allowed under the laws of the State of Iowa, and in such a manner that is consistent with the corporation's qualification as a tax exempt organization under the provisions of the Internal Revenue Code.

ARTICLE III - TAX EXEMPTION

The corporation is organized exclusively for charitable, educational, or scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.

Notwithstanding any other provisions of these Articles, the corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by any organization exempt under Section 501(c)(3) of the Internal Revenue Code, as amended, and its Regulations as they exist or as they may hereafter exist in the future, or by a corporation contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

ARTICLE IV - ACTIVITIES AND RESTRICTIONS

Section 1: No dividends, liquidating dividends or distributions shall be declared or paid by the corporation to any private individual, officer or director of the corporation.

Section 2: No substantial part of the activities of the corporation shall consist of carrying on propaganda or otherwise attempting to influence legislation, unless by appropriate election a greater part is permitted without jeopardizing the corporation's exemption under Section 501(c)(3). The Corporation shall neither participate nor intervene in any political campaign on behalf of (or in opposition) to any candidate for public office, including the publication or distribution of any statements.

Section 3: No part of the net earnings or net income of the Corporation shall inure to the benefit of any private individual, officer or director of the corporation; provided, however, that such a

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person may receive reasonable compensation for personal services rendered, or reimbursement for reasonable expenses incurred, which are necessary to carry out the exempt purposes of the corporation.

Section 4: Whenever the corporation is a private foundation as defined by Section 509(a) of the Internal Revenue Code, the income of the corporation shall be distributed at such time and in such a manner as to not subject it to tax under Section 4942 of the Internal Revenue Code, and the corporation shall not engage in any act of self-dealing, retain any business holdings, make any taxable expenditures as defined in Sections 4941(d), 4943(c), and 4945(d), respectively, of the Internal Revenue Code, make any investments which subject the corporation to tax under Section 4944 of the Internal Revenue Code, or make any indemnification which would give rise to a penalty excise tax under Chapter 42 of the Internal Revenue Code.

ARTICLE V - MEMBERS

The corporation shall have no members.

ARTICLE VI - BOARD OF DIRECTORS

The names and addresses of the initial directors are:

Meredith Wilharber
3201 163rd St
Urbandale, Iowa 50323

Randy Wilharber
3201 163rd St
Urbandale, Iowa 50323

Wm. Timothy Wegman
14070 Lake Shore Drive
Clive, Iowa 50325

Erica Vinyard
3607 150th St
Urbandale, Iowa 50323

Christopher Bagby
15119 Brookview Dr
Urbandale, Iowa 50323

Meredith Boesen
3205 163rd St
Urbandale, Iowa 50323

Derek Hetland
3118 162nd St
Urbandale, Iowa 50323

ARTICLE VII - REGISTERED AGENT

The registered agent, and principal address for the registered agent of the corporation, is:

Randy Wilharber
PeddicordWharton, LLP
6800 Lake Drive, Ste. 125
West Des Moines, Iowa 50266

ARTICLE VIII – AMENDMENT

These Articles may be amended by the directors of the corporation by a vote of a majority (51%) of the number of directors in office at the time that the amendment is adopted, provided that no amendment shall substantially change the original purpose of the corporation.

ARTICLE IX – DISSOLUTION

In the event of the dissolution of the corporation, the board of directors shall, after paying or making provisions of the payment of all of the liabilities of the corporation, distribute all of the assets of the corporation exclusively to one or more organizations then described in Sections 170(c)(2), 501(c)(3), 2055(a)(2) and 2522 (a)(2) of the Internal Revenue Code, having purposes substantially similar to those of the corporation (except that no private foundation as defined by Section 509(a) of the Internal Revenue Code shall be a recipient) or to one or more units or agencies of federal, state or local government to be exclusively used for public purposes, as the board of directors shall determine.

ARTICLE X – LIABILITY AND INDEMNIFICATION

The liability of a director to the corporation for money damages for any action taken, or any failure to take any action, as a director, is hereby eliminated, except liability for any of the following:

1. The amount of a financial benefit received by a director to which the director is not entitled.
2. An intentional infliction of harm on the corporation.
3. A violation of Section 835 of the Revised Iowa Nonprofit Corporation Act (relating to unlawful distributions).
4. An intentional violation of any federal or state criminal law relating to any action, or any failure to take any action, while acting in the capacity as a director of the corporation.

The above notwithstanding, the corporation shall otherwise indemnify the directors to the full extent permitted by the Revised Iowa Nonprofit Corporation Act and shall advance funds for or reimburse expenses pursuant to Section 854 of the Revised Iowa Nonprofit Corporation Act.

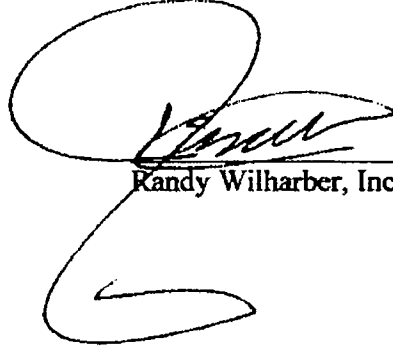
ARTICLE XI – NAME AND ADDRESS OF INCORPORATOR

The name and principal address of the incorporator is:

Randy Wilharber
PeddicordWharton, LLP
6800 Lake Drive, Ste. 125

West Des Moines, Iowa 50266

Dated this 3rd day of August, 2015.



Randy Wilharber, Incorporator

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**ADOPTED BYLAWS
OF
BLUE LIPS FOUNDATION**

ARTICLE I

NAME

1.01 Name

The name of this corporation shall be Blue Lips Foundation. The business of the corporation may be conducted as Blue Lips Foundation or Blue Lips.

ARTICLE II

PURPOSES and POWERS

2.01 Purpose

Blue Lips Foundation is a non-profit corporation and shall be operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the internal revenue code, or the corresponding section of any future federal tax code.

Blue Lips Foundations purpose is to fund medical research for the treatment and cure of pulmonary hypertension.

2.02 Powers

The corporation shall have the power directly or indirectly alone or in conjunction or cooperation with others, to do any and all lawful acts which may be necessary or convenient to affect the charitable purposes, for which this corporation is organized, and to aid or assist other organizations or persons whose activities further accomplish, foster or obtain such purposes. The power to the corporation may include, but are not limited to, the acceptance of contributions from the public and private sectors, whether financial, or in kind contributions.

2.03 Non-profit status and exempt activities limitation

(A) Non-profit legal status. Blue Lips Foundation is an Iowa Non-Profit public benefit corporation. At the time of adoption of these Bylaws, Blue Lips has submitted an application for tax exempt status under Section 501(c)(3) of the United States Internal Revenue Code.

(B) Exempt activities limitation. Notwithstanding any other provisions of these Bylaws, no director, officer, or representative of this corporation shall take any action or carry on activity by or on behalf of the corporation not permitted to be taken on or carried on by an organization exempt under Section 501(c)(3) of the Internal Revenue Code as it now exists or may be amended, or by any organization contributions to which are deductible under Sections

170(c)(2) of such Code and Regulations as it now exists or may be amended. No part of the net earnings of the corporation shall inure to the benefit or be distributable to any director, officer, member or other private person, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purpose set forth in the Articles of Incorporation and these Bylaws.

(C) Distribution upon dissolution. Upon termination or dissolution of the Blue Lips Foundation, any assets lawfully available for distribution shall be distributed to one or more qualifying organizations described in Section 501(c)(3) of the Internal Revenue Code (or described in any corresponding version of any successor statute) which organization or organizations have a charitable purpose which, at least generally, includes a purpose similar to the terminating or dissolving corporation.

The organization to receive the assets of the Blue Lips Foundation hereunder shall be selected in the discretion of a majority of the managing body of the corporation, and if its members cannot so agree, then the recipient organization shall be selected pursuant to a verified Petition in equity filed in a Court of proper jurisdiction against the Blue Lips Foundation by one or more of its managing body which verified Petition shall contain such statements as reasonably indicate the applicability of this section. The Court upon a finding that this Section is applicable shall select the qualifying organization or organizations to receive the assets to be distributed, giving preference if practicable to organizations located within the State of Iowa.

In the event that the Court shall find that this Section is applicable but there is no qualifying organization known to it which has a charitable purpose, which at least generally, includes a purpose similar to the Blue Lips Foundation, then the Court shall direct the distribution of its assets lawfully available for distribution to the treasurer of the State of Iowa to be added to the general fund.

ARTICLE III

MEMBERSHIP

3.01 No membership classes.

The corporation shall have no members who have any right to vote or title and interest in or to the corporation, its properties and/or franchises.

3.02 Non-voting affiliates.

The Board of Directors may approve classes of non-voting affiliates with rights, privileges and obligations established by the Board. Affiliates may be individuals, businesses and other organizations that seek to support the mission of Blue Lips Foundation. The Board, a designated committee of the Board, or any duly elected officer in accordance with Board policy, shall have authority to admit any and individual or organization as an affiliate, to recognize representatives as affiliates, and to make determinations as to affiliates rights, privileges and obligations. At no time shall affiliate information be shared with or sold to other organizations or groups without the affiliates consent. At the discretion of the Board of Directors, affiliates may be given

endorsement, recognition and media coverage at fund raising activities, clinics, other events or at the corporation website. Affiliates have no voting rights, and are not members of the corporation.

ARTICLE IV
BOARD OF DIRECTORS

4.01 Number of Directors.

Blue Lips Foundation shall have a Board of Directors consisting of at least five and nor more than nine Directors. Within these limits, the Board may increase or decrease the number of directors serving on the Board, including for the purpose of staggering the terms of Directors.

4.02 Board powers.

All corporate powers shall be exercised by or under the authority of the board of directors, and the affairs of the Blue Lips Foundation shall be managed under the Board, except as otherwise provided by law.

4.03 Terms.

- (A) All Directors shall be elected to serve a one year term, however, the term may be extended until a successor has been elected.
- (B) Director terms shall be staggered so that approximately half the number of Directors will end their terms in any given year.
- (C) Directors may serve terms in succession.
- (D) The term of office shall be considered to begin January 1 and end December 31 of the second year in office, unless the term is extended until such time as a successor has been elected.

4.04 Qualification and election of Directors.

In order to be eligible to serve as a director on the Board of Directors, the individual must be eighteen (18) years of age and an affiliate within affiliate classifications created by the Board of Directors. Directors may be elected at any Board Meeting by the majority vote of the existing Board of Directors. The election of Directors to replace those who have fulfilled their term of office shall take place in January of each year.

4.05 Vacancies.

The Board of Directors may fill vacancies due to the expiration of a Directors term of office, resignation, death or removal of a Director or may appoint new Directors to previously unfilled Board position, subject to the maximum number of directors under these Bylaws.

- (a) Unexpected vacancies.

Vacancies in the Board of Directors due to resignation, death or removal shall be filled by the Board for the balance of the term of the Director being replaced.

4.06 Removal of Directors.

A Director may be removed by two-thirds vote of the Board of Directors then in office, if:

- (a) The Directors absent and unexcused from three or more meetings of the Board of Directors in a twelve month period. The Board President is empowered to excuse Directors from attendance for a reason deemed adequate by the Board President. The President shall not have the power to excuse him/herself from the Board meeting attendance and in that case, the Board Vice President shall excuse the President.
- (b) For cause, if before any meeting of the Board at which a vote on removal will be made the Director in question is given an electronic or written notification of the Boards intentions to discuss his/her case and is given the opportunity to be heard at a meeting of the board.

4.07 Board of Directors meetings.

(A) Regular meetings.

The Board of Directors shall have a minimum of four regular meetings each calendar year at times and places to be fixed by the Board of Directors. Board meetings shall be held upon four days notice by written or electronic mail or 48 hours notice delivered personally or by telephone. If sent by mail or electronic mail, then the notice shall be deemed to be delivered upon as deposit in the mail or transmission system. Notice of meeting shall specify the place, day and hour of meeting. The purpose of the meeting need not be specified.

(B) Special meetings.

Special meetings of the Board may be called by the President, Vice President, Secretary, Treasurer or any two other Directors of the Board of Directors. A special meeting must be preceded by at least two days notice to each Director of the date, time and place, but not the purpose of the meeting.

(C) Waiver of notice.

Any Director may waive notice of any meeting, in accordance with Iowa Law.

4.08 Manner of acting.

(A) Quorum.

A majority of the Directors in office immediately before a meeting shall constitute a quorum for the transaction of business at that meeting of the Board. No business shall be considered by the Board at any meeting in which a quorum is not present.

(B) Majority vote.

Except as otherwise required by law or by the Articles of Incorporation, the act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board. Each Director's vote shall count as one (1) vote in favor or opposition of pending action, unless family members serve overlapping terms as Directors. In such instances, family member's votes shall equal one-half (.5) of one vote in favor or opposition of pending action.

(C) Hung board decisions.

On the occasion that Directors of the Board are unable to make a decision based on a tied number of votes, the President or Treasurer in the order of presence shall have the power to swing the vote based on his/her discretion.

(D) Participation.

Except as required otherwise by law, the Articles of Incorporation, or these Bylaws, Directors may participate in regular or special meeting through the use of any means of communication by which all Directors participating might simultaneously hear one another during the meeting, including in-person, internet video meeting, or by telephonic conference call.

4.09 Compensation for Board service.

Directors shall receive no compensation for carrying out their duties as Directors. The Board may adopt policies providing for reasonable reimbursement of Directors for expenses incurred in conjunction with carrying out Board responsibilities, such as travel expenses to attend board meetings, or otherwise advance the mission and purpose of the Blue Lips Foundation.

4.10 Compensation for professional services by Directors.

Directors are not restricted from being remunerated for professional services provided to the Corporation. Such remuneration shall be reasonable and fair to the corporation and must be reviewed and approved in accordance with the conflict of interest policy adopted by the Board of Directors and State law.

ARTICLE V

COMMITTEES

5.01 Committees

The Board of Directors may, by the resolution adopted by a majority of the Directors then in office, designate one or more committees, each consisting of two or more Directors, to serve at the pleasure of the Board. Any committee, to the extent provided in the resolution of the Board, shall have all the authority of the Board, except that no committee regardless of Board resolution may:

- (a) Take any final action on matters which also requires Board members approval or approval of a majority of all members;

- (b) Fill vacancies on the Board of Directors of any committee which has the authority of the Board;
- (c) Amend or repeal Bylaws or adopt new Bylaws;
- (d) Amend or repeal any resolution of the Board of Directors which by its expressed terms is not so amendable or repealable;
- (e) Appoint any other committees of the Board of Directors or the members of these committees;
- (f) Expend corporate funds for supporting nominee for Director; or
- (g) Approve any transaction:
 - (i) To which the corporation is a party in one or more Directors have a material financial interest; or
 - (ii) Between the corporation in one or more of its Directors are between the corporation or any person in which one or more of its Directors have a material financial interest.

5.02 Meetings and action of committees.

Meetings and action of the committees shall be governed by and held and taken in accordance with the provisions of these Bylaws concerning meetings of the Directors, with such changes in the context of those Bylaws as are necessary to substitute the Committee and its members for the Board of Directors and its members, except that the time for regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the committee. Special meetings of the committee may also be called by resolution of the Board of Directors. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The Board of Directors may adopt rules for the governing of the committee not inconsistent with the provisions of these Bylaws.

5.03 Informal action by the Board of Directors.

Any action required or permitted to be taken by the Board of Directors at a meeting may be taken without a meeting if consent in writing, setting forth the action so taken shall be agreed by the consensus of a quorum. For purposes of this section, an email transmission from an email address on record constitutes a valid writing. The intent of this provision is to allow the Board of Directors to use email to approve actions, along as a quorum of Board members gives consent.

ARTICLE VI

OFFICERS

6.01 Board Officers

The officers of the corporation shall be a Board President, Vice President, Secretary and Treasurer, all of whom shall be chosen by, and serve with the pleasure of, the Board of Directors. Each board officer shall have the authority and shall perform the duties set forth in these Bylaws or by resolution of the Board or by direction of an officer authorized by the Board to prescribe the duties in authority of other Officers. The Board may also appoint additional Vice Presidents and such other officers as it deems expedient for the proper conduct of the business of the corporation, each of whom shall have such authority and shall perform such duties as the Board of Directors may determine. One person may hold two or more board offices, but no board officer may act in more than one capacity where action of two or more officers is required.

6.02 Term of Office

Each officer shall serve a one year term of office and may not serve more than three consecutive terms of office. Unless unanimously elected by the board at the end of his or her three year terms or to fill a vacancy in an officer position, each board officer's term of office shall begin upon the adjournment of the board meeting at which elected, and shall end upon the adjournment of the board meeting during which a successor is elected.

6.03 Removal and Resignation

The Board of Directors may remove an officer at any time, with or without cause. An officer may resign at any time by giving written notice to the corporation without prejudice to the rights, if any, the corporation under any contract to which the officer is a party. Any resignation shall take effect at the date of the receipt of the notice or at any latter time specified in the notice. The acceptance of the resignation shall not be necessary to make it effective.

6.04 Board President

The Board President shall be the chief volunteer officer of the corporation. The Board President shall lead the Board of Directors in performing its duties and responsibilities, including, if present, presiding at all meetings of the Board of Directors, and shall perform all other duties incident to the office or properly required by the Board of Directors.

6.05 Vice President

In the absence or disability of the Board President, the ranking Vice President or Vice President designated by the Board of Directors shall perform the duties of the Board President. When so acting, the Vice President shall have all the powers of and be subject to all the restrictions upon the Board President. The Vice President shall have such other powers and perform such other duties prescribed for them by the Board of Directors or the Board President. The Vice President shall normally exceed to the office of Board President upon completion of the Board President's term of office.

6.06 Secretary

The secretary shall keep or cause to be kept a book of minutes of all meetings and actions of the Directors and committees of Directors. The minutes of each meeting shall state the time and place it was held and such other information as shall be necessary to determine the actions taken and whether the meeting was held in accordance with the law and these Bylaws. Secretary shall cause notice to be given of all meetings of Directors and committees as required by the Bylaws. Secretary shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the Board President. Secretary may appoint, with approval of the Board, a director to assist in the performance of all or part of the duties of the secretary.

6.07 Treasurer

The treasurer shall be the lead director for oversight of the financial condition and affairs of the corporation. The treasurer shall oversee and keep the Board informed of the financial condition of the corporation and of audit and financial review results. In conjunction with other directors or officers, the treasurer shall oversee budget preparation and shall ensure that appropriate financial reports, including an account of major transactions, and the financial condition of the corporation, are made available to the Board of Directors in a timely basis or as may be required by the Board of Directors. The treasurer shall perform all duties properly required by the Board of Directors or the Board President. The treasurer may appoint, with the approval of the Board, a qualified fiscal agent or member of the staff to assist in performance of all or part of the duties of the treasurer.

6.08 Non-Director Officers

The Board of Directors may designate additional officer positions of the corporation it may appoint in assigned duties to other non-director officers of the corporation.

ARTICLE VII

CONTRACTS, CHECKS, LOANS, INDEMINIFICATION and RELATED MATTERS

7.01 Contracts and other writings

Except as otherwise provided by resolution of the Board or Board policy, all contracts, deeds, leases, mortgages, grants and other agreements of the corporation shall be executed on its behalf by the treasurer or other persons to whom the corporation has delegated authority to execute such documents in accordance with policies approved by the Board.

7.02 Checks, drafts

All checks, drafts or other orders for payment of money, notes or other evidence of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents, of the corporation and in such manner as shall from time to time be determined by resolution of the board.

7.03 Deposits

All funds of the corporation shall not otherwise employed shall be deposited from time and time to the credit of the corporation in such banks, trust companies, or other depository as the Board or designated committee of the Board may select.

7.04 Loans

No loans shall be contracted on behalf of the corporation and no evidence of indebtedness shall be issued in its name unless authorized by resolution of the board. Such authority may be general or confined to specific instances.

7.05 Indemnification

(A) Mandatory Indemnification

The corporation shall indemnify a Director or former director, who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which he or she was a party because he or she is or was a director of the corporation against reasonable expenses incurred by him or her in connection with the proceedings.

(B) Permissible indemnification

The corporation shall indemnify a director or former director made a party to a proceeding because he or she is or was a director of the corporation, against liability incurred in the proceeding, if the determination to indemnify him or her has been made in the manner prescribed by the law and payment has been authorized in the manner prescribed by law.

(C) Advance for expenses

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding, as authorized by the Board of Directors in the specific case, upon receipt of (1) a written affirmation from the Director, officer, employee or agent of his or her good faith belief that he or she is entitled to indemnification as authorized in this article, and (2) an undertaking by or on behalf of the Director, officer, employee or agent to repay such amount, unless it shall ultimately be determined that he or she is entitled to be indemnified by the corporation in these Bylaws.

(D) Indemnification of officers, agents and employees

An officer of the corporation who is not a director is entitled to mandatory indemnification under this article to the same extent as the director. The corporation may also indemnify and advance expenses to an employee or agent of the corporation who is not a director, consistent with Iowa law and public policy, provided that such indemnification, and the scope of such indemnification, is set forth by the general or specific action of the board or by contract.

ARTICLE VIII
MISCELLANEOUS

8.01 Books and records

The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of all meetings of its Board of Directors, a record of all actions taken by the Board of Directors without a meeting, a record of all actions taken by the Board of Directors without a meeting, any record of all actions taken by committees of the Board. In addition, the corporation shall keep a copy of the corporation's articles of incorporation and Bylaws as amended to date.

8.02 Fiscal year

The fiscal year of the corporation shall be from January 1 to December 31 of each year.

8.03 Conflict of Interest

The board shall adopt and periodically review a conflict of interest policy to protect the corporation's interest when it is contemplating any transaction or agreement or arrangement which may benefit any director, officer, employee, affiliate, or member of a committee with Board-delegated powers.

8.04 Non-discrimination policy

The officers, directors, committee members, employees, and persons served by this corporation shall be selected entirely on a non discriminatory basis with respect to age, sex, race, religion, national origin, and sexual orientation. It is the policy of Blue Lips Foundation not to discriminate on the basis of race, creed, ancestry, marital status, gender, sexual orientation, age, physical disability, veteran status, political service or affiliation, color, religion, or national origin.

8.05 Bylaw amendment

These Bylaws may be amended, altered, repealed, or restated by a vote of the majority of the Board of Directors then in office at a meeting of the Board, provided, however,

- (a) That no amendment shall be made to these Bylaws which would cause the corporation to cease to qualify as an exempt corporation under Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code; and

- (b) That an amendment does not affect the voting rights of Directors. An amendment that does affect the voting rights of directors further requires ratification by two-thirds vote of a quorum of directors at a Board meeting.
- (c) That all amendments be consistent with the Articles of Incorporation.

ARTICLE IX

COUNTER TERRORISM and DUE DILIGENCE POLICY

In furtherance of its exemption by contributions to other organizations, Blue Lips Foundation shall stipulate how the funds will be used and shall require the recipient to provide the corporation with detailed records and financial proof of how the funds were utilized.

Although adherence and compliance with the U.S. Department of the treasuries publication the "Voluntary Best Practices for U.S. Based Charities" is not mandatory, Blue Lips Foundation willfully and voluntarily recognizes and puts to practice these guidelines and suggestions to reduce, develop, reevaluate and strengthen a risk-based approach to guard against the threat of diversion of charitable funds or exploitation of charitable activity by terrorist organizations and their support networks.

Blue Lips Foundation shall also comply and put into practice the Federal guidelines, suggestion, laws and limitations set forth by preexisting U.S. legal requirements related to combating terrorist financing, which include, but are not limited to, various sanction programs administered by the Officer of Foreign Assets Control (OFAC).

ARTICLE X

DOCUMENT RETENTION POLICY

10.01 Purpose

The purpose of this document retention policy is establishing standards for document integrity, retention and destruction and to promote the proper treatment of Blue Lips Foundation records.

10.02 Policy

(A) General guidelines.

Records should not be kept if they are no longer needed for the operation of the business or required by law. Unnecessary records should be eliminated from the files. The cost of maintaining records is an expense which can grow unreasonable if good housekeeping is not performed. A mass of records also makes it more difficult to find pertinent records.

From time to time, Blue Lips Foundation may establish retention or destruction policies or schedules for specific categories of records in order to ensure legal compliance, and also to accomplish other objectives, such as preserving intellectual property and cost management. Several categories of documents that warrant special consideration are identified below. While

minimum retention periods are established, the retention of the documents identified below and the documents not included in the identified categories should be determined primarily by the application of the general guidelines affecting document retention, as well as the exception for litigation relevant documents and other pertinent factors.

(B) Exception for litigation relevant documents.

Blue Lips Foundation expects all officers, directors, and employees to comply fully with all published records retention or destruction policies and schedules, provided that all officers, directors and employees should note the following general exception to the stated destruction schedule: if you believe, or the Blue Lips Foundation informs you, that corporate records are relevant to litigation, or potential litigation, then you must preserve those records until it is determined that the records are no longer needed. This exception supersedes any previously or subsequently established destruction schedule for those records.

(C) Minimum retention period for specific records.

Corporate records – Corporate records include the corporations Article of Incorporation, Bylaws, and IRS Form 1023 Application for Exemption. Corporate records should be retained permanently. IRS regulations require that the Form 1023 be available for public inspection upon request.

Tax records – Tax records include, but may not be limited to, documents concerning payroll, expenses, proof of contributions made by donors, accounting procedures, and other documents concerning the corporation's revenues. Tax records should be retained for at least seven years from the date of filing the applicable return.

Employment records/personnel records – State and Federal statutes require the corporation to keep certain recruitment, employment and personnel information. Corporation should also keep personnel files that reflect performance reviews and any complaints brought against the corporation or individual employees under the applicable State and Federal statutes. Corporations should also keep in the employees personnel file all final memoranda and correspondence reflecting performance reviews and actions taken by or against personnel. Employment applications should be retained for three years. Retirement and pension records (if applicable) should be kept permanently. All other employment and personnel records should be retained for seven years.

Board and Board Committee materials – Meeting minutes should be retained in perpetuity in the corporation's minute book. A clean copy of all other Board and Board Committee materials should be kept for no less than three years by the Corporation.

Press Releases/Public Filings – The Corporation should retain permanent copies of all press releases and publicly filed documents under the theory that the corporation should have its own copy to test the accuracy of any document a member of the public can theoretically produce against the corporation.

Legal Files – Legal counsel should be consulted to determine the retention period of particular documents, but legal documents should generally be maintained for a period of ten years.

Marketing and sales documents – The Corporation should keep final copies of marketing and sales documents for the same period of time it keeps other corporate files, generally three years. An exception to the three year policy may be sales invoices, contracts, leases, licenses, and other legal documentation. These documents should be kept for at least three years beyond the life of the agreement.

Intellectual property and trade secrets – Development documents are often subject to intellectual property protection in their final form (eg patents and copy rights). The documents detailing the development process are often also of value to the corporation and are protected as a trade secret where the corporation: (i) derives independent economic value from the secrecy of the information; and (ii) has taken affirmative steps to keep the information confidential.

Contacts – Final execution copies of all contracts entered into by the corporation should be retained. The corporation should retain copies of the final contracts for at least three years beyond the life of the agreement, and longer in the case of publicly filed contracts.

Correspondence – Unless correspondence falls under another category listed elsewhere in this policy, correspondence should be generally saved for two years.

Banking and accounting – Accounts payable, ledgers and schedules should be kept for seven years. Bank reconciliations, bank statements, deposit slips and checks should be kept for three years. Any inventories or products, materials and supplies and any invoices should be kept for seven years.

Insurance – Expired insurance policies, insurance records, accident reports, claims, etc. should be kept permanently.

Audit reports – External audit reports should be kept permanently. Internal audit reports should be kept for three years.

Electronic mail – E-mail that needs to be saved should be either: (1) printed in hard copy and kept in the appropriate file or; (2) downloaded to a computer file and kept electronically or on disc as a separate file. The retention period depends upon the subject matter of the email, as covered elsewhere in this policy.

ARTICLE XI

TRANSPARENCY and ACCOUNTABILITY

11.01 Purpose

By making full and accurate information about its mission, activities, finances, and governance publically available, Blue Lips Foundation practices and encourages transparency and accountability to the general public. This policy will:

- (a) Indicate which documents and materials produced by the Corporation are presumptively open to staff and/or the public;
- (b) Indicate which documents and materials produced by the Corporation are presumptively closed to staff and/or the public;
- (c) Specify the procedures whereby the open/close status of documents and materials can be altered.

11.02 Financial and IRS documents

Blue Lips Foundation shall provide its internal revenue forms 990, 990-T, 1023 and 5227, Bylaws, Conflict of Interest Policy, and financial statements to the general public for inspection free of charge.

11.03 Means and conditions of disclosure

Blue Lips Foundation shall make “widely available” the aforementioned documents on its internet website to be viewed and inspected by the general public. The documents shall be posted in a format that allows an individual using the internet to access, download, view and print them in the manner that exactly reproduces the image of the original document filed with the IRS (except information exempt from public disclosure requirements, such as contributor lists).

The website shall clearly inform readers of the document as available and provide instructions for downloading it.

Blue Lips Foundation shall not charge a fee for downloading the information. Documents shall not be posted in a format that would require special computer hardware or software (other than software readily available to the public free of charge).

Blue Lips Foundation shall inform anyone requesting the information where this information can be found, including the web address. This information must be provided immediately for in-person requests and within seven days for mailed requests.

11.04 IRS annual information returns (Form 990)

Blue Lips Foundation shall submit the Form 990 to its Board of Directors prior to the filing of the Form 990. While neither the approval of the Form 990 or review of the 990 is required under Federal law, the corporations Form 990 shall be submitted to each member of the Board of Directors at least ten days before the Form 990 is filed with the IRS.

11.05 Board

(A) All Board deliberations shall be open to the public except where the Board passes a motion to make any specified portion confidential.

(B) All Board minutes shall be open to the public once accepted by the Board, except where the Board passes a motion to make any specific portion confidential.

(C) All papers and materials considered by the Board shall be open to the public following the meeting at which they are considered, except where the Board passes a motion to make any specific paper or material confidential.

11.06 Staff records

(A) All staff records shall be available for consultation by the staff member concerned or by their legal representatives;

(B) No staff records shall be made available to any person outside the corporation except the authorized governmental agencies;

(C) Within the corporation, staff records shall be made available only to those persons with managerial or personnel responsibilities for that staff member, with the exception of the Board of Directors when requested.

11.07 Donor records

(A) All donor records shall be available for consultation by the members and donors concerned or by their legal representatives

(B) No donor records shall be made available to any other person outside of the corporation except the authorized governmental agencies.

(C) Within the corporation, donor records shall be made available only to those persons with managerial or personnel responsibilities for dealing with those donors, except that donor records shall be made available to the Board of Directors when requested.

ARTICLE XII

CODE OF ETHICS and WHISTLE BLOWER POLICY

12.01 Purpose

Blue Lips Foundation requires and encourages directors, officers, and employees to observe and practice high standards of business and personal ethics in the conduct of their duties and responsibilities. The employee's representatives of the corporation must practice honesty and integrity in fulfilling the responsibilities and comply with all applicable laws and regulations. It is the intent of the Blue Lips Foundation to adhere to all laws and regulations that apply to the corporation and the underlying purpose of this policy is to support the corporation's goal of legal compliance. The support of all corporate staff is necessary to achieving compliance with various laws and regulations.

12.02 Reporting violations

If any director, officer, staff or employee reasonably believes that some policy, practice or activity of Blue Lips Foundation is in violation of law, a written complaint must be filed by that person with the Vice President or the Board President.

12.03 Acting in good faith

Anyone filing a complaint concerning a violation or suspected violation of the Code must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Code. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false shall be viewed as a serious disciplinary offense.

12.04 Retaliation

Said person is protected from retaliation only if he/she brings the alleged unlawful activity, policy or practice to the attention of Blue Lips Foundation and provides the corporation with the reasonable opportunity to investigate and correct the alleged unlawful activity. The protection described below is only available to individuals that comply with this requirement.

Blue Lips Foundation shall not retaliate against any director, officer, staff or employee who in good faith, has made a protest or raised a complaint against some practice of the corporation or of another individual or entity with whom the Blue Lips Foundation has a business relationship, on the basis of a reasonable belief that the practice is in violation of law or a clear mandate of public policy.

Blue Lips Foundation shall not retaliate against any director, officer, staff or employee who discloses or threatens to disclose any activity, policy or practice of the Blue Lips Foundation that the individual reasonably believes is in violation of a law, or a rule, or regulation mandated pursuant to law or is in violation of a clear mandate of public policy.

12.05 Confidentiality

Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anomalously. Reports of violations or suspected violations shall be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

12.06 Handling of reported violations

The Board president or vice president shall notify the sender and acknowledge receipt of the reported violation or suspected violation within five business days. While reports shall be promptly investigated by the Board and its appointed committee an appropriate corrective action shall be taken if warranted by the investigation.

This policy shall be made available to all directors, officers, or staff and they shall have the opportunity to ask questions about the policy.

ARTICLE XIII

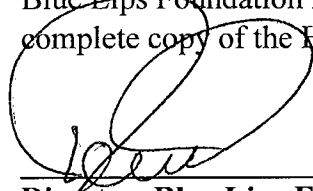
AMENDMENT OF ARTICLES OF INCORPORATION

13.01 Amendment

Any amendment to the Articles of Incorporation may be adopted by the approval of a majority of the then sitting Board of Directors.

CERTIFICATE OF ADOPTION OF BYLAWS

I do hereby certify that the above stated Bylaws of Blue Lips Foundation were approved by the Blue Lips Foundation Board of Directors on the 25th Day of August, 2015 and constitute a complete copy of the Bylaws of the Corporation by:



Director, Blue Lips Foundation

8/25/15
Date

BLUE LIPS FOUNDATION

CONFLICT OF INTEREST POLICY and AGREEMENT

ARTICLE I

PURPOSES

It is important for Blue Lips Foundation directors, officers and staff to be aware that both real and apparent conflict of interests or dualities of interests sometimes occur in the course of conducting the affairs of the corporation and that the appearance of conflict can be troublesome even if there is in fact no conflict whatsoever. Conflicts occur because the many persons associated with the corporation should be expected to have, and do in fact generally have, multiple interests and affiliations in various positions of responsibility within the community. In these situations, a person will sometimes owe identical duties of loyalty to two or more corporations. The purpose of the conflict of interest policy is to protect the corporation's tax exempt interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the corporation or might result in a possible excess benefit transaction. The policy is intended to supplement, but not replace, any applicable State and Federal laws governing conflict of interest applicable to non-profit and charitable organizations.

Conflicts are undesirable because they potentially or eventually place the interest of others ahead of the corporation's obligations to its charitable purposes and to the public interests. Conflicts are also undesirable because they often reflect adversely upon the person involved and upon the institutions with which they are affiliated, regardless of the actual facts or motivations of the parties. However, the long range best interest of the corporation do not require the termination of all association with persons who may have real or apparent conflicts that are harmless to all individuals or entities involved. Each member of the Board of Directors and the staff of the Corporation has a duty of loyalty to the Corporation. The duty of loyalty generally requires a Director or staff member to prefer the interest of the corporation over the Directors/staffs interests or interests of others. In addition, Director's and staff of the corporation shall avoid acts of self dealing which may adversely affect the tax exempt status of the corporation or cause there to arise any sanction or penalty by a governmental authority.

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given and opportunity to disclose all material facts to the directors and members of the committees with governing board delegated powers considered in the proposed transaction or arrangement.

ARTICLE II

DEFINITIONS

2.1 Interested person – Any director, principal officer or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2.2 Financial interests – A person has the financial interest if the person has, directly or indirectly, through business, investment or family:

(a) an ownership or investment interest in any entity with which the corporation has a transaction or arrangement

(b) a compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement; or

(c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the corporation is negotiating a transaction or arrangement.

Compensation includes direct or indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that the conflict of interest exists.

ARTICLE III

PROCEDURES

3.1 Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

3.2 Determining whether a conflict of interest exists

After disclosure of the financial interests and all material facts, and after discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3.3 Procedures for addressing the conflict of interest

(A) An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

(B) The chair person of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

(C) After exercising due diligence, the governing board or committee shall determine whether the corporation can obtain with reasonable efforts and more advantageous transaction or arrangement from the person or entity that would not give rise to a conflict of interest.

(D) If a more advantageous transaction or arrangement is not reasonably possible under the circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the corporations best interests, for its own benefit, and whether it is fair and reasonable. Conforming to the above determination it shall makes its decision as to whether to enter into the transaction or arrangement.

3.4 Violations of the conflicts of interest policy

(A) That the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interests; it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

(B) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

ARTICLE IV

RECORDS OF PROCEEDINGS

4.1 Minutes

The minutes of the governing board and all committees with board delegated powers shall contain:

(a) the names of the persons who disclose or otherwise were found to have a financial interest and connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing boards or committees decision as to whether a conflict of interest in fact existed.

(b) the names of the persons who were present for discussions and votes related to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

ARTICLE V

COMPENSATION

5.1 A voting member of the governing board who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

5.2 A voting member or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

5.3 No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

ARTICLE VI

ANNUAL STATEMENTS

Each director, principal officer and member of the committee with governing board delegated powers shall annually sign a statement in which it affirms such person:

- (a) Has received a copy of the Conflict of Interest Policy;
- (b) Has read and understands the policy;
- (c) Has agreed to comply with the policy; and
- (d) Understands that the corporation is charitable and in order to maintain its Federal tax exemption must engage primarily in activities which accomplish one or more of its tax exempt purposes.

ARTICLE VII

PERIODIC REVIEWS

To ensure the corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax exempt status, periodic reviews shall be conducted. The periodic review shall, at a minimum, include the following subjects:

- (a) Whether compensation arrangements and benefits are reasonable, based on competent survey information and the results of arms length bargaining; and
- (b) Whether partnerships, joint ventures, and other arrangements with management corporations conform to the corporations written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, and permissible private benefit or in an excess benefit transaction.

ARTICLE VIII

USE OF OUTSIDE EXPERTS

When conducting the periodic reviews as provided in Article VII, the corporation may, but need not, use outside advisors. If outside advisors are used, you shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

CERTIFICATE OF ADOPTION OF CONFLICT OF INTEREST POLICY and AGREEMENT

I do hereby certify that the above stated Conflict of Interest Policy and Agreement for Blue Lips Foundation were approved and adopted by the Blue Lips Foundation Board of Directors on the 25th Day of August, 2015 and constitute a complete copy of the Conflict of Interest Policy and Agreement of the Corporation:



Director, Blue Lips Foundation

8/25/15
Date



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
CINCINNATI OH 45999-0023

Date of this notice: 08-03-2015

Employer Identification Number:
47-4689048

Form: SS-4

Number of this notice: CP 575 E

BLUE LIPS FOUNDATION
BLUE LIPS
% RANDY WILHARBER
6800 LAKE DR STE 125
WDM, IA 50266

For assistance you may call us at:
1-800-829-4933

IF YOU WRITE, ATTACH THE
STUB AT THE END OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN 47-4689048. This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

When filing tax documents, payments, and related correspondence, it's very important that you use your EIN along with your complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information shown above isn't correct, please send us the correction using the attached tear-off stub.

Annual filing requirements

Most organizations with an EIN have an annual filing requirement, even if they engage in minimal or no activity.

A. If you are tax exempt, you may be required to file one of the following returns or notices:

Form 990, Return of Organization Exempt From Income Tax
Form 990-EZ, Short Form Return of Organization Exempt From Income Tax
Form 990-PF, Return of Private Foundation
Form 990-N, e-Postcard (available online only)

Additionally, you may be required to file your annual return electronically.

If an organization required to file a Form 990, Form 990-PF, Form 990-EZ, or Form 990-N does not do so for three consecutive years, its tax-exempt status is automatically revoked as of the due date of the third return or notice.

Please refer to www.irs.gov/990filing for the most current information on your filing requirements.

B. If you are not tax-exempt, you may be required to file one of the following returns:

Form 1120, U.S. Corporation Income Tax Return
Form 1041, U.S. Income Tax Return for Estates and Trusts
Form 1065, U.S. Return of Partnership Income

Please refer to Publication 1635, Understanding Your EIN, for more information about which forms you may be required to file.

Applying for Tax-Exempt Status

Receiving an EIN from the IRS is not the same thing as receiving IRS recognition of tax-exempt status. To apply for formal recognition of tax-exempt status, most organizations will need to complete either Form 1023, *Application for Recognition Under Section 501(c)(3) of the Internal Revenue Code*, or Form 1024, *Application for Recognition of Exemption Under Section 501(a)*. Submit the completed form, all applicable attachments, and the required user fee to:

Internal Revenue Service
PO Box 12192
Covington, KY 41012-0192

Publication 557, *Tax Exempt Status for Your Organization*, has details on the application, process as well as information on returns you may need to file.

Additional information

To obtain tax forms and publications, including those referenced in this notice, visit our Web site at www.irs.gov. If you don't have access to the Internet, call 1-800-829-3676 (TTY/TDD 1-800-829-4059) or visit your local IRS office.

IMPORTANT REMINDERS:

- * Keep a copy of this notice in your permanent records. **This notice is issued only one time and the IRS will not be able to generate a duplicate copy for you.** You may give a copy of this document to anyone asking for proof of your EIN.
- * Use this EIN and your name exactly as they appear at the top of this notice on all your federal tax forms.
- * Refer to this EIN on your tax-related correspondence and documents.
- * Provide future officers of your organization with a copy of this notice.

If you have questions about your EIN, you can contact us using the phone number or address shown at the top of this notice. If you write, please tear off the stub at the bottom of this notice and send it along with your letter. If you don't need to write us, please don't complete and return this stub.

Your name control associated with this EIN is BLUE. You will need to provide this information, along with your EIN, if you file your returns electronically.

Thank you for your cooperation.

Blue Lips Foundation
IRS Form 1023 – Part IV
Narrative Description of Activities

The Blue Lips Foundation (Blue Lips) was organized to issue funding for research grants to 501(c)(3) organizations for the study and development of treatment programs for pulmonary arterial hypertension with an emphasis on early detection and screening.

Blue Lips was organized in August 2015, and thus, no activities to advance its cause have been completed to date with the exception of selecting a Board of Directors and procuring a logo to identify the organization.

Blue Lips will commence activities in earnest in September 2015. At that time it is anticipated the following activities will begin:

- (1) Preparation of Outreach and Educational Materials (Local and Regional) – The Board of Directors will work closely with a non-compensated volunteer Medical Director to prepare and distribute educational materials to local and regional pulmonary and cardiac specialists and researchers specializing in pulmonary arterial hypertension with the goal to educate medical practitioners as to the purpose of Blue Lips and generate support for Blue Lips' mission. This activity will occur within Iowa. The activity is designed to generate name recognition for the organization and seek financial support from medical practitioners. The activity will be initially funded through donations and/or grant funding made available to Blue Lips. Future funding of this activity will be generated through annual fundraising campaigns detailed below. Blue Lips anticipates that 10% of its collective time will be spent to develop and distribute these materials, and will be ongoing in nature.
- (2) Preparation of Outreach and Education Materials (National)– The Board of Directors will work closely with a non-compensated volunteer Medical Director to prepare and distribute marketing materials to medical clinics across the United States who have applied for and/or have been designated as accredited treatment centers and/or designated as a regional treatment center by the Pulmonary Hypertension Association. This activity will occur within Iowa, but will feature national outreach. The activity is designed to generate name recognition for the organization and seek financial support from national practitioners. The activity will be initially funded through donations and/or grant funding made available to Blue Lips. Future funding of this activity will be generated through annual fundraising campaigns detailed below. Blue Lips anticipates that 10% of its collective time will be spent to develop and distribute these materials, and will be ongoing in nature.
- (3) Website and Social Media Creation – Blue Lips is presently in the initial stages of design and creation of a website (bluelipsfoundation.org). The website will be

created via a joint effort of the Board of Directors and an Iowa based web design company. The website will feature sections pertaining to Blue Lips' mission, biographical information pertaining to Blue Lips' Board of Directors, educational materials pertaining to pulmonary arterial hypertension, donations and annual gifts, upcoming events, organization news and financial disclosures, and a medical blog dedicated to current treatment and research developments. The purpose of the website is to develop a wide network of name recognition for the organization, communicate with pulmonary arterial hypertension patients and medical practitioners, communication with donors and sponsors, and revenue generation for the organization. The activity will be initially funded through donations, and/or grant funding made available to Blue Lips. Future funding of this activity will be generated through annual fundraising campaigns detailed below.

Blue Lips will establish and maintain a presence on social media sites including Facebook, Twitter, Instagram, Linked In, etc. The purpose being to develop a wide network of name recognition for the organization, communicate with pulmonary arterial hypertension patients and medical practitioners, communication with donors and sponsors, and revenue generation for the organization. Blue Lips does not anticipate any required funding at this time to maintain its social media presence.

Blue anticipates that 20% of its collective time will be spent originating the design and creation of its website and social media outlets, and maintenance of its website and social media content into the future, and that such activity will be ongoing in nature. The Board of Directors shall be responsible for the creation and maintenance of Blue Lips' website and social media presence.

- (4) Annual Fundraising Events and Benefiting Charity Development – It is anticipated by the Board of Directors that Blue Lips will host two annual large scale fundraising events. The Board of Directors anticipates to host one event annually each spring and one event annually each fall. The spring event is contemplated to include a sponsored golf outing to take place within the Des Moines, Iowa area and a gala dinner to be sponsored by donors. The gala dinner will also occur within the Des Moines, Iowa area. The golf and gala events will be marketed as a joint venture and occur within a designated 48-hour period. The Board of Directors will conduct this activity including all planning, preparation and presentation. It is anticipated that Blue Lips will host its spring golf outing and gala dinner in April or May annually. The golf outing and gala dinner will serve as a primary fundraising activity to support the mission of Blue Lips. It is anticipated that Blue Lips will generate a vast majority of its annual revenue through the spring golf outing and gala dinner, and that such revenue will be the primary source of research funding to 501(c)(3) designated pulmonary hypertension clinics and centers. The activity will be initially funded through donations, and/or grant funding made available to Blue Lips. Future funding

of this activity will be generated through event sponsorships and annual donor gifts to the organization.

The Board of Directors will host a second annual fundraiser event each fall. It is anticipated this activity will occur in September or October of each year. The Board of Directors will plan, prepare and present a musical concert event within the Des Moines, Iowa area. The concert event will include a performing act of regional and/or national acclaim. The event will be available to corporate and/or individual sponsors and donors. The proceeds generated from this event will be utilized by the Board of Directors to issue research funding to 501(c)(3) designated pulmonary hypertension clinics and centers. The activity will be initially funded through donations, and/or grant funding made available to Blue Lips. Future funding of this activity will be generated through event sponsorships and annual donor gifts to the organization.

Blue Lips further anticipates establishing itself a benefiting charity for local and regional events that Blue Lips does not itself host. Blue Lips anticipates securing donations through walks, runs and other organized fitness outings.

Blue Lips anticipates the sale of merchandise including hats, mugs, shirts and similar items through its website which will bear the logo of Blue Lips. The revenue for this activity is anticipated to be insubstantial, and Blue Lips has no current program in place or contract to supply merchandise.

Relative to annual fundraising efforts, Blue Lips anticipates it will devote 40% of its collective time to fundraising.

- (5) Grant and Gift Issuance – Blue Lips will issue grants and gifts to selected 501(c)(3) designated pulmonary hypertension research centers. The grant and gift selections will be determined by the Board of Directors after receipt of applications and proper vetting by the Board of Directors. The process of issuing research funding will be completed in Urbandale, Iowa. Grant funding is the very mission of Blue Lips, and the ultimate goal of working to eradicate pulmonary arterial hypertension. The funding of this activity will be generated via the annual fundraising events hosted by Blue Lips set forth in paragraph (4) above, along with any benefiting revenues received by Blue Lips and direct donations and gifts received by the organization. Blue Lips anticipates it will devote 20% of its collective time to review, vet, consider and issue grant and gift funding to research centers and individual patients.

Blue Lips Foundation
IRS Form 1023 – Part V (1a)
Continuation of Designation of Board of Directors

<u>Name</u>	<u>Title</u>	<u>Mailing Address</u>	<u>Compensation Amount</u>
Meredith Boesen	Director	3205 163 rd Street Urbandale, IA 50323	None
Erica Vinyard	Director	3607 150 th Street Urbandale, IA 50323	None

Blue Lips Foundation
IRS Form 1023 – Part V (2a)
Family Relationships Between Directors

Blue Lips Foundation Directors Randy Wilharber and Meredith Wilharber are married. The couple was married on May 15, 2010. Each serves as a volunteer and unpaid Director of Blue Lips Foundation. In addition, the Bylaws adopted by Blue Lips reduces voting power by one-half from one (1) vote to one-half (.5) vote for any Board member serving a concurrent term with a family member. The reduction in voting power for Board serving family members is designed to ensure equal distribution of power amongst the Blue Lips' Board of Directors.

Blue Lips Foundation
IRS Form 1023 – Part V (2b)
Business Relationships Between Directors

Blue Lips Foundation Directors Randy Wilharber and Wm. Timothy Wegman are partners in the law firm of Peddicord, Wharton, Spencer, Hook, Barron & Wegman, LLP located in West Des Moines, Iowa. Randy Wilharber and Wm. Timothy Wegman are two of thirteen partners in the law firm and each control 1/13 of the partnership. The law firm currently employs seventeen attorneys and approximately thirty-five support staff. Randy Wilharber and Wm. Timothy Wegman serve as a volunteer and unpaid Director of Blue Lips Foundation.

Blue Lips Foundation
IRS Form 1023 – Part V (3a)
Director Qualifications

- (1) Randy Wilharber: Randy Wilharber is a practicing attorney licensed in the State of Iowa and federal courts in Iowa, Illinois, Wisconsin, California and Kentucky. Mr. Wilharber is also admitted to practice before the 8th Circuit Court of Appeals. Mr. Wilharber has expertise in legal issues pertaining to corporations and non-profit organizations. Mr. Wilharber has prior experience serving local and national charity organizations including Big Brothers Big Sisters, Make-A-Wish Foundation and Boys and Girls Club of Central Iowa. Mr. Wilharber serves as Director of Blue Lips Foundation with responsibilities including community outreach and education, fundraising, corporate governance, and grant and gift issuance. Mr. Wilharber contributes approximately 40 hours per month to functions and duties associated with Blue Lips Foundation.
- (2) Meredith Wilharber: Meredith Wilharber is a former legal assistant with knowledge of corporate non-profit law. Ms. Wilharber is a diagnosed and treating patient of pulmonary arterial hypertension with unique qualifications to serve as a community and national voice in efforts to generate funding for the treatment and eradication of pulmonary arterial hypertension. Ms. Wilharber has prior experience serving the Make-A-Wish Foundation, and has served on various committees of the Iowa Make-A-Wish Foundation. Ms. Wilharber serves as Director of Blue Lips Foundation with responsibilities including community outreach and education, fundraising, corporate governance, and grant and gift issuance. Mr. Wilharber contributes approximately 60 hours per month to functions and duties associated with Blue Lips Foundation.
- (3) Wm. Timothy Wegman: Wm. Timothy Wegman is a practicing attorney licensed in the State of Iowa and Missouri. Mr. Wegman has expertise in legal issues pertaining to corporations and non-profit organizations. Mr. Wegman serves as Director of Blue Lips Foundation with responsibilities including community outreach and education, fundraising, corporate governance, and grant and gift issuance. Mr. Wegman contributes approximately 40 hours per month to functions and duties associated with Blue Lips Foundation.
- (4) Christopher Bagby: Christopher Bagby is a corporate executive with Wells Fargo, N.A. serving as the Corporate Director of Credit. Mr. Bagby is a highly regarded and accomplished business executive with finance expertise. Mr. Bagby has prior experience in charitable work associated with the ALS Foundation Iowa. Mr. Bagby serves as Director of Blue Lips Foundation with responsibilities including community outreach and education, fundraising, corporate governance, finance controls and grant and gift

issuance. Mr. Bagby contributes approximately 40 hours per month to functions and duties associated with Blue Lips Foundation.

- (5) Derek Hetland: Derek Hetland is sales executive with St. Jude Medical with a focus and specialization in cardiac devices, implants and supplies. Mr. Hetland is highly regarded in the cardiac field for his knowledge and ability to understand cardiac conditions, including adverse effects of pulmonary arterial hypertension within the right heart ventricle, and to provide necessary components to assist physicians with the treatment of cardiac conditions. Mr. Hetland serves as Director of Blue Lips Foundation with responsibilities including community outreach and education, fundraising, corporate governance, and grant and gift issuance. Mr. Hetland contributes approximately 40 hours per month to functions and duties associated with Blue Lips Foundation.
- (6) Erica Vinyard: Erica Vinyard is a registered nurse (retired) with experience and expertise in the areas of cardiac and pulmonary function. Ms. Vinyard serves as Director of Blue Lips Foundation with responsibilities including community outreach and education, fundraising, and grant and gift issuance. Ms. Vinyard contributes approximately 40 hours per month to functions and duties associated with Blue Lips Foundation.
- (7) Meredith Boesen: Meredith Boesen serves as a corporate and personal wellness professional with a focus on spiritual, physical and financial consulting and outreach. Ms. Boesen has experience in fundraising and community outreach. Ms. Boesen serves as Director of Blue Lips Foundation with responsibilities including community outreach and education, fundraising, and grant and gift issuance. Ms. Boesen contributes approximately 40 hours per month to functions and duties associated with Blue Lips Foundation.

Blue Lips Foundation
IRS Form 1023 – Part VI (1b)
Funds To Other Organizations

The mission behind Blue Lips is to fund research programs intended to treat and cure pulmonary hypertension with an emphasis on early detection and screening. Blue Lips intends to issue grant funding to 501(c)(3) organizations, such as medical institutions and/or non-profit designated medical clinics with research programs dedicated to pulmonary hypertension treatment therapies and/or prospective cures. To qualify for such funding, the organization must demonstrate that it is actively engaged in research and science programs aimed to offer advancements in the treatment of pulmonary hypertension, how the requested funding will support its pulmonary hypertension program(s), and the manner in which the funding will be used to advance its pulmonary hypertension program(s).

All activities described in Part IV above are programs and platforms Blue Lips intends to utilize to generate funding to issue to pulmonary hypertension dedicated research programs.

Blue Lips Foundation
IRS Form 1023 – Part VIII (2a)
Legislative Influence

Blue Lips has not yet spent any volunteer time or any resources to influence legislation. Blue Lips legislative activities, if any, will always be insubstantial and less than 2% of Blue Lips total volunteer time and expense. Currently Blue Lips has no plans or program in place to undertake any such activity.

Blue Lips Foundation
IRS Form 1023 – Part VIII (3a, 3c)
Gaming Activities

Blue Lips will not operate Bingo gaming activities, but may utilize raffle games in conjunction with its annual fundraising events described in Part IV, or at times on Blue Lips' website.

An example of Blue Lips' raffle games would include 50/50 raffle games in which a participant would purchase tickets with an opportunity to win 50% of the accumulated dollars at the end of the event.

There will be no compensation of any sort for volunteers who carry on assist in the administration of perspective gaming activities, and all income and expenses will be documented as they occur.

In general, Blue Lips anticipates holding its annual fundraising events in the State of Iowa, and so the gaming activities related to those events would occur within the State of Iowa. Any web based contests would be conducted through Blue Lips server, located in the State of Iowa. In the event any activity is conducted outside the State of Iowa, Blue Lips will observe and comply with all applicable federal and state laws in carrying on such activities.

Blue Lips Foundation
IRS Form 1023 – Part VIII (4a)
Fundraising Methods And Activities

Blue Lips anticipates to engage in the following fundraising methods:

- (1) Mail Solicitations – Blue Lips anticipates it will engage in a direct mail campaign to seek funding from individuals, entities and organizations. The mail campaign is expected to include reference materials pertaining to pulmonary hypertension, Blue Lips mission to fund research for treatments and a cure of pulmonary hypertension, and a request for donations to support the stated mission and/or invitation to Blue Lips' annual fundraising events.
- (2) Foundation Grant Solicitations - Blue Lips anticipates it will seek funding through established foundation grant programs offering financial support to organizations such as Blue Lips to establish a medical grant funding program. Blue Lips foundation grant application(s) are expected to include reference materials pertaining to pulmonary hypertension, Blue Lips mission to fund research for treatments and a cure of pulmonary hypertension, and a request for funding to support the stated mission.
- (3) Website Donations – Blue Lips anticipates accepting funding donations through it's created website. The website is currently in its planning and creation phase, however, the Board of Directors anticipates inclusion of a “DONATE” tab to allow individual or entity donors to issue direct funding to Blue Lips.
- (4) Government Grant Solicitations - Blue Lips anticipates it will seek funding through government grant programs offering financial support to organizations such as Blue Lips to establish a medical grant funding program. Blue Lips foundation grant application(s) are expected to include reference materials pertaining to pulmonary hypertension, Blue Lips mission to fund research for treatments and a cure of pulmonary hypertension, and a request for funding to support the stated mission.
- (5) Email Solicitation – Blue Lips will utilize internet solicitation methods, including but not limited to email, social media contacts and other mediums.
- (6) Personal Solicitation – Blue Lips will fundraise by approaching a broad spectrum of entities and individuals in person to share Blue Lips' mission and seek public support.
- (7) Vehicle, Boat, Plane or Similar Donations – Blue Lips does not anticipate donations of boats or plane or automobiles, however in the case of such donation is made, Blue Lips will accept this kind of donation with the intent of utilizing the vehicle for Blue Lips' mission. Donated vehicles will not be used by Blue Lips for any other activities other than those that will further Blue Lips' status.

(8) Other - It is anticipated by the Board of Directors that Blue Lips will host two annual large scale fundraising events. The Board of Directors anticipates to host one event annually each spring and one event annually each fall. The spring event is contemplated to include a corporate sponsored golf outing to take place within the Des Moines, Iowa area and a gala dinner to be sponsored by corporate and individual donors. The gala dinner will also occur within the Des Moines, Iowa area. The golf and gala events will be marketed as a joint venture and occur within a designated 48-hour period. The Board of Directors will conduct this activity including all planning, preparation and presentation. It is anticipated that Blue Lips will host its spring golf outing and gala dinner in April or May annually. The golf outing and gala dinner will serve as a primary fundraising activity to support the mission of Blue Lips. It is anticipated that Blue Lips will generate a vast majority of its annual revenue through the spring golf outing and gala dinner, and that such revenue will be the primary source of research funding to 501(c)(3) designated pulmonary hypertension clinics and centers. The activity will be initially funded through Director donations, and/or corporate donations, and/or grant funding made available to Blue Lips. Future funding of this activity will be generated through event sponsorships and annual donor gifts to the organization.

The Board of Directors will host a second annual fundraiser event each fall. It is anticipated this activity will occur in September or October of each year. The Board of Directors will plan, prepare and present a musical concert event within the Des Moines, Iowa area. The concert event will include a performing act of regional and/or national acclaim. The event will be available to corporate and/or individual sponsors and donors. The proceeds generated from this event will be utilized by the Board of Directors to issue research funding to 501(c)(3) designated pulmonary hypertension clinics and centers. The activity will be initially funded through donations, and/or grant funding made available to Blue Lips. Future funding of this activity will be generated through event sponsorships and annual donor gifts to the organization.

Blue Lips further anticipates establishing itself a benefiting charity for local and regional events that Blue Lips does not itself host. Blue Lips anticipates securing donations through benefiting walks, runs and other organized fitness outings.

Blue Lips Foundation
IRS Form 1023 – Part VIII (4d)
Anticipated Fundraising Jurisdictions

Iowa: Iowa is the home state of Blue Lips. Blue Lips anticipates fundraising activities in the following Iowa jurisdictions:

City of Adel - Fundraising by Blue Lips only for Blue Lips
City of Altoona - Fundraising by Blue Lips only for Blue Lips
City of Ankeny – Fundraising by Blue Lips only for Blue Lips
City of Bettendorf - Fundraising by Blue Lips only for Blue Lips
City of Cedar Falls - Fundraising by Blue Lips only for Blue Lips
City of Cedar Rapids - Fundraising by Blue Lips only for Blue Lips
City of Clive – Fundraising by Blue Lips only for Blue Lips
City of Coralville – Fundraising by Blue Lips only for Blue Lips
City of Council Bluffs - Fundraising by Blue Lips only for Blue Lips
City of Cumming - Fundraising by Blue Lips only for Blue Lips
City of Davenport - Fundraising by Blue Lips only for Blue Lips
City of Des Moines - Fundraising by Blue Lips only for Blue Lips
City of Grimes - Fundraising by Blue Lips only for Blue Lips
City of Iowa City – Fundraising by Blue Lips only for Blue Lips
City of Johnston – Fundraising by Blue Lips only for Blue Lips
City of Ottumwa - Fundraising by Blue Lips only for Blue Lips
City of Urbandale – Fundraising by Blue Lips only for Blue Lips
City of Waterloo - Fundraising by Blue Lips only for Blue Lips
City of Waukee – Fundraising by Blue Lips only for Blue Lips
City of West Des Moines - Fundraising by Blue Lips only for Blue Lips

Accredited Treatment Center States: In addition to Iowa, Blue Lips anticipates participating in fundraising efforts through mail solicitation, personal solicitation, email solicitation and foundation grant funding in states where medical institutions and clinics reside which have either applied and/or received national or regional accreditation by the Pulmonary Hypertension Association as a pulmonary hypertension treatment facility. While Blue Lips has no connection nor affiliation to the Pulmonary Hypertension Association (PHA), Blue Lips recognizes the important work being completed by the PHA to accredit treatment centers with specialties in pulmonary hypertension. As a result of the PHA’s accreditation process, pulmonary hypertension patients and the public have direct knowledge of centers certified by the PHA to provide quality care to pulmonary hypertension patients. Blue Lips intends to fundraise in those cities where PHA accredited centers reside. At present, those locales include:

Arizona: City of Phoenix - Fundraising by Blue Lips only for Blue Lips

California: City of Santa Barbara - Fundraising by Blue Lips only for Blue Lips

City of Stanford - Fundraising by Blue Lips only for Blue Lips
City of San Francisco - Fundraising by Blue Lips only for Blue Lips

Colorado: City of Denver - Fundraising by Blue Lips only for Blue Lips

Florida: City of Jacksonville - Fundraising by Blue Lips only for Blue Lips

Kansas: City of Kansas City - Fundraising by Blue Lips only for Blue Lips

Kentucky: City of Louisville - Fundraising by Blue Lips only for Blue Lips

Maryland: City of Baltimore - Fundraising by Blue Lips only for Blue Lips

Massachusetts: City of Boston - Fundraising by Blue Lips only for Blue Lips

Michigan: City of Ann Arbor - Fundraising by Blue Lips only for Blue Lips

Minnesota: City of Rochester - Fundraising by Blue Lips only for Blue Lips

Missouri: City of St. Louis - Fundraising by Blue Lips only for Blue Lips

New York: City of New York - Fundraising by Blue Lips only for Blue Lips

North Carolina: City of Chapel Hill - Fundraising by Blue Lips only for Blue Lips

Ohio: City of Cincinnati - Fundraising by Blue Lips only for Blue Lips

Pennsylvania: City of Philadelphia - Fundraising by Blue Lips only for Blue Lips

Rhode Island: City of Providence - Fundraising by Blue Lips only for Blue Lips

Texas: City of Dallas - Fundraising by Blue Lips only for Blue Lips

Virginia: City of Falls Church - Fundraising by Blue Lips only for Blue Lips

City of Richmond - Fundraising by Blue Lips only for Blue Lips

Wisconsin: City of Milwaukee - Fundraising by Blue Lips only for Blue Lips

Internet – Blue Lips anticipates it will engage in fundraising in all 50 states of the United States via internet solicitation and availability of direct donation funding in connection with Blue Lips' website. No funds will be raised by Blue Lips for other organizations, and Blue Lips does not anticipate other organizations raising funds for Blue Lips.

Blue Lips Foundation
IRS Form 1023 – Part VIII (4e)
Separation of Donor Accounts

Blue Lips does not anticipate soliciting contributions where the donor has the right to advise how to use or distribute the funds. However, Blue Lips will comply with and recognize special requests, notes, terms, and conditions which are specified by contributors and will maintain a separate account for that specific donation. An example are issued foundation grants which may contain restrictions on the activities the grant may support. Honoring any such terms is inherent in the grant application process.

Blue Lips Foundation
IRS Form 1023 – Part VIII (10)
Ownership of Intellectual Property

Blue Lips commissioned the creation of an organization logo. The logo images were finalized and purchased on August 10, 2015. In exchange for payment to the logo broker and logo designer(s), Blue Lips acquired in title all rights, title and interest in and to the created logo design images, including copyright, and all rights to use, distribute, and reproduce to the public the acquired logo artwork.

Blue Lips paid \$550 for the totality of work to create and approve the above described organization logo images. The fees were determined by the website designcrowd.com – the design broker of the logo project. No other fees are to be paid for the logo designs by Blue Lips to designcrowd.com and/or the individual logo designers.

The logo images will be displayed by Blue Lips in public fashion on social media pages, the organization's website and in educational materials promulgated and distributed by Blue Lips.

Blue Lips Foundation
IRS Form 1023 – Part VIII (11)
Acceptance of Contributions

Blue Lips has not, but may in the future, accept contributions of real property, closely held securities, and/or intellectual property, works of art or music, licensees, royalties, automobiles, boats, planes, or other vehicles, or collectibles of any type if the proposed contributions further the exempt purposes of Blue Lips. Blue Lips will not accept donations if any conditions imposed by the donor on the contribution limit Blue Lips' ability to achieve its purpose or otherwise require Blue Lips to conduct activities that do not further Blue Lips' 501(c)(3) purposes. Any future donations accepted by Blue Lips will be finalized in accordance with 501(c)(3) regulations and Blue Lips will properly determine fair market value according to IRS publication 561.

Blue Lips Foundation
IRS Form 1023 – Part VIII (13b, 13d, 13e, 13f, 13g)
Grants To Other Organizations

Part VIII (13b):

How do grants to organizations further your exempt purpose?

The very mission behind Blue Lips is to fund research programs intended to treat and cure pulmonary hypertension. Blue Lips intends to issue grant funding to 501(c)(3) organizations, such as medical institutions and/or non-profit designated medical clinics with research programs dedicated to pulmonary hypertension treatment therapies and/or prospective cures.

Part VIII (13d):

Identify each recipient organization and any relationship between you and the recipient organization.

To date, no organization has received grant funding from Blue Lips. Blue Lips anticipates it will issue its first pulmonary hypertension medical research grant to a qualified organization in 2016. Blue Lips has no relationship with any medical research facility and/or other qualified organization to be considered for granting funding.

Part VIII (13e):

Describe the records you keep with respect to grants, loans other distributions you make.

No granting funding – or any loan or other distribution – has been issued by Blue Lips to date. Blue Lips does not anticipate providing any loan or distribution to any organization. With respect to grant funding, Blue Lips shall maintain the following records:

- (1) Payment ledger detailing date and amount of grant payment;
- (2) Bank records detailing check or draft number, amount of payment and date of issuance;
- (3) Grant proposal records from requesting organization;
- (4) Grant approval correspondence prepared by Blue Lips to be issued to the recipient organization detailing approval of the requested grant proposal, amount of grant to be awarded, required reporting mandates in consideration of grant payment, and anticipated date of issuance of funds;
- (5) Periodic and final reports from grant recipient detailing the use of grant funds to further intended pulmonary hypertension research project.

Part VIII (13f)

Describe the selection process for grant recipients.

Blue Lips will consider grant request proposals from 501(c)(3) designated organizations placing emphasis on research projects dedicated to treatment and a cure of pulmonary hypertension. Blue Lips will require any requesting organization to prepare a grant proposal to be reviewed and vetted by Blue Lips. Blue Lips shall require the requesting organization detail the project to be funded, the manner in which Blue Lips' grant funding will be spent to further the project's purpose, acknowledgment by the requesting organization that it shall prepare and submit to Blue Lips periodic written reports concerning the use of grant funds issued by Blue Lips, and acknowledgement by the requesting organization that it shall submit a final written report and accounting of the exhaustion of Blue Lips grant funding. Blue Lips shall further require requesting organizations acknowledge Blue Lips' ability to withhold and/or recover issued grant funding in the event such funding is misused and/or any appearance of misuse is displayed by the grant recipient.

Part VIII (13g)

Describe procedures for oversight of grants or distributions to assure resources are used to further the exempt purpose.

Blue Lips will require any requesting organization prepare a grant proposal to be reviewed and vetted by Blue Lips. Blue Lips shall require the requesting organization detail the project to be funded, the manner in which Blue Lips' grant funding will be spent to further the project's purpose, acknowledgment by the requesting organization that it shall prepare and submit to Blue Lips periodic written reports concerning the use of grant funds issued by Blue Lips, and acknowledgement by the requesting organization that it shall submit a final written report and accounting of the exhaustion of Blue Lips grant funding. Blue Lips shall further require requesting organizations acknowledge Blue Lips' ability to withhold and/or recover issued grant funding in the event such funding is misused and/or any appearance of misuse is displayed by the grant recipient.

Blue Lips Foundation
IRS Form 1023 – Part IX
Balance Sheet

Blue Lips had no cash or other assets as of 9/1/2015. The balance sheet was \$0, along with \$0 in liabilities.

Blue Lips Foundation
IRS Form 1023 – Part X (1b)
508(e) Compliance

Blue Lips has drafted language within its organizing document demonstrating acknowledgement and intent to comply with the requirements of Section 508(e). Language to this effect is contained in Section 4, Paragraph 4 of Blue Lips' Articles of Incorporation.