

The DanPaul Foundation
Fourth Quarterly Board of Trustees Meeting
Monday, December 1, 2003

Mary E. "Libby" Cornett, Founding Director and President, convened the official fourth quarterly Board of Trustees meeting of The DanPaul Foundation, at the registered office of the foundation in Hiltons, Virginia, on Monday afternoon, December 1, 2003. This will be the final quarterly Board meeting for 2003.

The Minutes from the September 1, 2003 Board meeting, were approved as written and entered into the official records of the foundation.

Under Old Business, Libby Cornett, Sole Director of the foundation, reported for the record that the IRS sent a letter stating they had received and will review the Form 1023 Tax Exemption status of the foundation.

Libby Cornett and Michael Brickey attended the Association of Small Foundations' Trustee Leadership Conference on September 17, and also the Southeastern Council of Foundations' Regional Meeting on September 18, in Raleigh-Durham, NC. Both Libby and Michael reported finding the trip a very worthwhile and informative endeavor. They attended sessions on being an effective Board Trustee, the legal and fiduciary responsibilities of a Board Trustee, and how to operate a viable and productive foundation. There were also extremely helpful sessions by the Fleet Group on understanding and monitoring foundation investments and investment advisors/firms. The Regional meeting was a great opportunity to network with other foundations in the SE region of the U.S. Libby and Michael came back renewed and excited for the future of The DanPaul Foundation and it's mission/work.

Libby and Michael also met with the foundation's Investment Advisor firms on September 26, in Johnson City. Libby introduced Michael to David King and Jim Miller from American Values Investments, to Marilyn Grigsby and Davis Peterson (who joined by conference call from Knoxville) from SunTrust Bank's trust division, and to Maureen MacIver and Jon Hankins from First Tennessee Bank's trust division. The meetings centered on the foundation's Investment Policy Statement (IPS) and the Risk Allocations of the various firms. Michael will be responsible for reviewing the monthly investment statements with the advisor firms' representatives, and then he and Libby will meet with the firms on a quarterly basis to review investment performance. Michael also drafted an Investment Policy Statement which Libby approved, and this IPS will be used to monitor and evaluate the three investment advisor's performances. Michael and the representatives will discuss any adjustments necessary to the risk allocations and bring any recommendations to Libby for the Board to approve.

Mr. Davis' office completed and Libby approved an Amendment to the Bylaws of The DanPaul Foundation which names Michael Brickey and Toshiko Hartsock as successor Directors in the event of her resignation or demise. Mr. Davis' firm has filed the required paperwork with the Virginia State Corporation Commission to have the Amendment entered into the official corporate records of the foundation.

Under New Business, Libby reported that the foundation had received a second letter from the IRS stating that The DanPaul Foundation has been approved for federal tax-exemption as a 501(c)(3) charitable organization. Libby thanked Michael for his efforts working with Mr. Davis' office on the Form 1023 application and stated for the record she had no doubts it was Michael's diligence and research that resulted in a positive decision by the IRS in only 21 days after filing, when the process can normally take anywhere from 3 to 6 months or longer.

Michael and Libby have been discussing how to proceed with researching 501(c)(3) organizations and charities as potential grant recipients for 2004. Michael has recommended that he begin doing some research through the public library system and also through extensive searches on the internet to begin identifying those eligible groups doing work in the program areas which match the foundation's mission and goals. Libby will also compile information on any groups she is already aware of or those she had been thinking of when she started the foundation (like the Helping Hands group in Massachusetts which train monkeys to assist quadriplegics).

Libby has also expressed a desire to begin traveling to conduct seminars and workshops for teachers and parents on Early Childhood Development and other pertinent topics. She will begin exploring potential travels to accomplish this goal of the foundation.

Michael has begun working on the foundation business primarily from an office in his house in preparation for Libby being gone traveling to conduct the seminars and workshops mentioned above. He will meet with Libby weekly when she is in town to update her and get work assignments or assist Libby where needed.

Michael will also begin compiling necessary paperwork and financials for either the Appalachian CPAs or Blackburn, Childers, and Steagall, CPAs, to prepare the required filings of the PF-990 Form and payment of the 2% excise tax to the IRS for the foundation's business year ending on December 31, 2003.

There being no further business, Libby adjourned the fourth quarter 2003 DanPaul Foundation Board meeting until the first scheduled Board meeting for 2004 on Monday, March 1st.

Walter Lee Davis, Jr.
Corporate Secretary