

STATEMENT OF DR. KATHLEEN ANNETTE

This is a statement of appreciation for the services of Special Master Peter Ulmen who will conclude his duties as part of Blandin Foundation's Petition request.

At the recommendation of the Minnesota Attorney General, the Ramsey County District Court appointed Peter Ulmen as a Special Master to monitor the Blandin Foundation's compliance with the 2003 Stipulation and Order establishing that at least 55% of all grants made by the Foundation over a six-year rolling average be made for the benefit of the Grand Rapids area. The Special Master was charged with inquiring into the Foundation's grant distributions and allocations of those distributions to the Grand Rapids Area.

The Foundation has worked with Special Master Ulmen to define and clarify the 2003 Order's directives, developing sophisticated reporting templates and procedures. This has produced many results for the Foundation, including a template for reporting the Foundation's compliance. This template is the byproduct of more than ten years' worth of cooperation between Foundation representatives and the Special Master, and the template now stands as a model reporting tool that can be used for future reporting periods.

In addition, the Foundation has responded to Special Master Ulmen's questions, which resulted in the development of procedures, policies and definitions consistent with best practices and generally accepted accounting principles. Particularly noteworthy has been the effort to define which grants are "local" and which are "rural" for reporting purposes. The Foundation has not only established "local" and "rural" grant definitions; it has created a process to identify, review, and consider whether a particular grant is local or rural in nature. This process contains various checks and balances, including the ability of Foundation representatives to consult with the Foundation Board of Trustees, the Court, and/or its auditor regarding a particular grant classification.

The Special Master also reviewed the Residuary Trust and Foundation accounts, investments, grants, and financial reporting practices. His comments and concerns about certain asset classes of investments, for example, contributed to a decision by Blandin to divert from such funds prior to later market decline.

Throughout the last 12 years, he has been diligent and professional in his duties as well as respectful of the Foundation and the Grand Rapids Community. His professional fees were reasonable in carrying out his responsibility for this period of heightened oversight of Foundation grant-making practices.

On the eve of Mr. Ulmen's discharge as Special Master, we extend our thanks for his contributions in working with Blandin Foundation, which is one of the healthiest private foundations in the country today.