This newsletter “letter” is, perhaps, one of the most difficult to write. It ought to be easier - after all, it’s the “giving season,” isn’t it? Every year from early November until late December our mailboxes are filled with year-end reports, requests, and pleas from local, national, and international nonprofits asking for our support. What are we to do?

Year-end giving has become a tradition for some and many worthy nonprofits have come to count on these funds to meet their budgets. In the midst of the unprecedented economic downturn, are we to give less? Give more? These are hard questions, but I think there is a better way. East Tennessee Foundation (ETF) is encouraging its fundholders to give smarter. Strategically placed and timed gifts given to sound, principled organizations can make a huge difference in our region by allowing organizations to fulfill their missions. Sounds nice, but how do we ensure a gift does what is intended?

For starters, we do homework, and lots of it. Due diligence into a group’s financial soundness, history, vision, and leadership are all valuable. It is a service we at the Foundation take very seriously and we apply the same strict standards to ourselves. Once again ETF (at an asset value of $125 million) and all ten of our supporting foundations received a clean audit from our independent auditor. Our attention to detail has allowed our fundholders to rely on ETF’s guidance. Good financial management, transparency, and accountability have never been more important because we must ensure, as best we can, that every charitable dollar is wisely invested.

This heightened sense of urgency and due diligence is “the new normal” for charitable giving here in East Tennessee. While it has been a painful economic downturn, we have all become more focused on our core missions and our sustainability. Long after the economy has finally recovered, an improved, lean, focused charitable infrastructure is a gift that will be enjoyed for many years to come.

We invite you to join with us at the Foundation and embrace this “giving season” knowing that a gift given carefully and wisely can change a life forever.

Michael T. McClamroch, ETF President & CEO
A Fund With Staying Power

At East Tennessee Foundation, we talk a lot about using a fund here as a means of extending your philanthropic legacy on a permanent basis. There can be no better example of that than the fund that is the subject of this story.

In November, 1998, Harry and Carolyn Galbraith established a donor advised fund with ETF for the purpose of supporting nonprofit organizations around the country dedicated to animal welfare. Harry and Carolyn were passionate about animal rights and seeing to it that animals received humane treatment. They were also quite supportive of spay/neuter programs.

The Galbraiths were very active grantmakers; they asked that we keep them informed about any organization or program related to animals that might be worthy of their support. The majority of their grants benefited organizations in East Tennessee, but they also advised us to make grants to animal-related nonprofits in Washington, D.C., Virginia, California, and Utah.

Unfortunately, Carolyn Galbraith died in January, 2005. Harry continued to be active in his grantmaking until ill health befell him. Recognizing his own diminishing physical and mental capabilities, Harry gave us one last list of grants to make near the end of 2005, thus bringing the fund balance to zero and putting it into a dormant state. At the age of 90, Harry Galbraith died on December 13, 2008.

In January, 2009, ETF received a phone call from the attorney of Harry’s estate with the news that, except for a few cash bequests, Harry had left his estate to East Tennessee Foundation for the purpose of reviving the Harry W. Galbraith and Carolyn W. Galbraith Donor Advised Fund. Carolyn’s brother and Harry’s executor, Ken Woods, was named as the fund advisor to carry on their legacy of supporting animal-related organizations. With money coming into the fund from the gradual liquidation of Harry’s estate, Ken has already begun advising ETF on grants to make to nonprofits similar to those supported by Harry and Carolyn.

Harry Galbraith was very purposeful in his philanthropic activities, and he did not want his death to bring an end to his and Carolyn’s legacy. By providing for the continuation of their donor advised fund through a testamentary gift, Harry made certain that their passion for animal welfare would not be extinguished. Fortunately for him, he had a trusted family member and advisor he could depend upon to handle the grantmaking from the fund. What if he hadn’t had Ken Woods to carry out his wishes? That’s when a donor can entrust to East Tennessee Foundation the responsibility of finding the nonprofit organizations doing the best work in a particular field of interest and following the donor’s instructions to provide ongoing support from the donor’s fund. Our track record warrants that level of trust.

Working as a team with Ken Woods, ETF is proud to keep the Galbraith name prominent in the field of animal welfare. We would be honored to work with you in keeping your passion alive for many, many years to come.

By Bob Calloway
ETF Vice President for Advancement
Prior to 2002, it’s doubtful that anyone in Tennessee would have ever heard or uttered the word Bonnaroo. Now, people may not know what it means, but they know it put Manchester, TN, on the map. The word bonnaroo is a slang construction taken from the French “bon” meaning “good”, and “rue” from the French “street,” to mean “the best on the streets.” And since its origin in 2002, the Bonnaroo Music and Arts Festival has lived up to its best on the street billing by steadily growing in renown. In 2008, it was named “Best Festival” by Rolling Stone magazine, calling it “the ultimate over-the-top summer festival.”

The Bonnaroo organizers have shared the success of their music festival by generating and distributing over $3,000,000, mostly in direct contributions to a variety of initiatives and causes, primarily in Coffee County. In addition to annual charitable contributions, the festival provides millions in annual revenue to Coffee County businesses and individuals.

Recently, the festival founders joined with East Tennessee Foundation (ETF) to establish the Bonnaroo Works Fund to further the organization’s community investment and philanthropic efforts. East Tennessee Foundation will administer and manage the Fund and help to provide structure and process for Bonnaroo to further develop its charitable ventures. The Foundation’s tax exempt status will allow the Festival creators to maximize support for selected nonprofit projects. Bonnaroo partners will continue to supervise and advise fund distribution.

Charitable funds are raised through a combination of Bonnaroo programs – including ticket add-ons for charity and the Coffee County general fund, and the annual on-site Silent Auction. The Festival has been a model in developing innovative ways to engage both fans and artists to support a variety of worthy and necessary causes in their community. Community projects such as the Coffee County Recreation Center, the Skateboard Park, and the Manchester Performing Arts Center have all benefited from Bonnaroo contributions. Bonnaroo’s charitable efforts also support national nonprofit organizations.

“Community is at the heart of the Bonnaroo experience, and we’re very proud of what we’ve been able to accomplish – with the fans, the artists, the organizers, the community working together – to have a positive impact and make a difference in the world around us,” said Bonnaroo co-founder Ashley Capps. “We want to see these efforts grow. The establishment of this fund and our alliance with ETF is a big step in nurturing that growth. We are very inspired by the potential that it offers.”

“We are so pleased that Bonnaroo organizers have taken this important step, and we look forward to helping them continue their investment in our community. The Bonnaroo Works Fund will undoubtedly heighten the quality of life in communities across the nation,” said Michael T. McClamroch, ETF President & CEO.
John D. Grubb and Louise G. Sumner Fund for Monroe County

An Affiliate Fund of East Tennessee Foundation

2009 Grant Awards

The John D. Grubb and Louise G. Sumner Fund for Monroe County was established in 1998 through a generous gift by Monroe County natives John Grubb and his sister, Louise Grubb Sumner. The Fund was created to benefit the economic, social, cultural and educational well-being of Monroe County residents and their communities. Grants from the Fund encourage creative use of area resources and contribute to the quality of life of Monroe County residents.

Boys and Girls Club of the Monroe Area
Keystone Clubs and Torch Clubs will provide youth with opportunities to strengthen their sense of identity and ability to contribute to society.

City of Sweetwater
A new exhibit at Sweetwater Heritage Museum will preserve and promote the history of Sweetwater.

Cleveland State Community College Foundation
The “Pathways of Success” program will help high school freshmen identify and attain their educational and career goals.

Coker Creek Economic Development Group, Inc.
The Coker Creek Post Office, Welcome Center and Heritage Gift Shop will be supported in their essential roles as destinations for local tourism.

Douglas-Cherokee Economic Authority, Inc.
The Monroe County Neighborhood Center will provide assistance to low-income households that are in a crisis or emergency situation.

Douglas-Cherokee Economic Authority, Inc.
New kitchen cabinets will be provided for the Senior Nutrition Program meal site at Cora Veal Senior Citizens Center.

Florence Crittenton Agency
The Child and Parenting Skills (CAPS) school-based education and support program will work with pregnant and parenting teens in Monroe County’s three high schools.

Fort Loudoun Association
An educational program entitled “1760: Cherokee Victory at Fort Loudoun” will coincide with the 250th anniversary of the surrender of Fort Loudoun.

Girl Scout Council of the Southern Appalachians
Scholarships will enable 40 girls to become members and participate in activities in Monroe County.

Good Shepherd Center
The Heating and Cooling Initiative and Food Self-Sufficiency Initiative will provide low-income families with heaters, blankets, fans, and canning supplies.

Monroe Area Council for the Arts
The Fiber Arts in the Classroom residency will teach fourth grade students about the importance of looms, weaving and making cloth.

Monroe Area School for the Performing Arts, Inc.
Three scheduled productions during the 2010 season of the Monroe Area Opera will be supported.

Monroe County Beautiful, Inc.
Board development activities will be supported.

Monroe County Community Health Access Committee
An annual Flu Shot Program will provide free flu shots to elderly and uninsured citizens.

Rural Vale Elementary School
The FOCUS Club will provide students and their parents with opportunities to participate in community service activities and projects.

Senior Citizens Home Assistance Service, Inc.
Homecare services will be provided for elderly residents of Monroe County with disabilities who cannot afford to pay the full cost.

Monroe County grants continued on page 8

Visit us on the Web
www.easttennesseefoundation.org

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British philosopher Herbert Spencer first used the phrase, “survival of the fittest,” in his Principles of Biology after reading Charles Darwin’s On the Origin of Species. Darwin meant the phrase as a metaphor for “better adapted for immediate, local environment.” The adaptations of the unique Victorian village of Rugby could have served as a perfect example of what Darwin meant by survival of the fittest.

The endurance of Historic Rugby (www.historicrugby.org) for more than four decades, often against great odds, may be attributed to the passion of descendants of the town’s original colonists. Then in 1966, the vision of Brian Stagg, a 16-year-old student, motivated him to establish an organization dedicated to Rugby’s preservation. Prior to his death, Brian served as executive director of the Rugby Restoration Association, now Historic Rugby. Brian’s sister, Barbara Stagg, and her husband, John Gilliat, a descendant of original Rugby colonists, have led the group since 1977, and remain working with new leadership efforts.

Perhaps one of the major adaptations for the utopian Victorian village’s long-term survival took place in 1987 when the Historic Rugby board of directors created an endowment at East Tennessee Foundation (ETF). The fund received a $30,000 matching grant from the Foundation as part of the Lila Wallace-Reader’s Digest Fund’s Community Partnerships for Cultural Participation Initiative (CPCPI). The class-free, agrarian community founded in 1880 by Thomas Hughes, a British writer and social reformer, has survived and evolved with assistance from the endowment.

Recently, the National Trust for Historic Preservation presented one of its 23 national awards, Trustees Emeritus Award for Excellence in the Stewardship of Historic Sites, to Historic Rugby. The prestigious National Preservation Awards are given to distinguished individuals, nonprofit organizations, public agencies, and corporations who, with resolution and competence, have preserved our architectural and cultural heritage.

Historic Rugby’s evolution includes: authentic restoration of 10 original buildings, historic reconstruction of three more, development of an architecturally compatible visitor center, theatre and restaurant, and conservation of nearly 800 acres of surrounding woodland. The organization is selling lots for historically compatible residential construction at Beacon Hill, an area designated on the 1880 town plan. Whenever possible when lots are sold, a percentage is used to grow their endowment at East Tennessee Foundation.

“We were one of the first nonprofits to create an endowment at ETF,” says Stagg. “In the many years since, we have never doubted the wisdom of doing so. Though Historic Rugby is facing perhaps its most challenging financial issues ever, the income from that endowment is a rare certainty, and helps keeps us going.

“If you’ve never been to Historic Rugby, just 70 miles from Knoxville, we hope you’ll discover this unique historic place in the coming year,” Stagg said.

East Tennessee Foundation, in managing their endowment, is pleased to be playing a role in helping to make Historic Rugby one of the “fittest” nonprofits in our region. “Their vision of a steady financial resource will help them to adapt to the ever changing environment and ensure their survival,” said Michael McClamroch, ETF President & CEO.
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How do you like the title of this article? It has a good ring to it, right? Of course, this title is not original with me nor with Hillary Clinton, who used the saying as the focal point for her 1996 Democratic Convention speech and a subsequent book. The saying was originally an African proverb out of Nigeria that said, “It takes a village to raise a child.” In the 1996 presidential campaign, this saying became a source of great controversy between proponents of more government involvement in our private lives and those proponents of less. I’m going to adapt the proverb for my own purposes; I just hope I’m not supposed to ask anyone’s permission to use it!

My adaptation goes like this: It takes a village to sustain a village. In all of our East Tennessee villages, from Madisonville to Knoxville to Mountain City, the nonprofit organizations that do so much to preserve our quality of life are struggling to keep their doors open. As I drive to and from work here in Knoxville, I observe the homeless and displaced people on Broadway who are looking for a meal or a safe place where their family can spend the night. The misery index of those folks must be approaching total despair, and simultaneously the agencies that are trying to meet their needs are seeing their funding sources diminish.

That’s where the concept of village involvement comes into play. Everyone in the community who has the resources to help should shoulder part of the responsibility for assisting these agencies as they minister to the needs of our less fortunate citizens. You may ask, “Why should I respond when I am dealing with my own financial difficulties?” After all, you don’t even know the names of the people who find themselves and their children on the outer fringes of our village.

Citing a passage from Luke, “To whom much is given, much is expected.” There are those who think this saying smacks of socialism; I think it has more to do with social accountability. It’s not all that hard to be generous when times are good, the stock market is up, and our cups are running over. But we really prove our mettle as compassionate, charitable souls during times like these, when it stings a little to scrape up some charitable dollars.

Let’s join together, fellow villagers, and do what we can to help the organizations that often stand as the last bastion of hope for those among us who are hurting. True, we don’t know their names, and they may not live in our neighborhood, but they are still part of our community. And with a little well-placed assistance, they can become contributing members of the village. What better way is there for us to express our gratitude for not being on the receiving end of holiday season generosity? We will enjoy our holidays a lot more if we know that we have done our part in helping turn people’s lives around.

East Tennessee Foundation 2010 Scholarship Applications Now Available!
ETF scholarship program criteria range from financial need to scholastic achievement. Several scholarships are targeted toward specific schools or counties, students involved in certain extracurricular activities, or those who may not display the highest scholastic rankings yet still possess great potential and motivation. Others are geared toward students pursuing a specific field. In 2009, over $303,000 was disbursed in scholarship monies to 101 students within ETF’s 25-county service area. For more information, please contact Beth Heller, ETF Scholarship & Program Associate: (865) 524-1223, Toll-free: (877) 524-1223

“The great aim of education is not knowledge but action.”- Herbert Spencer
Endow the future with knowledge through your actions.

For questions about creating a scholarship fund, please contact Bob Calloway, VP for Advancement or Beth Heller, Scholarship and Program Associate:
625 Market Street, Suite 1400
Knoxville, TN 37902
Phone: (865) 524-1223
Toll-free: (877) 524-1223
Fax: (865) 637-6039
E-mail: bcalloway@etf.org
bheller@etf.org

“...we really prove our mettle as compassionate, charitable souls...when it stings a little to scrape up some charitable dollars.”

Bob Calloway
VP for Advancement
Continued from page 4

Sequoyah Birthplace Museum
As part of the museum’s education and Living History program series, blacksmithing will be demonstrated in the 1809 Cherokee Blacksmith Shop, and Sequoyah’s Numbering System will be developed into a program.

Spay/Neuter Assistance for Pets, Inc. A five-year spay/neuter project initiated in 2006 will help reduce the number of animals euthanized at the Monroe County Animal Shelter by more than 80%.

Sweetwater Valley Citizens for the Arts Professional percussionist Zig Wajler will conduct an interactive workshop with students at Brown Intermediate School.

Women’s Wellness and Maternity Center
The Monroe Family Wellness Fair will promote and provide information about wellness and physical activity to Monroe County families.

TOTAL AMOUNT OF FUNDING AWARDED: $60,000

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If so, please let us know so we can keep in touch.

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STAFF CONTACTS
Leanna Brackett, Financial & Administrative Officer..............................lbrackett@etf.org
Bob Calloway, Vice President for Advancement........................................bcalloway@etf.org
Jan Elston, Senior Program Officer .........................................................jelston@etf.org
Dan Foltz-Gray, Coordinator, Coffey Memorial Scholarship Fund
Beth Heller, Scholarship & Program Associate.................................btheller@etf.org
Terry Holley, Senior Vice President for Programs & Regional Development...tholley@etf.org
Jeanette Kelleher, Housing & Financial Officer.................................jkelleher@etf.org
Jackie Lane, Vice President for Communications..............................jlane@etf.org
Michael McClamroch, President & CEO...........................................mmclamroch@etf.org
Carolyn Schwenn, Senior Vice President for Finance & Administration.cschwenn@etf.org
Precy Sturgeon, Financial Administrator..............................................psturgeon@etf.org

East Tennessee Foundation is a public, nonprofit, community foundation created for the purpose of building charitable resources to make communities stronger and lives better through thoughtful giving.

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