

FEED THE CHILDREN

BOARD OF DIRECTORS MEETING

OCTOBER 2, 2008

ADDITIONAL BUSINESS TRANSACTED

Upon Dr. Jones' return to the Meeting following his recusal while the Board had discussed the Elkhart, Indiana warehouse status, he then asked that all of the persons in attendance other than Board members excuse themselves from the meeting.

Dr. Jones then brought in Frances Jones to join the Board for the remainder of the meeting.

Dr. Jones then informed the Board that, in his estimation, there seemed to be a conflict within the Organization as to the actual lines of authority in dealing with Ministry affairs. He stated that he felt that certain employees no longer respected his authority, but rather were looking to the General Counsel, Larri Sue Jones, for direction, and that quite possibly she was attempting to take over and run the Ministry. These feelings were also expressed by Frances Jones, and when Dan Mugg inquired as to what would happen if Larry and Frances Jones were to exit the Organization, Frances Jones stated that she felt the Ministry would collapse. Later, when Dan Mugg inquired as to who would lead the Ministry if Larry and Frances were to go down in a plane crash, Larry responded that it would no doubt be Larri Sue Jones.

Dan Mugg replied that he felt that Larri Sue Jones was merely attempting to fulfill her duties as the General Counsel, which was to protect the Organization and the Board from any and all legal problems which may arise from contracts and other arrangements with outside parties, as well as to keep the management apprised of potential employment problems arising out of unsound labor practices. Mr. Mugg went on to recite, as an example of the need to examine carefully every contract into which the Organization enters, the

recent problem at the Elkhart, Indiana warehouse which involved the management company stripping the building while under the oversight of Allen Jones, who had been involved in previous incidents which affected Feed the Children and its reputation among potential donors.

Mr. Mugg continued to express his concern that the Ministry must change its management practices to accommodate the new environment involving proper governance of non-profit entities. He stated that the increasing oversight of non-profits by the IRS, as well as charity watchdog entities, poses a real threat to key employees and the Board if mismanagement should occur, and that we have put in place several resolutions which, if the Ministry abides by them, should serve to protect the Board from liability in the future.

Dr. Earnest Wyatt then expressed his displeasure with the statements made regarding Larri Sue Jones allegedly attempting to exceed her authority regarding operations of the Organization, and Dr. Wyatt further expressed disbelief in those allegations.

George Stevens inquired as to why there was any need to have an atmosphere of "us and them" within the Ministry, when a Christian-based Organization should be composed of "we" only. No one offered a reply to this question.

After additional discussion surrounding these items, but with no definitive action taken on any of the subjects, Dwight Powers informed the Board that the hour was late and he needed to leave. Rick England expressed the same sentiment. Although several Agenda items remained to be discussed, those items were tabled until the next meeting, and this meeting was quickly adjourned.