

EXHIBIT 2

COLLATERAL EXHIBIT ON DUTIES OF OFFICERS OF CORPORATION FOUNDATION

The duties of the various officers and the authority of the various officers of a corporate foundation are generally similar, if not identical, to those of the officers of a business corporation. If a person is held out to the general public as a principal officer of a corporate foundation, such as the president, vice president, secretary or treasurer, then that person has inherent powers and duties which would enable him to accomplish activities without further minutes or actual authorization from the board of directors. In other words, if you deal with a man who has offered a business card stating that he is president of the Smith Foundation, and you have no reason to doubt this, then for all practical purposes he is the president of the Smith Foundation and can do all things that any president of any foundation can do. Oddly enough, the legal view of the authority and powers of the various officers of a corporation is much more limited than that of the ordinary conception of the powers of presidents and other officers. We will discuss briefly the duties and powers of each major officer, first in the strict legal sense, and second, in the general common understanding of such officers. We will not discuss the authorities of the officers in terms of parliamentary procedure. If you are interested in discussion along these lines we recommend the appropriate sections of Roberts Rules of Order.

The President: The strict legal rule is that the president of any corporation does not have by virtue of his office alone any power to act for the corporation. His authority must be derived from the articles of incorporation, minutes of the board of directors or by state. You should check with your state's non-profit corporation act to determine if any statute gives the president any power. However, the broad view taken in most cases is that in the absence of a charter or bylaw provision to the contrary, the president of the corporation is the general manager of the corporate affairs with the authority to act for the corporation in its business. The president of the corporation is usually presumed to have full authority to do acts within the general domain and business of the corporate purpose and objective.

Of course, the board of directors may always vest the president with full authority to act as the chief executive officer of the company, and in fact, the initial bylaws of most corporate foundations do this automatically. Any person dealing with the president of a corporate foundation in the usual manner is entitled to assume that the president has actually been vested with full authority to manage the general affairs of the corporate foundation. In other words, a corporate foundation's president is usually considered its general manager and has the implied authority