Distribute EXHIBIT #11.

Distribution Requirements

The Internal Revenue Code does require distribution of income by a foundation. The rule is called "the unreasonable accumulation of income prohibition". The rule is a foundation may lose its tax-exempt status from accumulating an unreasonable amount of income within a certain period of time without using, disbursing or dedicating the funds for an exempt purpose. This is the rule that seems to say that a foundation must give all of its earnings away each year. This is not true. An examination of the various terms used within the rule in the light of the Treasury definitions and court decisions should be made.

First, the term "accumulation" means that the funds in question must be surplus after expenses and uses. A foundation might earn a million dollars, but if it accumulates only $100,000 out of a million