

court action is considered you should consult with your attorney as to the economic advisability of such action.

Foundations often make "in lieu of" payments to various government agencies for services actually rendered to the foundation, e.g., fire and police protection. Such payments often reflect the foundation's opinion of the value of such services rendered and usually replace the real estate or personal property taxes formerly assessed on foundation-owned property. Such payments should only be considered or made if the foundation has been expressly exempted from real estate and personal property taxes. ABC firmly believes that one should pay for services received and recommends such "in lieu of" payments where the foundation has been exempted from a great burden of local taxes. If a foundation seriously considers "in lieu of" payments, the amount is solely at the discretion of the Board of Directors of the foundation.

In some locales it may be possible to obtain tax exemption for real estate held by the foundation for investment purposes. This is often accomplished for medical service organizations, some churches or religious organizations and some educational organizations. This