

EXHIBIT 9

HOW THE FOUNDATION BUYS PROPERTY

There are no mystical or unusual methods by which a foundation can buy or obtain property. Standard accounting and legal practices and good business management are as important here as in other business forms. There are some considerations however, that must be made in foundation purchases and sales to enable the foundation in which the individual is involved, to enjoy maximum tax and legal advantages.

- a. The purchase of property whether tangible or intangible from third parties totally unrelated to the foundation, is carried on in exactly the same way as in other purchases. If financing is required for purchases such as a large piece of real estate or an automobile, the financing would be made in the name of the foundation. All contracts and titles would be within the foundation and payment for purchases, mortgages, loans, etc., must be by foundation check. These procedures would make the foundation sole owner without "strings" of any kind, of properties and interests so acquired.

A problem might arise where a foundation has not been long established, in obtaining financing through most banks or savings and loan associations. Here the officers of the foundation might be forced to co-sign as an individual, for loans made to the foundation. This is normal business practice and serves to create credit standing for your foundation upon completion of the transaction. Any other details connected with normal purchases from third parties should be qualified and arranged with your attorney and/or accountant.

In many purchases, considerable savings might be possible for a tax exempt institution, in rebates for sales tax, exclusion from excise tax, and perhaps lower prices from private companies to not-for-profit tax exempt organizations. Inquiries should be made as to the proper procedures in each State for obtaining these tax savings and inquiry should be made of the proprietors of each business for price savings.

- b. Purchases from the creator or officers of a foundation, present different problems. The primary situation to avoid is "self-dealing" in terms of the IRS Code. Generally stated, this rule prohibits transactions between foundations and their creators and