FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 3053

DATE FILMED 11/5/91 CAMERA NO. 2

CAMERAMAN AS

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REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: 13 March 1990

ANALYST: Elizabeth Jones

I. COMMITTEE: National Conservative Political Action Committee (C00024687)
Robert L. Shortley, Treasurer
618 South Alfred Street
Alexandria, VA 22314

II. RELEVANT STATUTE: 2 U.S.C. §441b(a)

III. BACKGROUND:

Receipt of Funds from a Corporation

The 1989 May Monthly Report of the National Conservative Political Action Committee ("NCPAC") disclosed $40,000 in offsets to operating expenditures from the National Conservative Foundation ("NCF"), a corporation. The purpose of the receipt was described as "Reimbursements for overpayment of rents" (Attachment 2). Additional receipts for overpayments were disclosed on subsequent reports (Attachments 3-8). The receipts for the year 1989 totalled $146,000 (see Chart).

On August 30, 1989 the Reports Analysis Division ("RAD") analyst sent a Request for Additional Information ("RFAI") referencing the 1989 May Monthly report and asking NCPAC to clarify the receipt (Attachment 9).

A response from NCPAC was received on September 15, 1989 from Cassandra O. Scholte, the Assistant Treasurer. Ms. Scholte stated that NCPAC paid $12,000 per month to NCF for rent from January 1984 to September 1987. However, the

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amount of space occupied by NCPAC decreased during this time. Ms. Scholte said that the new managers of NCPAC had decided to have NCF refund the rent overpayments to NCPAC.[1/] (Attachment 10).

An RFAI was sent to NCPAC on December 13, 1989 regarding Ms. Scholte's letter. The RFAI advised NCPAC that its current leasing practices had not been disclosed, and that the lack of rent disbursements since March 1988 might qualify as a prohibited in-kind contribution from NCF. Also, the overpayment of rent was not disclosed as a debt owed to NCPAC. The RFAI requested a clarification of the overpayment of rent and NCPAC's current rent agreement (Attachment 11).

NCPAC's attorney telephoned the analyst on December 22, 1989. He requested an extension for answering the RFAI. The analyst explained that extensions could not be granted, but advised the attorney to respond as soon as possible (Attachment 12).

A Second Notice was sent to NCPAC on January 4, 1990 for failure to respond to the December 13, 1989 RFAI (Attachment 13).

In a letter received January 16, 1990 Robert L. Shortley, NCPAC's treasurer, submitted a lengthy explanation detailing the reasons why NCPAC had not paid rent since March 1, 1988 and why the reimbursements were made by NCF. Additionally, he stated that NCPAC would begin paying rent to NCF beginning January 1, 1990 (Attachment 14).

NCPAC discloses, on the 1990 February Monthly Report, a $533.33 rent payment made January 3, 1990 to NCF (Attachment 15).

IV. OTHER PENDING MATTERS INITIATED BY RAD:

None

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1/On September 21, 1989 a Second Notice was incorrectly sent to NCPAC.

Report	Amount of Receipt	Date of Receipt
1989 May Monthly	$ 15,000	4/3/89
(See Attachment 2)	15,000	4/6/89
	10,000	4/13/89
1989 June Monthly	30,000	5/8/89
(see Attachment 3)		
1989 July Monthly	15,000	6/13/89
(See Attachment 4)	2,000	6/5/89
1989 August Monthly	10,000	7/8/89
(See Attachment 5)		
1989 September Monthly	10,000	8/10/89
(See Attachment 6)	2,000	8/31/89
1989 October Monthly	8,000	9/8/89
(See Attachment 7)		
1989 November Monthly	4,000	10/4/89
(See Attachment 8)	25,000	10/27/89
Total	$146,000	

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Attachment #1

NATIONAL CONSERVATIVE POLITICAL ACTION COMMITTEE — ID #C00024687 — NON-PARTY QUALIFIED
CONNECTED ORGANIZATION: NONE

	COMMITTEE DOCUMENT	RECEIPTS	DISBURSEMENTS	COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
				TYPE OF FILER		
1989	DEBT SETTLEMENT STATEMENT			20APR89	7	89FEC/592/3185
	MISCELLANEOUS REPORT TO FEC			20APR89	12	89FEC/592/3192
	RFAI: DEBT SETTLEMENT FIRST			16MAY89	1	89FEC/595/0751
	RFAI: DEBT SETTLEMENT SECOND			8JUN89	1	89FEC/596/5375
	DEBT SETTLEMENT STATEMENT AMENDMENT			8SEP89	1	89FEC/616/4723
	MISCELLANEOUS REPORT TO FEC			26DEC89	2	89FEC/618/0921
	FEBRUARY MONTHLY	27,702	25,981	1JAN89 -31JAN89	28	89FEC/585/4429
	FEBRUARY MONTHLY - AMENDMENT	-	-	1JAN89 -31JAN89	1	89FEC/588/1779
	MARCH MONTHLY	24,778	26,700	1FEB89 -28FEB89	28	89FEC/589/3234
	APRIL MONTHLY	8,699	8,706	1MAR89 -31MAR89	29	89FEC/592/3204
	APRIL MONTHLY - AMENDMENT	-	-	1MAR89 -31MAR89	3	89FEC/609/2151
	REQUEST FOR ADDITIONAL INFORMATION			1MAR89 -31MAR89	1	89FEC/608/2535
	MAY MONTHLY	48,480	45,061	1APR89 -30APR89	31	89FEC/595/4861
	MAY MONTHLY - AMENDMENT	-	-	1APR89 -30APR89	2	89FEC/609/2149
	MAY MONTHLY - AMENDMENT	-	-	1APR89 -30APR89	3	89FEC/609/3037
	MAY MONTHLY - AMENDMENT	-	-	1APR89 -30APR89	14	90FEC/619/4450
	REQUEST FOR ADDITIONAL INFORMATION			1APR89 -30APR89	1	89FEC/608/2533
	REQUEST FOR ADDITIONAL INFORMATION 2ND			1APR89 -30APR89	1	89FEC/610/1531
	REQUEST FOR ADDITIONAL INFORMATION			1APR89 -30APR89	2	89FEC/616/4506
	REQUEST FOR ADDITIONAL INFORMATION 2ND			1APR89 -30APR89	3	90FEC/618/3204
	JUNE MONTHLY	55,904	56,617	1MAY89 -31MAY89	32	89FEC/598/1554
	JULY MONTHLY	26,216	27,654	1JUN89 -30JUN89	30	89FEC/602/3311
	AUGUST MONTHLY	20,797	20,787	1JUL89 -31JUL89	28	89FEC/607/4829
	SEPTEMBER MONTHLY	24,867	26,327	1AUG89 -31AUG89	39	89FEC/610/0454
	OCTOBER MONTHLY	16,787	13,763	1SEP89 -30SEP89	31	89FEC/613/2901
	NOVEMBER MONTHLY	40,105	43,074	1OCT89 -31OCT89	30	89FEC/616/0785
	NOVEMBER MONTHLY - AMENDMENT	-	-	1OCT89 -31OCT89	8	90FEC/618/3627
	NOVEMBER MONTHLY - AMENDMENT	40,105	43,074	1OCT89 -31OCT89	7	90FEC/620/5039
	NOVEMBER MONTHLY - AMENDMENT	-	-	1OCT89 -31OCT89	2	90FEC/629/1541
	REQUEST FOR ADDITIONAL INFORMATION			1OCT89 -31OCT89	1	89FEC/617/4352
	REQUEST FOR ADDITIONAL INFORMATION			1OCT89 -31OCT89	1	90FEC/619/0527
	DECEMBER MONTHLY	13,986	13,295	1NOV89 -30NOV89	29	89FEC/617/4992
	YEAR-END	19,728	19,007	1DEC89 -31DEC89	29	90FEC/625/5477
1990	FEBRUARY MONTHLY	4,973	6,382	1JAN90 -31JAN90	27	90FEC/629/4539
	TOTAL	333,022 0	333,354 0		465	TOTAL PAGES

All reports have been reviewed
Ending Cash on Hand as of 1/31/90 : $903.05
Debts and Obligations owed to the Committee : $21252.60
Debts and Obligations owed by the Committee : $3957503.75

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1989 May Monthly Report Attachment #2

DETAILED SUMMARY PAGE

Name of Committee (in full)	Report Covering the Period
National Conservative Political Action Com.	From April 1, 1989 To April 30, 1989

I. RECEIPTS	COLUMN A [illegible]	COLUMN B [illegible]	
11. CONTRIBUTIONS (other than loans) FROM:			
(a) Individuals/Persons Other Than Political Committees			
(i) Itemized (use Schedule A)	2800.00	6550.00	11(a)i
(ii) Unitemized	5680.12	46118.87	11(a)ii
(iii) Total of contributions from Individuals	8480.12	52668.87	11(a)iii
(b) Political Party Committees	-0-	-0-	11(b)
(c) Other Political Committees (such as PACs)	-0-	-0-	11(c)
(d) TOTAL CONTRIBUTIONS (add 11(a)(iii), (b), and (c))	8480.12	52668.87	11(d)
12. TRANSFERS FROM AFFILIATED/OTHER PARTY COMMITTEES	-0-	-0-	12
13. ALL LOANS RECEIVED	-0-	8000.00	13
14. LOAN REPAYMENTS RECEIVED	-0-	-0-	14
15. OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)	40000.00	40000.00	15
16. REFUNDS OF CONTRIBUTIONS MADE TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES	-0-	-0-	16
17. OTHER RECEIPTS (Dividends, Interest, etc.)	-0-	8991.60	17
18. TOTAL RECEIPTS (add 11(d), 12, 13, 14, 15, 16 and 17)	48480.12	109660.47	18
II. DISBURSEMENTS			
19. OPERATING EXPENDITURES	41238.50	102274.04	19
20. TRANSFERS TO AFFILIATED/OTHER PARTY COMMITTEES	-0-	-0-	20
21. CONTRIBUTIONS TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES	-0-	352.45	21
22. INDEPENDENT EXPENDITURES (use Schedule E)	3823.38	3823.38	22
23. COORDINATED EXPENDITURES MADE BY PARTY COMMITTEES (2 U.S.C. 441a(d)) (use Schedule F)	-0-	-0-	23
24. LOAN REPAYMENTS MADE	-0-	-0-	24
25. LOANS MADE	-0-	-0-	25
26. REFUNDS OF CONTRIBUTIONS TO:			
(a) Individuals/Persons Other Than Political Committees	-0-	-0-	26(a)
(b) Political Party Committees	-0-	-0-	26(b)
(c) Other Political Committees (such as PACs)	-0-	-0-	26(c)
(d) TOTAL CONTRIBUTION REFUNDS (add 26(a), (b), and (c))	-0-	-0-	26(d)
27. OTHER DISBURSEMENTS	-0-	-0-	27
28. TOTAL DISBURSEMENTS (add 19, 20, 21, 22, 23, 24, 25, 26(d) and 27)	45061.88	106449.87	28
III. NET CONTRIBUTIONS/OPERATING EXPENDITURES			
29. TOTAL CONTRIBUTIONS (other than loans)(from Line 11(d))	8480.12	52668.87	29
30. TOTAL CONTRIBUTION REFUNDS (from Line 26(d))	-0-	-0-	30
31. NET CONTRIBUTIONS (other than loans)(subtract Line 30 from 29)	8480.12	52668.87	31
32. TOTAL OPERATING EXPENDITURES (from Line 19)	41238.50	102274.04	32
33. OFFSETS TO OPERATING EXPENDITURES (from Line 15)	40000.00	40000.00	33
34. NET OPERATING EXPENDITURES (subtract Line 33 from 32)	1238.50	62274.04	34

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SCHEDULE A — ITEMIZED RECEIPTS

1989 May Monthly Report

PAGE 1 | 1

FOR LINE NUMBER: 15

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NAME OF COMMITTEE (In Full)

National Conservative Political Action Committee

Attachment #2a

	Name of Employer / Occupation / Aggregate Year-to-Date	Date (month, day, year)	Amount of Each Receipt this Period
A. Full Name, Mailing Address and ZIP Code National Conservative Foundation 1001 Prince Street Alexandria, VA 22314 Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Reimbursements for overpayment of rent Occupation Aggregate Year-to-Date > $40,000.00	5/2/89 5/6/89 5/13/89	15,000.00 15,000.00 10,000.00
B. Full Name, Mailing Address and ZIP Code Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Name of Employer Occupation Aggregate Year-to-Date > $	Date (month, day, year)	Amount of Each Receipt this Period
C. Full Name, Mailing Address and ZIP Code Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Name of Employer Occupation Aggregate Year-to-Date > $	Date (month, day, year)	Amount of Each Receipt this Period
D. Full Name, Mailing Address and ZIP Code Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Name of Employer Occupation Aggregate Year-to-Date > $	Date (month, day, year)	Amount of Each Receipt this Period
E. Full Name, Mailing Address and ZIP Code Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Name of Employer Occupation Aggregate Year-to-Date > $	Date (month, day, year)	Amount of Each Receipt this Period
F. Full Name, Mailing Address and ZIP Code Receipt For ☐ Primary ☐ General ☐ Other (specify)	Name of Employer Occupation Aggregate Year-to-Date > $	Date (month, day, year)	Amount of Each Receipt this Period
G. Full Name, Mailing Address and ZIP Code Receipt For ☐ Primary ☐ General ☐ Other (specify)	Name of Employer Occupation Aggregate Year-to-Date > $	Date (month, day, year)	Amount of Each Receipt this Period

SUBTOTAL of Receipts This Page (optional)	
TOTAL This Period (last page this line number only)	40,000.00

3 1 0 4 3 0 9 3 5 7 4 2 9 5 8 4 0

1989 June Monthly Report

Attachment #3

DETAILED SUMMARY PAGE

of Receipts and Disbursements
FEC FORM 3X

Name of Committee (in full) National Conservative Political Action Committee	Report Covering the Period From: 5/1/89	To: 5/31/89	
I. RECEIPTS	COLUMN A Total This Period	COLUMN B Calendar Year-To-Date	
11 CONTRIBUTIONS (other than loans) FROM:			
a) Individuals/Persons Other Than Political Committees			
(i) Itemized (use Schedule A)	6812.68	13350.00	11(a)(i)
(ii) Unitemized	14985.08	61116.63	11(a)(ii)
(iii) Total of contributions from individuals	21797.76	74466.63	11(a)(iii)
b) Political Party Committees	-0-	-0-	11(b)
c) Other Political Committees (such as PACs)	-0-	-0-	11(c)
d) TOTAL CONTRIBUTIONS (add 11(a)(iii), (b), and (c))	21797.76	74466.63	11(d)
12 TRANSFERS FROM AFFILIATED/OTHER PARTY COMMITTEES	-0-	-0-	12
13 LOANS RECEIVED	-0-	8000.00	13
14 LOAN REPAYMENTS RECEIVED	-0-	-0-	14
15 OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)	32434.43	72434.43	15
16 REFUNDS OF CONTRIBUTIONS MADE TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES	-0-	-0-	16
17 OTHER RECEIPTS (Dividends, Interest, etc.)	1672.50	10664.10	17
18 TOTAL RECEIPTS (add 11(d), 12, 13, 14, 15, 16 and 17)	55904.69	165565.16	18
II. DISBURSEMENTS			
19 OPERATING EXPENDITURES	56617.06	158891.10	19
20 TRANSFERS TO AFFILIATED/OTHER PARTY COMMITTEES	-0-	-0-	20
21 CONTRIBUTIONS TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES	-0-	352.45	21
22 INDEPENDENT EXPENDITURES (use Schedule E)	-0-	3823.38	22
23 COORDINATED EXPENDITURES MADE BY PARTY COMMITTEES (2 U.S.C. 441a(d)) (use Schedule F)	-0-	-0-	23
24 LOAN REPAYMENTS MADE	-0-	-0-	24
25 LOANS MADE	-0-	-0-	25
26 REFUNDS OF CONTRIBUTIONS TO			
a) Individuals/Persons Other Than Political Committees	-0-	-0-	26(a)
b) Political Party Committees	-0-	-0-	26(b)
c) Other Political Committees (such as PACs)	-0-	-0-	26(c)
d) TOTAL CONTRIBUTION REFUNDS (add 26(a), (b), and (c))	-0-	-0-	26(d)
27 OTHER DISBURSEMENTS	-0-	-0-	27
28 TOTAL DISBURSEMENTS (add 19, 20, 21, 22, 23, 24, 25, 26(d) and 27)	56617.06	163,066.93	28
III. NET CONTRIBUTIONS/OPERATING EXPENDITURES			
29 TOTAL CONTRIBUTIONS (other than loans)(from Line 11(d))	21797.76	74466.63	29
30 TOTAL CONTRIBUTION REFUNDS (from Line 26(d))	-0-	-0-	30
31 NET CONTRIBUTIONS (other than loans)(subtract Line 30 from 29)	21797.76	74466.63	31
32 TOTAL OPERATING EXPENDITURES (from Line 19)	56617.06	158891.10	32
33 OFFSETS TO OPERATING EXPENDITURES (from Line 15)	32434.43	72434.43	33

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SCHEDULE A — ITEMIZED RECEIPTS

1989 June Monthly Report

[redacted]

NAME OF COMMITTEE (In Full)

National Conservative Political Action Committee

Attachment #3a

	Name of Employer / Occupation / Aggregate Year-to-Date	Date (month, day, year)	Amount of Each Receipt this Period
A. Full Name, Mailing Address and ZIP Code National Conservative Foundation 1001 Prince Street Alexandria, VA 22314 Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Reimbursements for overpayment of rent	[redacted]	[redacted]
B. Full Name, Mailing Address and ZIP Code Commonwealth of Virginia Department of Taxation P.O. Box 1777 Richmond, VA 23214-1777 Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Reimbursements for o overpayment of taxes	5/8/89	68.00
C. Full Name, Mailing Address and ZIP Code The National Bank of Washington Gebrgetown Branch Washington, D.C. Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Service Charge Refund	5/31/89	25.00
D. Full Name, Mailing Address and ZIP Code Capstone Lists, Inc. 1315 Duke Street Alexandria, VA 22314 Receipt For ☐ Primary ☐ General ☐ Other (specify):	Reimbursement for Over paid invoices	5/30/89	2349.43
E. Full Name, Mailing Address and ZIP Code Receipt For: ☐ Primary ☐ General ☐ Other (specify):			
F. Full Name, Mailing Address and ZIP Code Receipt For: ☐ Primary ☐ General ☐ Other (specify):			
Full Name, Mailing Address and ZIP Code Receipt For: ☐ Primary ☐ General ☐ Other (specify):			
TOTAL this page (optional)			
TOTAL this period (last page this line number only)			32434.43

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1989 July Monthly Report

DETAILED SUMMARY PAGE

of Receipts and Disbursements
(Page 2, FEC FORM 3X)

Attachment #4

Name of Committee (in full)	Report Covering the Period From:	To:	
National Conservative Political Action Committee	6/1/89	6/30/89	
I. RECEIPTS	**COLUMN A Total This Period**	**COLUMN B Calendar Year-To-Date**	
11. CONTRIBUTIONS (other than loans) FROM:			
a) Individuals/Persons Other Than Political Committees			
(i) Itemized (use Schedule A)	1500.00	14850.00	11(a)(i)
(ii) Unitemized	5029.43	66146.06	11(a)(ii)
(iii) Total of contributions from individuals	6529.43	80996.06	11(a)(iii)
(b) Political Party Committees	-0-	-0-	11(b)
(c) Other Political Committees (such as PACs)	-0-	-0-	11(c)
(d) TOTAL CONTRIBUTIONS (add 11(a)(iii), (b), and (c))	6529.43	80996.06	11(d)
12. TRANSFERS FROM AFFILIATED/OTHER PARTY COMMITTEES	-0-	-0-	12
13. ALL LOANS RECEIVED	-0-	8000.00	13
14. LOAN REPAYMENTS RECEIVED	-0-	-0-	14
15. OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)	17524.25	89958.68	15
16. REFUNDS OF CONTRIBUTIONS MADE TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES	-0-	-0-	16
17. OTHER RECEIPTS (Dividends, Interest, etc.)	2163.00	12827.10	17
18. TOTAL RECEIPTS (add 11(d), 12, 13, 14, 15, 16 and 17)	26216.68	191781.84	18
II. DISBURSEMENTS			
19. OPERATING EXPENDITURES	27654.94	186546.04	19
20. TRANSFERS TO AFFILIATED/OTHER PARTY COMMITTEES	-0-	-0-	20
21. CONTRIBUTIONS TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES	-0-	352.45	21
22. INDEPENDENT EXPENDITURES (use Schedule E)	-0-	3823.38	22
23. COORDINATED EXPENDITURES MADE BY PARTY COMMITTEES (2 U.S.C. 441a(d)) (use Schedule F)	-0-	-0-	23
24. LOAN REPAYMENTS MADE	-0-	-0-	24
25. LOANS MADE	-0-	-0-	25
26. REFUNDS OF CONTRIBUTIONS TO:			
a) Individuals/Persons Other Than Political Committees	-0-	-0-	26(a)
b) Political Party Committees	-0-	-0-	26(b)
c) Other Political Committees (such as PACs)	-0-	-0-	26(c)
d) TOTAL CONTRIBUTION REFUNDS (add 26(a), (b), and (c))	-0-	-0-	26(d)
27. OTHER DISBURSEMENTS	-0-	-0-	27
28. TOTAL DISBURSEMENTS (add 19, 20, 21, 22, 23, 24, 25, 26(d) and 27)	27654.94	190721.87	28
III. NET CONTRIBUTIONS/OPERATING EXPENDITURES			
29. TOTAL CONTRIBUTIONS (other than loans) (from Line 11(d))	6529.43	80996.06	29
30. TOTAL CONTRIBUTION REFUNDS (from Line 26(d))	-0-	-0-	30
31. NET CONTRIBUTIONS (other than loans) (subtract Line 30 from 29)	6529.43	80996.06	31
32. TOTAL OPERATING EXPENDITURES (from Line 19)	27654.94	186546.04	32
33. OFFSETS TO OPERATING EXPENDITURES (from Line 15)	17524.25	89958.68	33
34. NET OPERATING EXPENDITURES (subtract Line 33 from 32)	10130.69	96587.36	34

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1989 July Monthly Report

TEMIZED RECEIPTS

SCHEDULE A

Use separate schedules for each category of the Detailed Summary Page

PAGE OF

FULL LINE NUMBER 15

Information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (In Full)

National Conservative Political Action Committee

Attachment #4a

	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
A. Full Name, Mailing Address and ZIP Code Black, Cassidy, & Schilling, Inc. [illegible] Ingleside Road Alexandria, VA [illegible]	Insurance Refund	6/9/89	387.00
Receipt For: ☐ Primary ☐ General ☐ Other (specify)	Occupation		
	Aggregate Year-to-Date > $ 387.00		
B. Full Name, Mailing Address and ZIP Code National Conservative Foundation [illegible] Prince Street Alexandria, VA 22314	Name of Employer Refund for overpayed rent	Date (month, day, year) 6/13/89 6/5/89	Amount of Each Receipt this Period 15,000.00 2,000.00
Receipt For: ☐ Primary ☐ General ☐ Other (specify)	Occupation		
	Aggregate Year-to-Date > $ 87000.00		
C. Full Name, Mailing Address and ZIP Code [illegible] Post Office Alexandria, VA 22314	Name of Employer Postage Refund	Date (month, day, year) 6/9/89 6/9/89	Amount of Each Receipt this Period 72.25 65.00
Receipt For: ☐ Primary ☐ General ☐ Other (specify)	Occupation		
	Aggregate Year-to-Date > $ 137.25		
D. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: ☐ Primary ☐ General ☐ Other (specify)	Occupation		
	Aggregate Year-to-Date > $		
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: ☐ Primary ☐ General ☐ Other (specify)	Occupation		
	Aggregate Year-to-Date > $		
F. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: ☐ Primary ☐ General ☐ Other (specify)	Occupation		
	Aggregate Year-to-Date > $		

SUBTOTAL of Receipts This Page (optional)

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1989 August Monthly Repor[illegible] Attachment #5

Name of Committee (in full): National Conservative Political Action Committee	From: 7/1/89	To: 7/31/89	
	COLUMN A Calendar Year-to-Date	COLUMN B Calendar Year-to-Date	
II. RECEIPTS			
11 CONTRIBUTIONS (other than loans) FROM:			
(a) Individuals/Persons Other Than Political Committees			
(i) Itemized (use Schedule A)	7[illegible].00	17458.[illegible]	11(a)(i)
(ii) Unitemized	8442.96	72589.02	11(a)(ii)
(iii) Total of contributions from Individuals	9[illegible].96	90039.02	11(a)(iii)
(b) Political Party Committees	-0-	-0-	11(b)
(c) Other Political Committees (such as PACs)	-0-	-0-	11(c)
(d) TOTAL CONTRIBUTIONS (add 11(a)(iii), (b), and (c))	9[illegible].96	90039.02	11(d)
12. TRANSFERS FROM AFFILIATED/OTHER PARTY COMMITTEES	-0-	-0-	12
13. ALL LOANS RECEIVED	-0-	8000.00	13
14 LOAN REPAYMENTS RECEIVED	-0-	-0-	14
15. OFFSETS TO OPERATING EXPENDITURES (Refunds,Rebates, etc.)	10000.00	99958.68	15
16. REFUNDS OF CONTRIBUTIONS MADE TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES	-0-	-0-	16
17 OTHER RECEIPTS (Dividends,Interest, etc.)	1754.68	14581.78	17
18. TOTAL RECEIPTS (add 11(d), 12, 13, 14, 15, 16 and 17)	20797.64	212579.48	18
III. DISBURSEMENTS			
19 OPERATING EXPENDITURES	20878.58	207424.62	19
20 TRANSFERS TO AFFILIATED/OTHER PARTY COMMITTEES	-0-	-0-	20
21 CONTRIBUTIONS TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES	-0-	352.45	21
22 INDEPENDENT EXPENDITURES (use Schedule E)	-0-	3823.38	22
23 COORDINATED EXPENDITURES MADE BY PARTY COMMITTEES (2 U.S.C. 441a(d)) (use Schedule F)	-0-	-0-	23
24 LOAN REPAYMENTS MADE	-0-	-0-	24
25 LOANS MADE	-0-	-0-	25
26 REFUNDS OF CONTRIBUTIONS TO:			
(a) Individuals/Persons Other Than Political Committees	-0-	-0-	26(a)
(b) Political Party Committees	-0-	-0-	26(b)
(c) Other Political Committees (such as PACs)	-0-	-0-	26(c)
(d) TOTAL CONTRIBUTION REFUNDS (add 26(a), (b), and (c))	-0-	-0-	26(d)
27 OTHER DISBURSEMENTS	-0-	-0-	27
28 TOTAL DISBURSEMENTS (add 19, 20, 21, 22, 23, 24, 25, 26(d) and 27)	20878.58	207424.62	28
III. NET CONTRIBUTIONS/OPERATING EXPENDITURES			
29 TOTAL CONTRIBUTIONS (other than loans)(from Line 11(d))	9042.96	90039.02	29
30 TOTAL CONTRIBUTION REFUNDS (from Line 26(d))	-0-	-0-	30
31 NET CONTRIBUTIONS (other than loans)(subtract Line 30 from 29)	9042.96	90039.02	31
32 TOTAL OPERATING EXPENDITURES (from Line 19)	20878.58	207424.62	32
33 OFFSETS TO OPERATING EXPENDITURES (from Line 15)	10000.00	99958.68	33
34 NET OPERATING EXPENDITURES (subtract Line 33 from 32)	10878.58		34

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1989 August Monthly Report

SCHEDULE A — ITEMIZED RECEIPTS

NAME OF COMMITTEE (In Full)

National Conservative Political Action Committee

Attachment #5a

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
National Conservative Foundation 618 S. Alfred Street Alexandria, VA 22314	Refund for overpayment of Dues	3/8/89	
Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Occupation		97000.00
	Aggregate Year-to-Date > $		
B. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
	Occupation		
Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Aggregate Year-to-Date > $		
C. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
	Occupation		
Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Aggregate Year-to-Date > $		
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
	Occupation		
Receipt For: ☐ Primary ☐ General ☐ Other (specify)	Aggregate Year-to-Date > $		
F. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
	Occupation		
Receipt For: ☐ Primary ☐ General ☐ Other (specify)	Aggregate Year-to-Date > $		
G. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
	Occupation		
Receipt For: ☐ Primary ☐ General ☐ Other (specify)	Aggregate Year-to-Date > $		
SUBTOTAL of Receipts This Page (optional)			
TOTAL This page (last page this line number only)			10000.00

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1989 September Monthly [illegible] (Page 2, FEC FORM 3X)

Attachment #6

Name of Committee (in full)	Report Covering the Period
National Conservative Political Action Committee	From: Aug. 1, 1989 To Aug. 31, 1989

I. RECEIPTS	COLUMN A Total This Period	COLUMN B Calendar Year-To-Date	
11 CONTRIBUTIONS (other than loans) FROM:			
(a) Individuals/Persons Other Than Political Committees			
(i) Itemized (use Schedule A)	4900.00	22350.00	11(a)(i)
(ii) Unitemized	4946.26	77535.28	11(a)(ii)
(iii) Total of contributions from individuals	9846.26	99885.28	11(a)(iii)
(b) Political Party Committees	-0-	-0-	11(b)
(c) Other Political Committees (such as PACs)	-0-	-0-	11(c)
(d) TOTAL CONTRIBUTIONS (add 11(a)(iii), (b), and (c))	9846.26	99885.28	11(d)
12 TRANSFERS FROM AFFILIATED/OTHER PARTY COMMITTEES	-0-	-0-	12
13 ALL LOANS RECEIVED	-0-	8000.00	13
14 LOAN REPAYMENTS RECEIVED	-0-	-0-	14
15 OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)	12408.74	112367.42	15
16 REFUNDS OF CONTRIBUTIONS MADE TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES	-0-	-0-	16
17 OTHER RECEIPTS (Dividends, Interest, etc.)	2012.24	17194.02	17
18 TOTAL RECEIPTS (add 11(d), 12, 13, 14, 15, 16 and 17)	24277.66	237446.72	18
II. DISBURSEMENTS			
19 OPERATING EXPENDITURES	24277.66	231702.28	19
20 TRANSFERS TO AFFILIATED/OTHER PARTY COMMITTEES	-0-	-0-	20
21 CONTRIBUTIONS TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES	2049.48	2401.93	21
22 INDEPENDENT EXPENDITURES (use Schedule E)	-0-	3825.38	22
23 COORDINATED EXPENDITURES MADE BY PARTY COMMITTEES (2 U.S.C. 441a(d)) (use Schedule F)	-0-	-0-	23
24 LOAN REPAYMENTS MADE	-0-	-0-	24
25 LOANS MADE	-0-	-0-	25
26 REFUNDS OF CONTRIBUTIONS TO			
(a) Individuals/Persons Other Than Political Committees	-0-	-0-	26(a)
(b) Political Party Committees	-0-	-0-	26(b)
(c) Other Political Committees (such as PACs)	-0-	-0-	26(c)
(d) TOTAL CONTRIBUTION REFUNDS (add 26(a), (b), and (c))	-0-	-0-	26(d)
27 OTHER DISBURSEMENTS	-0-	-0-	27
28 TOTAL DISBURSEMENTS (add 19, 20, 21, 22, 23, 24, 25, 26(d) and 27)	26327.14	[illegible]	28
III. NET CONTRIBUTIONS/OPERATING EXPENDITURES			
29 TOTAL CONTRIBUTIONS (other than loans)(from Line 11(d))	9846.26	99885.28	29
30 TOTAL CONTRIBUTION REFUNDS (from Line 26(d))	-0-	-0-	30
31 NET CONTRIBUTIONS (other than loans)(subtract Line 30 from 29)	9846.26	99885.28	31
32 TOTAL OPERATING EXPENDITURES (from Line 19)	24277.66	231702.28	32
33 OFFSETS TO OPERATING EXPENDITURES (from Line 15)	12408.74	112367.42	33
34 NET OPERATING EXPENDITURES (subtract Line 33 from 32)	11868.92	119334.86	34

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SCHEDULE A

ITEMIZED RECEIPTS

1989 September Monthly Report

Use separate schedule(s) for each category of the Detailed Summary Page

PAGE 1 OF 1

FOR LINE NUMBER 15

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (In Full)

National Conservative Political Action Committee

Attachment #6a

A. Full Name, Mailing Address and ZIP Code National Conservative Foundation 618 S. Alfred Street Alexandria, VA 22314 Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Name of Employer Refund of overpayment of rent Occupation Aggregate Year-to-Date > $ 109,000.00	Date (month, day, year) 8/10/89 8/31/89	Amount of Each Receipt this Period 10000.00 2000.00
B. Full Name, Mailing Address and ZIP Code IRS Philadelphia, PA Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Name of Employer Refund of overpayment of tax Occupation Aggregate Year-to-Date > $ 408.74	Date (month, day, year) 8/16/89	Amount of Each Receipt this Period 408.74
C. Full Name, Mailing Address and ZIP Code Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Name of Employer Occupation Aggregate Year-to-Date > $	Date (month, day, year)	Amount of Each Receipt this Period
D. Full Name, Mailing Address and ZIP Code Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Name of Employer Occupation Aggregate Year-to-Date > $	Date (month, day, year)	Amount of Each Receipt this Period
E. Full Name, Mailing Address and ZIP Code Receipt For: ☐ Primary ☐ General ☐ Other (specify)	Name of Employer Occupation Aggregate Year-to-Date > $	Date (month, day, year)	Amount of Each Receipt this Period
F. Full Name, Mailing Address and ZIP Code Receipt For: ☐ Primary ☐ General ☐ Other (specify)	Name of Employer Occupation Aggregate Year-to-Date > $	Date (month, day, year)	Amount of Each Receipt this Period
G. Full Name, Mailing Address and ZIP Code Receipt For: ☐ Primary ☐ General ☐ Other (specify)	Name of Employer Occupation Aggregate Year to Date > $	Date (month, day, year)	Amount of Each Receipt this Period
SUBTOTAL of Receipts This Page (optional)			
TOTAL			

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1989
October Monthly Report

Attachment #7

	From: 9/1/89	To: 9/30/89
	COLUMN A Total This Period	COLUMN B Calendar Year-To-Date
II. RECEIPTS		
11 CONTRIBUTIONS (other than loans) FROM:		
(a) Individuals/Persons Other Than Political Committees		
(i) Itemized (use Schedule A)	2659.00	25665.00
(ii) Unitemized	5197.71	82739.99
(iii) Total of contributions from individuals	7852.71	107737.99
(b) Political Party Committees	-0-	-0-
(c) Other Political Committees (such as PACs)	-0-	-0-
(d) TOTAL CONTRIBUTIONS (add 11(a)(iii), (b), and (c))	7852.71	107737.99
12 TRANSFERS FROM AFFILIATED/OTHER PARTY COMMITTEES	-0-	-0-
13 ALL LOANS RECEIVED	-0-	8000.00
14 LOAN REPAYMENTS RECEIVED	-0-	-0-
15 OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)	8000.00	120367.42
16 REFUNDS OF CONTRIBUTIONS MADE TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES	-0-	-0-
17 OTHER RECEIPTS (Dividends, Interest, etc.)	934.95	18128.97
18 TOTAL RECEIPTS (add 11(d), 12, 13, 14, 15, 16 and 17)	16787.66	251234.38
III. DISBURSEMENTS		
19 OPERATING EXPENDITURES	13763.47	245465.75
20 TRANSFERS TO AFFILIATED/OTHER PARTY COMMITTEES	-0-	-0-
21 CONTRIBUTIONS TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES	-0-	2401.93
22 INDEPENDENT EXPENDITURES (use Schedule E)	-0-	3823.38
23 COORDINATED EXPENDITURES MADE BY PARTY COMMITTEES (2 U.S.C. 441a(d)) (use Schedule F)	-0-	-0-
24 LOAN REPAYMENTS MADE	-0-	-0-
25 LOANS MADE	-0-	-0-
26 REFUNDS OF CONTRIBUTIONS TO:		
(a) Individuals/Persons Other Than Political Committees	-0-	-0-
(b) Political Party Committees	-0-	-0-
(c) Other Political Committees (such as PACs)	-0-	-0-
(d) TOTAL CONTRIBUTION REFUNDS (add 26(a), (b), and (c))	-0-	-0-
27 OTHER DISBURSEMENTS	-0-	-0-
28 TOTAL DISBURSEMENTS (add 19, 20, 21, 22, 23, 24, 25, 26(d) and 27)	13763.47	251691.06
III. NET CONTRIBUTIONS/OPERATING EXPENDITURES		
29 TOTAL CONTRIBUTIONS (other than loans)(from Line 11(d))	7852.71	107737.99
30 TOTAL CONTRIBUTION REFUNDS (from Line 26(d))	-0-	-0-
31 NET CONTRIBUTIONS (other than loans)(subtract Line 30 from 29)	7852.71	107737.99
32 TOTAL OPERATING EXPENDITURES (from Line 19)	13763.47	245465.75
33 OFFSETS TO OPERATING EXPENDITURES (from Line 15)	8000.00	120362.42
34 NET OPERATING EXPENDITURES (subtract Line 33 from 32)	5236.47	125098.33

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[redacted]

1989 October Monthly Report — Attachment #7a

National Conservative Political Action [redacted]

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
National Conservative Foundation 618 South Alfred Street Alexandria, VA 22314	Refund of overpayment of rents	9/8/89	8000.00
Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Occupation		
	Aggregate Year-to-Date > $ 117,000.00		
B. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Occupation		
	Aggregate Year-to-Date > $		
C. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Occupation		
	Aggregate Year-to-Date > $		
D. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For ☐ Primary ☐ General ☐ Other (specify)	Occupation		
	Aggregate Year-to-Date > $		
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For ☐ Primary ☐ General ☐ Other (specify)	Occupation		
	Aggregate Year-to-Date > $		
F. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For ☐ Primary ☐ General ☐ Other (specify)	Occupation		
	Aggregate Year-to-Date > $		
G. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For ☐ Primary ☐ General ☐ Other (specify)	Occupation		
	Aggregate Year-to-Date > $		
SUBTOTAL of Receipts This Page (optional)			
TOTAL This Period (last page this line number only)			8000.00

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Attachment #8

1939 November Monthly
Report

	From: 10/1/[illegible]	To: 10/31/[illegible]
	COLUMN A Total This Period	COLUMN B Calendar Year to Date
11. CONTRIBUTIONS		
(a) Individuals/Persons Other Than Political Committees		
(i) Itemized (see Schedule A)	5075.00	[illegible].00
(ii) Unitemized	3578.05	86318.06
(iii) Total of Contributions From Individuals	8653.05	116398.04
(b) Political Party Committees	-0-	-0-
(c) Other Political Committees (such as PACs)	-0-	-0-
(d) TOTAL CONTRIBUTIONS (add 11(a)(iii), (b), and (c))	8653.05	116398.04
12. TRANSFERS FROM AFFILIATED/OTHER PARTY COMMITTEES	-0-	-0-
13. ALL LOANS RECEIVED	-0-	8000.00
14. LOAN REPAYMENTS RECEIVED	-0-	-0-
15. OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)	29000.00	169367.42
16. REFUNDS OF CONTRIBUTIONS MADE TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES	-0-	-0-
17. OTHER RECEIPTS (Dividends, Interest, etc.)	2452.48	20581.45
18. TOTAL RECEIPTS (add 11(d), 12, 13, 14, 15, 16 and 17)	40105.53	294346.91
[illegible]		
19. OPERATING EXPENDITURES	43074.44	288540.19
20. TRANSFERS TO AFFILIATED/OTHER PARTY COMMITTEES	-0-	-0-
21. CONTRIBUTIONS TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES	-0-	2401.93
22. INDEPENDENT EXPENDITURES (use Schedule E)	-0-	3823.38
23. COORDINATED EXPENDITURES MADE BY PARTY COMMITTEES (2 U.S.C. 441a(d)) (use Schedule F)	-0-	-0-
24. LOAN REPAYMENTS MADE	-0-	-0-
25. LOANS MADE	-0-	-0-
26. REFUNDS OF CONTRIBUTIONS TO:		
(a) Individuals/Persons Other Than Political Committees	-0-	-0-
(b) Political Party Committees	-0-	-0-
(c) Other Political Committees (such as PACs)	-0-	-0-
(d) TOTAL CONTRIBUTION REFUNDS (add 26(a), (b), and (c))	-0-	-0-
27. OTHER DISBURSEMENTS	-0-	-0-
28. TOTAL DISBURSEMENTS (add 19, 20, 21, 22, 23, 24, 25, 26(d) and 27)	43074.44	294765.50
III. NET CONTRIBUTIONS/OPERATING EXPENDITURES		
29. TOTAL CONTRIBUTIONS (other than loans)(from Line 11(d))	8653.05	116398.04
30. TOTAL CONTRIBUTION REFUNDS (from Line 26(d))	-0-	-0-
31. NET CONTRIBUTIONS (other than loans)(subtract Line 30 from 29)	8653.05	116398.04
32. TOTAL OPERATING EXPENDITURES (from Line 19)	43074.44	288540.19
33. OFFSETS TO OPERATING EXPENDITURES (from Line 15)	29000.00	169367.42
34. NET OPERATING EXPENDITURES (subtract Line 33 from 32)	14074.44	119172.77

1989 November Monthly Report

Attachment #8

Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Name of Employer: Final payment of over paid costs Occupation Aggregate Year-to-Date > $ 145,000.00	Date (month, day, year): 10/1/86 10/27/86	Amount of Each Receipt this Period: 4000.00 25000.00
B. Full Name, Mailing Address and ZIP Code Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Name of Employer Occupation Aggregate Year-to-Date > $	Date (month, day, year)	Amount of Each Receipt this Period
C. Full Name, Mailing Address and ZIP Code Receipt For: ☐ Primary ☐ General ☒ Other (specify):	Name of Employer Occupation Aggregate Year-to-Date > $	Date (month, day, year)	Amount of Each Receipt this Period
D. Full Name, Mailing Address and ZIP Code Receipt For: ☐ Primary ☐ General ☒ Other (specify):	Name of Employer Occupation Aggregate Year-to-Date > $	Date (month, day, year)	Amount of Each Receipt this Period
E. Full Name, Mailing Address and ZIP Code Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Name of Employer Occupation Aggregate Year-to-Date > $	Date (month, day, year)	Amount of Each Receipt this Period
F. Full Name, Mailing Address and ZIP Code Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Name of Employer Occupation Aggregate Year-to-Date > $	Date (month, day, year)	Amount of Each Receipt this Period
G. Full Name, Mailing Address and ZIP Code Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Name of Employer Occupation Aggregate Year-to-Date > $	Date (month, day, year)	Amount of Each Receipt this Period
SUBTOTAL of Receipts This Page (optional)			
TOTAL This Period (last page this line number only)			29000.00

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Attachment #9

FEDERAL ELECTION COMMISSION
WASHINGTON DC 20463

RQ-2

AUG 30 1989

Robert L. Shortley, Treasurer
National Conservative Political
Action Committee
1001 Prince Street
Alexandria, VA 22314

Identification Number: C00024687

Reference: May Monthly Report (4/1/89-4/30/89)

Dear Mr. Shortley:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Please clarify the receipt from National Conservative Foundation for reimbursements for overpayment of rents.

EJ

-2 U.S.C. §434(b)(6)(B)(iii) requires that the supporting schedule for disclosing independent expenditures be signed by the treasurer and certified by a notary public. This is to attest to the fact that the expenditures were not made in cooperation, consultation, or consent with, or at the request or suggestion of any candidate, or any authorized committee or agent of such committee. Please amend Schedule E accordingly.

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 376-2480.

Sincerely,

Elizabeth Jones

Elizabeth Jones
Reports Analyst
Reports Analysis Division

9104087251 3

Attachment #10

National Conservative Political Action Committee

618 SOUTH ALFRED STREET • ALEXANDRIA, VA 22314 • (703) 684-1800

John T. (Terry) Dolan
Founder

Malcolm Dolan Shirley
Chairman

September 14, 1989

Ms. Elizabeth Jones
Reports Analyst
Reports Analysis Division
Federal Election Commission
999 E Street
Washington, D.C. 20463

Identification Number: C00024687

Re: May Monthly Report (4/1/89-4/30/89)

Dear Ms. Jones:

This letter is in response to your letter of August 30, 1989, in which you asked this organization to explain thje receipt of monies for overpayment of rent.

The National Conservative Political Action Committee (NCPAC) moved into the building at 1001 Prince Street in December 1983. At that time, NCPAC occupied all of the basement and most of the second floor, as well as a portion of the first floor, from time to time. Fair market rent was established at $12,000 per month. NCPAC continued using this space until its phone bank was dismantled in April of 1985. From that time forward, the amount of space required by NCPAC continually decreased until, by October 1987, it occupied only one-fourth of the second floor. However, the National Conservative Foundation (NCF) never reduced the amount of rent paid by NCPAC from January 1984 until September 1987.

The new management of NCPAC, which took control in September of 1987, discovered this oversight and began to rectify the overcharge. After extensive research so as to insure that the amount refunded did not in any way exceed the overcharge; consulting our attorney; and, after the Chairman of NCF and NCPAC had conferred with other members of the Boards of Directors of the two organizations, NCF began refunding monies that had been over paid to it by NCPAC in April 1989.

If you have any qustions, please do not hesistate to call me.

Sincerely,

Cassandra O. Scholte

Cassandra O. Scholte
Assistant Treasurer

...by the National Conservative Political Action Committee. Not authorized by any candidate or candidate's committee. Contributions to NCPAC are ... for the ... purposes. Copies of NCPAC's financial records are available for review at the Federal Election Commission.

Attachment #11

FEDERAL ELECTION COMMISSION
WASHINGTON, DC 20463

Robert L. Shortley, Treasurer
National Conservative Political Action
Committee
618 South Alfred St.
Alexandria, VA 22314

Identification Number: C00024687

Reference: Amended May Monthly Report (4/1/89-4/30/89) dated 9/14/89

Dear Mr. Shortley:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Your letter dated September 14, 1989 states that the National Conservative Political Action Committee ("NCPAC") overpaid rent to the National Conservative Foundation ("NCF"). However, the letter does not address current leasing practices.

Commission records indicate that NCPAC has not made disbursements for rent since March 1, 1988. Given the NCF's corporate status, this lack of payment may qualify as a prohibited in-kind contribution to your committee. Also, the $117,000 received by NCPAC from the NCF may violate 2 U.S.C. §441(b).

Additionally, your committee failed to disclose the overpayment of rent as a debt owed to the committee. This debt should be reported from the time the overpayments were discovered.

Please provide further clarification of the overpayment of rent and your current rent agreement.

Although the Commission may take further legal steps concerning this matter, your prompt action in responding will be taken into consideration.

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this

Attachment #11a

[redacted]

Sincerely,

[redacted]
Reports Analyst
Reports Analysis Division

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Attachment #12

$ TYPE NC1EJ.;3

TELECON

ANALYST: ELIZABETH JONES

CONVERSATION WITH: NCPAC'S LAWYER

COMMITTEE: NCPAC

DATE: 12/22/89

SUBJECT: OVERPAYMENT OF RENT

The committee's attorney wanted additional time to answer the RFAI. I told him that I couldn't grant an extension, but he needed to send in the amendment as soon as possible. He said he would be answering my letter within the next 15 days.

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Attachment #13

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 4, 1990

Robert L. Shortley, Treasurer
National Conservative Political Action
Committee
618 South Alfred St.
Alexandria, VA 22314

Identification Number: C00024687

Reference: Amended May Monthly Report (4/1/89-4/30/89) dated 9/14/89

Dear Mr. Shortley:

This letter is to inform you that as of January 3, 1990, the Commission has not received your response to our request for additional information, dated December 13, 1989. That notice requested information essential to full public disclosure of your federal election financial activity and to ensure compliance with provisions of the Federal Election Campaign Act (the Act). A copy of our original request is enclosed.

If no response is received within fifteen (15) days from the date of this notice, the Commission may choose to initiate audit or legal enforcement action.

If you should have any questions related to this matter, please contact Elizabeth Jones on our toll-free number (800) 424-9530 or our local number (202) 376-2480.

Sincerely,

John D. Gibson
Assistant Staff Director
Reports Analysis Division

Enclosure

9934P837205118

Attachment #14

National Conservative Political Action Committee

90 JAN 16 AM 11:43

618 SOUTH ALFRED STREET • ALEXANDRIA, VA 22314 • (703) 684-1800

Maisette Dolan Shorter
Chairman

January 11, 1989

Elizabeth Jones
Reports Analyst
Reports Analysis Division
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Identification Number: C00024687

Reference: Amended May Monthly Report (4/1/89-4/30/89)
dated 9/14/89

Dear Ms. Jones:

This letter is a follow-up of our letter of December 22, 1989, regarding questions raised in your letter dated December 13, 1989.

In answer to your question concerning our current leasing practices with the National Conservative Foundation (NCF), beginning January 1, 1990, we will be paying NCF monthly rental payments directly proportionate to the activities of NCPAC. Since the present activities of NCPAC do not require more than minimum space, NCPAC has agreed to pay for a portion of the reception area, the bookkeeping area, the work room and the Chairman's office, as well as $75.00 which is 1/2 the cost of storage space leased by NCF from the Virginia Tech Foundation. This will compensate NCF for space used for NCPAC activities. As the activities of NCPAC increase and warrant more space, our monthly lease payment would then increase to $1650 per month, or $17.50 per square foot for a total of 1080 square feet of the building, plus the $75.00 storage fees.

Regarding your query as to why, according to its FEC reports, NCPAC has not paid rent since March 1, 1988, the following events occurred:

[illegible] Political Action Committee [illegible] by any candidate or candidate's committee. Contributions to NCPAC are [illegible] for the purpose. Copies of NCPAC's financial records are available for review at the Federal Election Commission.

In September of 1987, new management assumed control of NCPAC. At that time, the new management questioned the bloated staff, extensive office space, and the fact that NCPAC was paying $12,000 per month rent for 2877.3 square feet of office space (or approximately $44.95 per square foot -- far above fair market value), and $5.00 per square foot for 800 square feet of storage space in parts of the building not suited to be leased for office use.

Management took three immediate steps: 1) reduced the NCPAC staff; 2) reduced the office space used by NCPAC to 1509.8 square feet and the storage space to 600 square feet; 3) reduced the rental payment to $4000 per month. Management was aware that this rental fee was still much to high ($31.79 per square foot), but they had hoped to immediately investigate the rental practices and come to an agreement with NCF as to overpayment of rents. Unfortunately, due to the reduced staff, pressing political activities, and unexpected financial and managerial problems, time did not allow for the investigation to go forth. Therefore, it was decided in March 1988 that NCPAC would cease paying rent until such time as the audit could be completed. It was clear at that time that NCPAC's past overpayments of rent would be greater than the current monthly rental obligations incurred. The amount of unpaid rent would then be deducted from the total amount of monies to be reimbursed to NCPAC.

Because of prior commitments made for the 1988 election cycle, the reduced staff and the continual immediate problems that kept surfacing, the rental problem could not be addressed until early 1989. Interviews were then held with staff members who had been employed with NCPAC since 1984 and before. At the conclusion of these interviews, NCPAC management finally discovered the gravity and extent of the situation of overpayment of rent. Management took the position that it was unfair and not in keeping faith with NCPAC contributors to have spent their donation dollars for rent payments in excess of fair market value. There were, however, a number of questions that needed to be answered before an amount could be established and reimbursed by NCF.

First, NCPAC consulted its attorney to be certain that a reimbursement of rents would be merely a bookkeeping matter and would not be considered a corporate contribution, and that such reimbursements would be within FEC law. In his opinion letter to NCPAC, he stated, "I find a refund is proper in these circumstances and is not a contribution under the FEC law."

Second, as previously stated, interviews were conducted with staff members who had been employed by NCPAC since 1984 and prior. Charts were requested that would indicate the space occupied by NCPAC throughout its occupancy at 1001 Prince Street.

Third, NCF allowed an examination of available past leases so as to determine a "fair market" value of the office space in that building during the years in question. This examination also allowed NCPAC management to determine parking rental fees. It was determined that in July 1984, 3,354 square feet of office space was leased to the U.S. Government at a rate of $17.82 per square foot, including 8 parking spaces. Also, in January 1985, Conservative Alliance leased 3200 square feet of office space at a rate of $14.47 per square foot including 9 parking spaces. Other office space leased during the time in question ranged from $13.50 per square foot to $16.50 per square foot; and, only one other time, in December of 1988, was NCF successful in leasing office space at 1001 Prince Street at a cost per square foot that exceeded $16.50. That particular office space was leased at a cost of $17.33 per square foot. Some leases included parking; other leases required additional rent for parking spaces. NCPAC took the position that at $18.00 per square foot, parking would be included. A breakdown of rents received by NCF is enclosed as Attachment 1. NCF has agreed to make copies of these leases available to the FEC if necessary.

Fourth, it was necessary to determine at what point in time this renegotiation of past rents should begin.

Although management and NCF knew that the final figure of reimbursement would be large and did agree to begin reimbursement in April of 1989, arriving at a final figure, making sure that computations used in the arrival of the figure were true and of "fair market value" and obtaining agreement from NCF to refund a specific amount was a slow and precise process. Due to the complexity of the situation and the in-depth investigation required to correct it, and the amount in question not yet known, NCPAC failed to disclose the overpayment as a debt owed to NCPAC. It was NCPAC's objective to complete this transaction entirely within the letter of the law, and thus NCPAC took painfully slow steps to insure that this occurred. However, because a final figure was not arrived at until very late in the summer of 1989, an accurate and specific figure for the monthly reports was not available. The bookkeeper was unable to estimate what the debt would be. NCPAC will be happy to amend its monthly reports to show this debt, either by copy of this letter or by report forms, if deemed appropriate.

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It was finally determined by management that the reimbursements should start after NCPAC disbanded the phone bank in May of 1985. At that time NCPAC was occupying 2600 square feet less than they originally occupied upon moving in to the building. At no time, during this period in question, was office space in the NCF building leased for more than the U.S. Government's rate of $17.82 per square foot, and in fact, as stated previously, only one other office, rented in 1988, was leased for more than $16.50 per square foot. Therefore, the figure of $18.00 per square foot was determined to be well above market value for the building and was used throughout the time frame for calculations.

As previously mentioned, charts were requested from employees who had been employed by NCPAC from 1984 and prior. These charts are enclosed as Attachment 2. Please note that some of the figures have been adjusted upward. This was done by management because it was their intention that, if NCPAC was going to error at all, it would error towards more space rather than less.

You will also note that these charts allow for a portion of the lobby to be NCPAC's leasing responsibility. As the NCF leases were examined, it became apparent that NCF never included lobby space as any tenant's leasing responsibility. It was, however, decided to leave this space in the calculations, again to insure that no questions would arise about the propriety of NCPAC receiving the reimbursement it was due.

It was the practice of NCF to include in the square footage leased an appropriate portion of the "common area" hallways. You will note that, although this area was calculated as the leases prescribe, any hallway that was determined to be less than 50% NCPAC's responsibility was adjusted upward to 50% to insure a conservative reimbursement. The one exception was in 1985, page 4 of 6 of Attachment 2, when a third entity was leasing space adjacent to the hallway. That figure was left at 35% or more that one third of the "common area".

You will also note that NCF did, from time to time, use a portion of the NCPAC Political Office. It was determined, however, to compute NCPAC's rental on this office as 100%. This decision, again, was to insure a conservative reimbursement and to avoid any debateable figure amounts.

I would also like to clarify the calculation of the Chairman's office on page 2 of 6 of Attachment 2. You will note that space occupied by NCPAC was adjusted upward to 30%. During the time period between June 1986 and September 1987, this office was used mainly by NCF for Media Bias projects and storage. No one actually occupied or worked out of this space on a day-to-day basis. However, because NCPAC files and memorabilia remained in this space, and, again to insure a conservative reimbursement, the management felt 30% of the space would be more than reasonable for NCPAC's leasing responsibility.

Attachment 3 to this letter is the final calculations for rents to be reimbursed. Please note that rents not paid by NCPAC from April 1, 1988, until December 31, 1989, are deducted from the amount due in reimbursements from NCF. Note that the final reimburseable figure shown on this Attachment is $148,425.18. Again, to insure prudent reimbursement, the management and NCF agreed upon a reimbursement of $146,000, which has been paid in full.

If you have any questions, please do not hesitate to call.

Sincerely,

Robert L. Shortley
Treasurer

enclosures

ATTACHMENT 1

Date	Name	Amount per Square Foot	Square Feet	Parking
7/84	U.S Government	$17.82	3354	8 Spaces incl.
12/84	Dolan Report	14.40	800	2 Spaces incl.
1/85	Conservative	14.95	3200	9 Spaces incl.
11/85	Cheryl Smith	16.50	700	1 Space incl.
11/85	Holsinger	16.50	700	Not included
11/85	Myron McKee	14.40	625	2 Spaces incl.
12/85	David Glazer	15.00	687.5	Not included
1/86	Special Olympics	15.00	556.5	1 Space incl.
7/86	American Resume	15.63	192	Not included
12/86	State of Virginia	13.09	318	Not included
12/86	Bond & Co.	16.50	800	Not included
1/87	Muese, Rinker	15.75	687.5	Not included
1/87	C. Shirley Assoc.	15.00	702	Not included
11/87	Kindness Assoc.	15.00	715	Not included
11/87	D. Yatras	15.00	400	Not included
1/88	Steven Daniel	14.00	311	Not included
2/88	Count System	15.75	678	Not included
4/88	United Express	14.41	458	Not included
9/88	Borden Group	15.75	737	Not included
11/88	Conover & Co.	13.50	400	Not included
11/88	NCBE	14.32	712	Not included
12/88	Equinox	17.33	800	Not included

Attachment #14f

SEPTEMBER 1987 TO PRESENT

Attachment 2

Office	TOTAL SQ. FEET	%NCPAC	NCPAC SQ. FEET	%NCF	NCF SQ FEET	
COMPUTER/ACTUALITY NW CENTER 2ND FL.	642	50%	321	50%	321	
DIRECT MAIL NW CORNER	737	50%	368.5	50%	368.5	
ADMIN./POLITICAL NW CORNER 2ND FL.	737	50%	368.5	50%	368.5	
MEDIA ACCOUNTING NW CORNER 2ND FL.	642	40%	256.8	60%	385.2	
[illegible] 2ND FLOOR	280	50%	140	50%	140	
[illegible] 2ND FLOOR	220	25%	55	25%	55	
Total Office Space			1509.8			
BASEMENT STORAGE	600		600.0			

JUNE 1986 TO SEPTEMBER 1987

Attachment #14q

Office	TOTAL SQ. FEET	%NCPAC	NCPAC SQ. FEET	%NCF	NCF SQ FEET	
DIRECT MAIL NE CORNER 2ND FL.	737	100%	737	0%	0	
POLITICAL SE CORNER 2ND FL.	737	~~50%~~	~~368.5~~ 737.0	10%	221.1	
CHAIRMAN'S OFFICE NE CENTER 2ND FL.	642	~~30%~~	~~192.6~~	~~70~~		
MEDIA RESEARCH SE CENTER 2ND FL.	642	0%	0	100%		
EAST HALL 2ND FLOOR	280	~~50%~~	~~140~~	~~52~~	145.6	
LOBBY 2ND FLOOR	220	34%	74.8	66%	145.2	
WEST HALL 2ND FLOOR	280	~~50%~~ 20%	~~140~~ 56	~~50~~ 80%	224	
NCF/COMPUTERS NW CENTER 2ND FL.	642	10%	64.2	90%	577.8	
ADMINISTRATION NW CORNER 2ND FL.	737	40%	294.8	60%	442.2	
HIGH $/NCF SW CORNER 2ND FL.	737	~~10%~~ 50%	~~73.7~~ 368.5	90%	663.3	
NCF FUNDRAISING SW CENTER 2ND FL.	642	20%	128.4	80%	513.6	
Total Office Space			2577.3			
Storage			800			

AUGUST 1985 TO MAY 1986

Attachment #14h

Office	TOTAL SQ. FEET	%NCPAC	NCPAC SQ. FEET	%NCF	NCF SQ FEET	
DIRECT MAIL NE CENTER 2ND FL.	737	100%	737	0%	0	
POLITICAL SE CORNER 2ND FL.	737	~~100%~~	~~737~~	30	221.1	
CHAIRMAN'S OFFICE SE CENTER 2ND FL.	642	75%	481.5	25%	160.5	
MEDIA RTNS/NCF SE CENTER 2ND FL.	642	20%	128.4	80%	513.6	
EAST HALL 2ND FLOOR	280	60%	168	40%	112	
LOBBY 2ND FLOOR	220	66%	145.2	34%	74.8	
WEST HALL 2ND FLOOR	280	~~50%~~	140 70	75%	210	
NCF/COMPUTERS NW CENTER 2ND FL.	642	0%	0	100%	642	
ADMINISTRATION NW CORNER 2ND FL.	737	70%	515.9	30%	221.1	
HIGH S/NCF SW CORNER 2ND FL.	737	80%	589.6	20%	147.4	
Total Office Space			3442.6			
storage			250			

DECEMBER 1994 TO AUGUST 1995

Attachment 14i

Office	TOTAL SQ. FEET	%NCPAC	NCPAC SQ. FEET	%NCF	NCF SQ FEET	
DIRECT MAIL NW CORNER 2ND FL.	737	100%	737	0%	0	
POLITICAL SW CORNER 2ND FL.	737	60% 50%	737 ~~442.2~~	10%	74.6	
[illegible]	[illegible]	[illegible]	481.5	[illegible]	[illegible]	
[illegible]	[illegible]	90%	577.8	10%	[illegible]	
EAST HALL 2ND FLOOR	280	70%	196	20%	56	DOLAS RPT. USED RMG SPACE
LOBBY 2ND FLOOR	220	70%	154	20%	44	DOLAS RPT. USED RMG SP.
WEST HALL 2ND FLOOR	280	35%	98	40%	112	DOLAS RPT. USED RMG SP.
ADMINISTRATION NW CORNER 2ND FL.	737	80%	589.60	20%	147.4	
HIGH $/NCF SW CORNER 2ND FL.	737	50% 40%	368.5 ~~294.8~~	60%	442.2	
NCF FUNDRAISING SW CENTER 2ND FL.	642	0%	0	100%	642	
PHONE BANK BASEMENT EAST WING	1,753	100%	~~1,753~~	0%	0	Disbanded in May 1995
NCF/HIGH $ PHN BNK BASEMENT SW OFFICE	656	50%	328	50%	328	
Total Office Space			4267.4			
Storage			1004 F			

JULY 1984 TO NOVEMBER 1984

Attachment 14j

Office	TOTAL SQ. FEET	%NCPAC	NCPAC SQ. FEET	%NCF	NCF SQ FEET	
COMMUNICATIONS NW CORNER 2ND FL.	737	90%	663.3	10%	74.6	
POLITICAL SE CORNER 2ND FL.	737	90%	663.3	10%	74.6	
CHAIRMAN'S OFFICE NE CENTER 2ND FL.	642	75%	481.	25%	160.5	
DEVELOPMENT/GRSRTS SE CENTER 2ND FL.	642	90%	577.8	10%	64.2	
EAST HALL 2ND FLOOR	280	75%	210	25%	70	
LOBBY 2ND FLOOR	220	75%	165	25%	55	
WEST HALL 2ND FLOOR	280	60%	168	40%	112	
DIRECT MAIL NW CENTER 2ND FL.	642	90%	577.80	10%	64.2	
ADMINISTRATION NW CORNER 2ND FL.	737	80%	589.6	20%	147.4	
HIGH $/NCF FND RSNG SW CORNER 2ND FL.	737	40%	294.8	60%	442.2	
NCF FUNDRAISING SW CENTER 2ND FL.	642	0%	0	100%	642	
PHONE BANK BASEMENT BASH WING	1,753	100%	1,753	0%	0	
BASEMENT STORAGE	1,256	80%	1,004.8	20%	251	
BASEMENT STORAGE (UNDER STAIRS)	100	0%	0	100%	100	
NCF/HIGH $/PHONE BNK SW OFFICE BSMT ½ BL	656	50%	328	50%	328	
GRAND TOTAL	10,061.0		7,476.9		2,585.9	

OCTOBER 1983 TO JUNE 1984

Attachment #14k

Office	TOTAL SQ. FEET	%NCPAC	NCPAC SQ. FEET	%NCF	NCF SQ FEET	
COMMUNICATIONS NW CORNER 2ND FL.	737	90%	~~665.3~~	10%	74.6	
DEVELOPMENT SE CORNER 2ND FL.	737	90%	737 ~~665.3~~	10%	74.6	
CHAIRMAN'S OFFICE NE CENTER 2ND FL.	642	75%	481.5	25%	160.5	
POLITICAL SE CENTER 2ND FL.	642	90%	642 ~~577.8~~	10%	64.2	
EAST HALL 2ND FLOOR	290	75%	210	25%	75	
LOBBY 2ND FLOOR	220	75%	165	25%	55	
WEST HALL 2ND FLOOR	280	60%	168	40%	112	
DIRECT MAIL NW CENTER 2ND FL.	642	~~90%~~	642 ~~577.8~~	10%	64.2	
ADMINISTRATION NW CORNER 2ND FL.	737	80%	589.6	20%	147.4	
HIGH $/NCF SW CORNER 2ND FL.	737	50 ~~40%~~	368.5 ~~294.8~~	60%	442.2	
NCF/DIRECT MAIL SW CENTER 2ND FL.	642	0%	0	100%	642	
RESEARCH NE CENTER 1ST FL.	642	90%	577.8	10%	64.2	
PHONE BANK BASEMENT EAST WING	1,753	100%	1,753	0	0	
BASEMENT STORAGE	1,912	80%	1,529.6	20%	382.4	
BASEMENT STORAGE (UNDER STAIRS)	100	0%	0	100%	100	
GRAND TOTALS	10,703		8,251.5		2,453.3	

ATTACHMENT 3

	Square Feet Office	Square Feet Storage	Total Rent Due	Rent Paid	Refund Due
Page 4 of 6 Attachment 2 June 1985 thru July 1985	4267.4 @ $18.00/ sq. ft.	1004.8 @ $5.00/ sq. ft.	$13,639.54	$ 24,000	$ 10,360.46
Page 3 of 6 Attachment 2 August 1985 thru May 1986	3572.6 @ $18.00/ sq. ft.	800 @ $5.00/ sq. ft.	57,973.30	120,000	62,026.70
Page 2 of 6 Attachment 2 June 1986 thru Sept. 1987	2877.3 @ $18.00/ sq. ft.	800 @ $5.00/ sq. ft.	74,388.64	190,000*	115,611.36
Page 1 of 6 Attachment 2 Oct. 1987 thru July 1989	1509.8 @ $18.00/	600 @ $5.00/	55,323.34	24,000	<31,323.34>
618 S. Alfred Alexandria, VA	1080 @ $17.50/ sq. ft.	1/2 area leased from VA Tech. Fnd. @ $150.00/mo.	8,250.00	-0-	< 8,250.00>

TOTAL RENT REIMBURSEMENT DUE NCPAC $148,425.18

TOTAL RENT REIMBURSEMENT AGREED UPON BY NCPAC/NCF 146,000.00

THIS AMOUNT HAS BEEN PAID IN FULL

* $12,000 rent per month was paid except for September 1987 when $10,000 rent was paid.

Attachment #15

1990 February Monthly Report

SCHEDULE B **ITEMIZED DISBURSEMENTS**

Use separate schedule(s) for each category of the Detailed Summary Page | PAGE 1 | FOR LINE NUMBER (ies)

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (in Full)
National Conservative Political Action Committee

A Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Lanier 2300 Parklane Drive, N.E. Atlanta, GA 30345	Equipment Rental Disbursement for ☐ Primary ☐ General ☐ Other (specify)	1/3/90	160.[illegible]
B Full Name, Mailing Address and ZIP Code Pitney Bowes P.O. Box 38390 Louisville, KY 40233	Purpose of Disbursement Equipment Rental Disbursement for ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year) 1/3/90	Amount of Each Disbursement This Period 595.[illegible]
C Full Name, Mailing Address and ZIP Code National Conservative Foundation 618 South Alfred Street Alexandria, VA 22314	Purpose of Disbursement Rent Disbursement for ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year) 1/3/90	Amount of Each Disbursement This Period 533.[illegible]
D Full Name, Mailing Address and ZIP Code Media Scan 119 West Roy, #304 Seattle, WA 98119	Purpose of Disbursement Radio Tape Interview Disbursement for ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year) 1/16/90	Amount of Each Disbursement This Period 12.00
E Full Name, Mailing Address and ZIP Code United Envelope 202 Lane Court Sterling, VA 22170	Purpose of Disbursement Direct Mail Expense Disbursement for ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year) 1/16/90	Amount of Each Disbursement This Period 1016.17
F Full Name, Mailing Address and ZIP Code Bernard Simbole 1655 N. Ft. Myer Drive, #700 Arlington, VA 22209	Purpose of Disbursement Legal Fees Disbursement for ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year) 1/16/90	Amount of Each Disbursement This Period 200.00
G Full Name, Mailing Address and ZIP Code Crestar Bank 2929 M Street, N.W. Washington, D.C.	Purpose of Disbursement 940/941 taxes Disbursement for ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year) 1/18/90 1/24/90	Amount of Each Disbursement This Period 439.26 428.51
H Full Name, Mailing Address and ZIP Code The Guardian Bin #472 Milwaukee, WS 53288	Purpose of Disbursement Employee Insurance Disbursement for ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year) 1/23/90	Amount of Each Disbursement This Period 383.00
I Full Name, Mailing Address and ZIP Code State of Virginia P.O. Box 1202 Richmond, VA 23209	Purpose of Disbursement State Withholding Tax Disbursement for ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year) 1/23/90	Amount of Each Disbursement This Period 229.3[illegible]
		SUBTOTAL of Disbursements This Page (optional)	3998.0[illegible]
		TOTAL This Period (last page this line number only)	

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999 E Street, N.W.
Washington, D.C. 20463

SENSITIVE

FIRST GENERAL COUNSEL'S REPORT

RAD Referral 90L-10
STAFF MEMBER: George F. Rishel

SOURCE: I N T E R N A L L Y G E N E R A T E D

RESPONDENTS: National Conservative Political Action Committee and Robert L. Shortley, as treasurer

National Conservative Foundation and Maiselle Dolan Shortley, as chairman

RELEVANT STATUTES: 2 U.S.C. § 441b(a)
2 U.S.C. § 434(b)(2)(I)

INTERNAL REPORTS CHECKED: Disclosure Reports

FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

This matter was referred on March 13, 1990, to the Office of the General Counsel by the Reports Analysis Division for the receipt of apparent corporate contributions. For 1989, the National Conservative Political Action Committee ("NCPAC") reported $146,000 as "offsets to operating expenditures" from the National Conservative Foundation ("NCF") described as reimbursements for alleged overpayments of rent. NCPAC is a registered political committee. According to AOR 1986-26, NCF is an incorporated 501(c)(3) organization.[1] Both NCPAC and NCF have been listed at the same addresses in Alexandria, and Maiselle

1. NCF also apparently has two related organizations: the National Conservative Foundation Endowment Fund and the National Conservative Foundation Titleholding Corporation. The proposed questions are asked with respect to any or all of these organizations.

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Dolan Shortley is chairman of both NCPAC and NCF.

II. FACTUAL AND LEGAL ANALYSIS

The Federal Election Campaign Act of 1971, as amended ("the Act"), provides that no corporation whatever shall make any contribution or expenditure in connection with any election for Federal office and that no political committee shall knowingly accept such a contribution or expenditure. No officer or director of a corporation may consent to a prohibited contribution or expenditure. 2 U.S.C. § 441b(a). The Act defines "contribution or expenditure" to include payments or gifts of money. 2 U.S.C. § 441b(b)(2). This prohibition also applies to gifts of "anything of value," which are defined by Commission regulations as including the provision of goods or services at less than the usual and normal charge for them. 11 C.F.R. § 100.7(a)(1)(iii).

The Act also provides that political committees filing reports with the Commission shall report all of their receipts in various categories. 2 U.S.C. § 434(b). Among these categories are receipts described as "rebates, refunds, and other offsets to operating expenditures." 2 U.S.C. § 434(b)(2)(I). This category covers such things as the return of unused portions of deposits required by certain businesses as well as the rebate of overpayments or overcharges, i.e., items that would reduce the amounts previously reported as "operating expenditures." These rebates, refunds, and other offsets may be received by a political committee from corporations as long as the rebate or refund does not result in the political committee's net payment

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falling below the usual and normal charge for the goods or services actually received. See, e.g., Advisory Opinion 1985-28. Thus, a rebate or refund by a corporation, when done to correct an overcharge or overpayment, is not considered a contribution or expenditure prohibited by the Act. A rebate for rent overpayments would be included in this category as long as the balance would represent the usual and normal rental payment and is in accordance with the rental agreement or is a valid modification of it.

According to the referral materials, the basis for the $146,000 in receipts from NCF to NCPAC is an internal review of the rent payments made by NCPAC to NCF from 1984 through most of 1987. This internal review revealed that NCPAC had been paying rent to NCF at a square footage rate substantially higher than other tenants of the building, then 1001 Prince Street in Alexandria.[2] For instance, according to the letter from Robert Shortley to the RAD analyst, NCPAC had been paying $44.95 a square foot for 2,877.3 square feet, where the highest rate paid by other tenants of the building never exceeded the $17.82 per square foot paid by the U.S. Government for Air Force and Marine Corps recruiting offices. Also, Shortley claims that NCPAC was paying for more space that it occupied, especially after the removal of a phone bank in 1985.

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2. The referral materials are not clear on who owned the building or held a lease on it. The correspondence from NCPAC seems to indicate that NCF either owned the building or held the lease on it, and was renting space to NCPAC and to other tenants. Clarification of the ownership and lease of the building is essential to resolving the questions raised by this referral.

Therefore, NCPAC and NCF made a recalculation of the rent that NCPAC should have been paying for in relation to its occupied space from 1984 or 1985 through the present. This review indicated that NCPAC had substantially overpaid its rent in 1984 or 1985 through October 1987, when it had been paying $12,000 a month rent. To balance its actual payments with the revised amount due, NCPAC ceased paying rent in March 1988. In 1989, NCF also began to reimburse NCPAC for the remaining differences between the recalculated rent due and the actual payments. These reimbursements resulted in $146,000 in payments to NCPAC in 1989, reported as "offsets to operating expenditures" on its reports filed with the Commission.[3]

These circumstances raise several questions regarding whether the reimbursements by NCF to NCPAC are legitimate rebates or corporate contributions. First, we note that the relationship between NCPAC and NCF does not provide the appearance that the rental agreement or its modification were arm's length transactions. Therefore, more information is required regarding the rental agreement and its modification to determine whether it is bona fide and valid. Second, particular questions arise regarding whether the reimbursements constitute a reformation of the rental agreement that is either permissible under the agreement itself or is a valid modification of a rental contract. A review of the actual lease agreements and other documentation

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3. At some point in the fall of 1989, NCPAC and NCF apparently moved from 1001 Prince Street to 618 South Alfred Street in Alexandria. In January 1990, NCPAC reported a payment of $533.33 to NCF as a rent payment.

is necessary to resolve this question. Third, if the reimbursements are determined to be permissible and valid, a further question still exists regarding whether the net rental payments (i.e., the original payments less the reimbursements) results in NCPAC's payment of the usual and normal charge for rent of its premises during the period in question. A comparison of the rental agreements with other tenants at 1001 Prince Street is necessary. Fourth, the timing of these reimbursements are also a factor in that they occurred at a time when NCPAC's revenues had declined rather sharply and may have been an impetus for the reimbursements.[4] The information submitted by NCPAC in response to the RFAIs, while helpful, is insufficient to resolve these and related questions and leave the appearance that the reimbursements may have been a form of corporate contributions.

Accordingly, there is reason to believe the National Conservative Political Action Committee and Robert L. Shortley, as treasurer, and the National Conservative Foundation and

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4. The sharp decline in NCPAC's revenues is illustrated by this chart:

Period	Receipts
1983-84	$19,514,822
1985-86	9,319,550
Jan.-June 1987	1,067,991
July-Dec. 1987	608,322
Jan.-June 1988	317,392
July-Dec. 1988	211,489
Jan.-June 1989	191,799
July-Dec. 1989	136,270
January 1990	4,973

Of the $191,799 received during the first six months of 1989, $97,000 or 51 per cent represented reimbursements from NCF. Of the $136,270 received during the last six months of 1989, $49,000 or 36 per cent represented these reimbursements.

Maiselle Dolan Shortley, as chairman, violated 2 U.S.C. § 441b(a).

III. **RECOMMENDATIONS**

1. Open a MUR.

2. Find reason to believe that the National Conservative Political Action Committee and Robert L. Shortley, as treasurer, violated 2 U.S.C. § 441b(a).

3. Find reason to believe that the National Conservative Foundation and Maiselle Dolan Shortley, as chairman, violated 2 U.S.C. § 441b(a).

4. Approve the attached letters, Factual and Legal Analyses, and Interrogatories and Requests for Documents.

Date 4/9/90

Lawrence M. Noble
General Counsel

Attachments:
1. Referral Materials
2. Proposed Letters, Factual and Legal Analysis, and Interrogatories and Requests for Documents (2)

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FEDERAL ELECTION COMMISSION
WASHINGTON D C 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS /DELORES HARRIS DH
COMMISSION SECRETARY

DATE: APRIL 11, 1990

SUBJECT: RAD REFERRAL 90L-10 - 1st GENERAL COUNSEL'S REPORT DATED APRIL 9, 1990

The above-captioned document was circulated to the Commission on Tuesday, April 10, 1990 at 4:00 p.m.

Objection(s) have been received from the Commissioner(s) as indicated by the name(s) checked below:

Commissioner Aikens	
Commissioner Elliott	
Commissioner Josefiak	XXXX
Commissioner McDonald	
Commissioner McGarry	
Commissioner Thomas	

This matter will be placed on the meeting agenda for Tuesday, April 24, 1990.

Please notify us who will represent your Division before the Commission on this matter.

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OGC

BEFORE THE FEDERAL ELECTION COMMISSION

(MUR 3053)

In the Matter of	)	RAD Referral #90L-10
National Conservative Political Action Committee and Robert L. Shortley, as treasurer	)	
National Conservative Foundation and Maiselle Dolan Shortley, as chairman	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on April 24, 1990, do hereby certify that the Commission decided by a vote of 5-1 to take the following actions with respect to RAD Referral 90L-10:

1. Open a MUR.

2. Find reason to believe that the National Conservative Political Action Committee and Robert L. Shortley, as treasurer, violated 2 U.S.C. § 441b(a).

3. Find reason to believe that the National Conservative Foundation and Maiselle Dolan Shortley, as chairman, violated 2 U.S.C. § 441b(a).

(continued)

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4. Approve the letters, Factual and Legal Analyses, and Interrogatories and Requests for Documents as recommended in the General Counsel's report dated April 9, 1990.

Commissioners Aikens, Elliott, McDonald, McGarry, and Thomas voted affirmatively for the decision; Commissioner Josefiak dissented.

Attest:

4-25-90
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 2, 1990

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Maiselle Dolan Shortley, Chairman
National Conservative Foundation
618 South Alfred Street
Alexandria, VA 22314

RE: MUR 3053
National Conservative
Foundation and Maiselle Dolan
Shortley, as chairman

Dear Ms. Shortley:

On April 24, 1990, the Federal Election Commission found that there is reason to believe the National Conservative Foundation ("Foundation") and you, as chairman, violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against the Foundation and you, as chairman. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office along with answers to the enclosed questions within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information demonstrating that no further action should be taken against the Foundation and you, as chairman, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be

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pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact George F. Rishel, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lee Ann Elliott

Lee Ann Elliott
Chairman

Enclosures
Factual and Legal Analysis
Procedures
Designation of Counsel Form
Interrogatories and Request for Documents

9104037254 3

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
) MUR 3053
)

INTERROGATORIES AND REQUEST FOR PRODUCTION OF DOCUMENTS

TO: Maiselle Dolan Shortley, Chairman
National Conservative Foundation
618 South Alfred Street
Alexandria, VA 22314

In furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby requests that you submit answers in writing and under oath to the questions set forth below within 15 days of your receipt of this request. In addition, the Commission hereby requests that you produce the documents specified below, in their entirety, for inspection and copying at the Office of the General Counsel, Federal Election Commission, Room 659, 999 E Street, N.W., Washington, D.C. 20463, on or before the same deadline, and continue to produce those documents each day thereafter as may be necessary for counsel for the Commission to complete their examination and reproduction of those documents. Clear and legible copies or duplicates of the documents which, where applicable, show both sides of the documents may be submitted in lieu of the production of the originals.

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INSTRUCTIONS

In answering these interrogatories and request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

Each answer is to be given separately and independently, and unless specifically stated in the particular discovery request, no answer shall be given solely by reference either to another answer or to an exhibit attached to your response.

The response to each interrogatory propounded herein shall set forth separately the identification of each person capable of furnishing testimony concerning the response given, denoting separately those individuals who provided informational, documentary or other input, and those who assisted in drafting the interrogatory response.

If you cannot answer the following interrogatories in full after exercising due diligence to secure the full information to do so, answer to the extent possible and indicate your inability to answer the remainder, stating whatever information or knowledge you have concerning the unanswered portion and detailing what you did in attempting to secure the unknown information.

Should you claim a privilege with respect to any documents, communications, or other items about which information is requested by any of the following interrogatories and requests for production of documents, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery request shall refer to the time period from January 1, 1984, to the present.

The following interrogatories and requests for production of documents are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental answers the date upon which and the manner in which such further or different information came to your attention.

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DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"National Conservative Foundation" shall include the National Conservative Foundation, the National Conservative Foundation Titleholding Corporation, and the National Conservative Foundation Endowment Fund.

"You" shall mean the named respondent in this action to whom these discovery requests are addressed, including all officers, employees, agents or attorneys thereof.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the location of the document, the number of pages comprising the document.

"Identify" with respect to a person shall mean state the full name, the most recent business and residence addresses and the telephone numbers, the present occupation or position of such person, the nature of the connection or association that person has to any party in this proceeding. If the person to be identified is not a natural person, provide the legal and trade names, the address and telephone number, and the full names of both the chief executive officer and the agent designated to receive service of process for such person.

"And" as well as "or" shall be construed disjunctively or

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conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

INTERROGATORIES AND REQUEST FOR DOCUMENTS

1. State whether the National Conservative Foundation is incorporated. If so, provide the date and state of incorporation and a copy of the articles of incorporation. Identify the officers and directors and key staff personnel of the National Conservative Foundation during the period from 1984 through the present.

2. State whether the National Conservative Foundation is a tax exempt organization. If so, provide a copy of the letter of such exemption.

3. State whether the National Conservative Foundation filed a Form 990 with the Internal Revenue Service for the years of 1984 through 1989. If so, provide a copy of all Form 990s along with all related schedules filed for the years 1984 through 1989.

4. State the National Conservative Foundation's legal relationship (i.e., owner, lessee, etc.) with the building at 1001 Prince Street, Alexandria, Virginia, during the period from 1984 through 1989.

5. State whether the National Conservative Foundation leased space to the National Conservative Political Action Committee ("NCPAC") during the period from 1984 through 1989. If so, provide copies of all leases in effect between the National Conservative Foundation and NCPAC during this period. Describe all provisions or separate arrangements between the National Conservative Foundation and NCPAC regarding: free rent, the cost of leaseholds improvements or changes, the duration of each lease, the square footage leased, the payment of any broker's commissions, and all other costs associated with the lease(s).

6. Identify all persons who represented or acted on behalf of the National Conservative Foundation regarding the lease arrangements between it and NCPAC during the period from 1984 to 1989.

7. Identify all persons employed or retained by the National Conservative Foundation who had a significant or substantive role in the review of the lease arrangements with NCPAC and the determination that overpayments of rent had occurred and describe

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each person's role.

8. State whether the National Conservative Foundation leased space at 1001 Prince Street to any person or entity, other than NCPAC, during the period from 1984 through 1989. If so, identify all such lessees, and with respect to each such lessee provide the following information regarding the lease arrangements: free rent, the duration of each lease, the square footage leased, the costs of leasehold improvements or changes, the payment of any broker's commissions, and all other costs associated with the lease. If the National Conservative Foundation has not leased space to any person or entity other than NCPAC, provide the above information regarding the other tenants of 1001 Prince Street for the period from 1984 to 1989 to the extent that the National Conservative Foundation knows or has access to such information.

9. State the use made of space previously occupied by the NCPAC phone bank after it was disbanded in May 1985 and identify the person or entity responsible for the rental payments for such space after May 1985.

10. Describe the current lease arrangements, including the basis for the rent payments, involving the National Conservative Foundation, NCPAC, the Virginia Tech Foundation, or any other entity regarding space at 619 South Alfred Street, Alexandria, Virginia. Give the date(s) such arrangements began, provide a copy of the lease(s), and explain any variances to the lease(s) as listed in Question 8.

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: National Conservative Foundation and Maiselle Dolan Shortley, as chairman

MUR: 3053

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(2).

For 1989, the National Conservative Political Action Committee ("NCPAC") reported $146,000 as "offsets to operating expenditures" from the National Conservative Foundation ("NCF") described as reimbursements for alleged overpayments of rent. NCPAC is a registered political committee. According to AOR 1986-26, NCF is an incorporated 501(c)(3) organization.[1] Both NCPAC and NCF have been listed at the same addresses in Alexandria, and Maiselle Dolan Shortley is chairman of both NCPAC and NCF.

The Federal Election Campaign Act of 1971, as amended ("the Act"), provides that no corporation whatever shall make any contribution or expenditure in connection with any election for Federal office and that no political committee shall knowingly accept such a contribution or expenditure. No officer or director of a corporation may consent to a prohibited

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1. NCF also apparently has two related organizations: the National Conservative Foundation Endowment Fund and the National Conservative Foundation Titleholding Corporation. The proposed questions include all of these organizations.

contribution or expenditure. 2 U.S.C. § 441b(a). The Act defines "contribution or expenditure" to include payments or gifts of money. 2 U.S.C. § 441b(b)(2). This prohibition also applies to gifts of "anything of value," which are defined by Commission regulations as including the provision of goods or services at less than the usual and normal charge for them. 11 C.F.R. § 100.7(a)(1)(iii).

The Act also provides that political committees filing reports with the Commission shall report all of their receipts in various categories. 2 U.S.C. § 434(b). Among these categories are receipts described as "rebates, refunds, and other offsets to operating expenditures." 2 U.S.C. § 434(b)(2)(I). This category covers such things as the return of unused portions of deposits required by certain businesses as well as the rebate of overpayments or overcharges, i.e., items that would reduce the amounts previously reported as "operating expenditures." These rebates, refunds, and other offsets may be received by a political committee from corporations as long as the rebate or refund does not result in the political committee's net payment falling below the usual and normal charge for the goods or services actually received. See, e.g., Advisory Opinion 1985-28. Thus, a rebate or refund by a corporation, when done to correct an overcharge or overpayment, is not considered a contribution or expenditure prohibited by the Act. A rebate for rent overpayments would be included in this category as long as the balance would represent the usual and normal rental payment and is in accordance with the rental agreement or is a valid

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modification of it.

The basis for the $146,000 in receipts from NCF to NCPAC is an internal review of the rent payments made by NCPAC to NCF from 1984 through most of 1987. This internal review revealed that NCPAC had been paying rent to NCF at a square footage rate substantially higher than other tenants of the building, then 1001 Prince Street in Alexandria.[2] For instance, according to the letter from Robert Shortley, NCPAC had been paying $44.95 a square foot for 2,877.3 square feet, where the highest rate paid by other tenants of the building never exceeded the $17.82 per square foot paid by the U.S. Government for Air Force and Marine Corps recruiting offices. Also, Shortley claims that NCPAC was paying for more space that it occupied, especially after the removal of a phone bank in 1985.

Therefore, NCPAC and NCF made a recalculation of the rent that NCPAC should have been paying for in relation to its occupied space from 1984 or 1985 through the present. This review indicated that NCPAC had substantially overpaid its rent in 1984 or 1985 through October 1987, when it had been paying $12,000 a month rent. To balance its actual payments with the revised amount due, NCPAC ceased paying rent in March 1988. In 1989, NCF also began to reimburse NCPAC for the remaining differences between the recalculated rent due and the actual payments. These reimbursements resulted in $146,000 in payments

2. The correspondence from NCPAC seems to indicate that NCF either owned the building or held the lease on it, and was renting space to NCPAC and to other tenants. Clarification of the ownership and lease of the building is essential.

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to NCPAC in 1989, reported as "offsets to operating expenditures" on its reports filed with the Commission.[3]

These circumstances raise several questions regarding whether the reimbursements by NCF to NCPAC are legitimate rebates or corporate contributions. First, the relationship between NCPAC and NCF does not provide the appearance that the rental agreement or its modification were arm's length transactions. Therefore, more information is required regarding the rental agreement and its modification to determine whether it is bona fide and valid. Second, particular questions arise regarding whether the reimbursements constitute a reformation of the rental agreement that is either permissible under the agreement itself or is a valid modification of a rental contract. A review of the actual lease agreements and other documentation is necessary to resolve this question. Third, if the reimbursements are determined to be permissible and valid, a further question still exists regarding whether the net rental payments (i.e., the original payments less the reimbursements) results in NCPAC's payment of the usual and normal charge for rent of its premises during the period in question. Fourth, the timing of these reimbursements are also a factor in that they occurred at a time when NCPAC's revenues had declined rather sharply and may have been an impetus for the

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3. At some point in the fall of 1989, NCPAC and NCF apparently moved from 1001 Prince Street to 618 South Alfred Street in Alexandria. In January 1990, NCPAC reported a payment of $533.33 to NCF as a rent payment.

reimbursements.[4] The information submitted by NCPAC in response to Commission inquiries, while helpful, is insufficient to resolve these and related questions and leave the appearance that the reimbursements may have been a form of corporate contributions.

Accordingly, there is reason to believe the National Conservative Foundation and Maiselle Dolan Shortley, as chairman, violated 2 U.S.C. § 441b(a).

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4. The sharp decline in NCPAC's revenues is illustrated by this chart:

Period	Receipts
1983-84	$19,514,822
1985-86	9,319,550
Jan.-June 1987	1,067,991
July-Dec. 1987	608,322
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July-Dec. 1988	211,489
Jan.-June 1989	191,799
July-Dec. 1989	136,270
January 1990	4,973

Of the $191,799 received during the first six months of 1989, $97,000 or 51 per cent represented reimbursements from NCF. Of the $136,270 received during the last six months of 1989, $49,000 or 36 per cent represented these reimbursements.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 2, 1990

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert L. Shortley, Treasurer
National Conservative Political Action Committee
618 South Alfred Street
Alexandria, VA 22314

RE: MUR 3053
National Conservative
Political Action Committee and
Robert L. Shortley, as
treasurer

Dear Mr. Shortley:

On April 24, 1990, the Federal Election Commission found that there is reason to believe the National Conservative Political Action Committee ("Committee") and you, as treasurer, violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against the Committee and you, as treasurer. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office along with answers to the enclosed questions within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information demonstrating that no further action should be taken against the Committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or

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recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact George F. Rishel, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lee Ann Elliott

Lee Ann Elliott
Chairman

Enclosures
Factual and Legal Analysis
Procedures
Designation of Counsel Form
Interrogatories and Request for Documents

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
) MUR 3053
)

INTERROGATORIES AND REQUEST FOR PRODUCTION OF DOCUMENTS

TO: Robert L. Shortley, Treasurer
National Conservative Political Action Committee
618 South Alfred Street
Alexandria, VA 22314

In furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby requests that you submit answers in writing and under oath to the questions set forth below within 15 days of your receipt of this request. In addition, the Commission hereby requests that you produce the documents specified below, in their entirety, for inspection and copying at the Office of the General Counsel, Federal Election Commission, Room 659, 999 E Street, N.W., Washington, D.C. 20463, on or before the same deadline, and continue to produce those documents each day thereafter as may be necessary for counsel for the Commission to complete their examination and reproduction of those documents. Clear and legible copies or duplicates of the documents which, where applicable, show both sides of the documents may be submitted in lieu of the production of the originals.

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INSTRUCTIONS

In answering these interrogatories and request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

Each answer is to be given separately and independently, and unless specifically stated in the particular discovery request, no answer shall be given solely by reference either to another answer or to an exhibit attached to your response.

The response to each interrogatory propounded herein shall set forth separately the identification of each person capable of furnishing testimony concerning the response given, denoting separately those individuals who provided informational, documentary or other input, and those who assisted in drafting the interrogatory response.

If you cannot answer the following interrogatories in full after exercising due diligence to secure the full information to do so, answer to the extent possible and indicate your inability to answer the remainder, stating whatever information or knowledge you have concerning the unanswered portion and detailing what you did in attempting to secure the unknown information.

Should you claim a privilege with respect to any documents, communications, or other items about which information is requested by any of the following interrogatories and requests for production of documents, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery request shall refer to the time period from January 1, 1984, to the present.

The following interrogatories and requests for production of documents are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental answers the date upon which and the manner in which such further or different information came to your attention.

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DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"National Conservative Foundation" includes the National Conservative Foundation, the National Conservative Foundation Endowment Fund, and the National Conservative Titleholding Corporation.

"You" shall mean the named respondent in this action to whom these discovery requests are addressed, including all officers, employees, agents or attorneys thereof.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the location of the document, the number of pages comprising the document.

"Identify" with respect to a person shall mean state the full name, the most recent business and residence addresses and the telephone numbers, the present occupation or position of such person, the nature of the connection or association that person has to any party in this proceeding. If the person to be identified is not a natural person, provide the legal and trade names, the address and telephone number, and the full names of both the chief executive officer and the agent designated to receive service of process for such person.

"And" as well as "or" shall be construed disjunctively or

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conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

INTERROGATORIES AND REQUEST FOR DOCUMENTS

1. Identify the officers and directors and key staff personnel of the National Conservative Political Action Committee ("NCPAC") for each of these years: 1984, 1985, 1986, 1987, 1988, 1989, 1990.

2. State whether NCPAC had a lease arrangement with the National Conservative Foundation for the rental of office space at 1001 Prince Street, Alexandria, Virginia, and give the dates during which such arrangement was in effect. Provide a copy of the lease(s) in effect for the period from 1984 through 1989.

3. State whether NCPAC has a lease arrangement with the National Conservative Foundation for the rental of office space at 618 South Alfred Street, Alexandria, Virginia, and give the dates during which such arrangement has been in effect. Provide a copy of the lease(s) in effect for the period from 1989 to the present.

4. Provide a schedule of each rental payment NCPAC made to NCF from January 1, 1984, through the present.

5. Identify all persons who represented or acted on behalf of NCPAC with respect to the lease arrangements with the National Conservative Foundation for the period from 1984 through the present.

6. Identify all persons who had a significant or substantive role on behalf of NCPAC regarding the review of the lease arrangements with the National Conservative Foundation and the determination that NCPAC had made overpayments of rent, including NCPAC employees and outside consultants, and describe each person's role.

7. State the aggregate number of persons employed by NCPAC for each of these years: 1984, 1985, 1986, 1987, 1988, and 1989.

8. Provide a clear, readable copy of the documents attached to your January 11, 1990, letter to the reports analyst at the Federal Election Commission.

9. Identify all persons interviewed as part of NCPAC's internal investigation or review regarding the rent overpayments.

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10. Provide a copy of the opinion letter from NCPAC's attorney regarding the rent overpayments and proposed reimbursements.

11. State whether floor plans exist depicting the space occupied by NCPAC from 1984 through 1989. If so, provide copies of all such floor plans and indicate the areas occupied by NCPAC, the areas occupied by the National Conservative Foundation, and the areas shared between NCPAC and the National Conservative Foundation.

12. State which entity held, or was responsible for, the lease on the space occupied by the phone bank, the amount of such space, and what use was made (and by whom) of such space after the phone bank was disbanded in May 1985.

13. Describe what use the National Conservative Foundation made, from time to time, of the NCPAC political office.

14. State whether NCPAC maintained a nonfederal account for the years 1984, 1985, 1986, 1987, 1988, or 1989. If so, state whether the nonfederal account made payments for rent to the National Conservative Foundation or to NCPAC during the period from January 1, 1984, to the present. Provide a schedule of all such payments. State whether the receipts and disbursements of this account are publicly reported and where such reports may be available.

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: National Conservative Political Action Committee and Robert L. Shortley, as treasurer

MUR: 3053

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(2).

For 1989, the National Conservative Political Action Committee ("NCPAC") reported $146,000 as "offsets to operating expenditures" from the National Conservative Foundation ("NCF") described as reimbursements for alleged overpayments of rent. NCPAC is a registered political committee. According to AOR 1986-26, NCF is an incorporated 501(c)(3) organization.[1] Both NCPAC and NCF have been listed at the same addresses in Alexandria, and Maiselle Dolan Shortley is chairman of both NCPAC and NCF.

The Federal Election Campaign Act of 1971, as amended ("the Act"), provides that no corporation whatever shall make any contribution or expenditure in connection with any election for Federal office and that no political committee shall knowingly accept such a contribution or expenditure. No officer or director of a corporation may consent to a prohibited

1. NCF also apparently has two related organizations: the National Conservative Foundation Endowment Fund and the National Conservative Foundation Titleholding Corporation. The proposed questions include all of these organizations.

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contribution or expenditure. 2 U.S.C. § 441b(a). The Act defines "contribution or expenditure" to include payments or gifts of money. 2 U.S.C. § 441b(b)(2). This prohibition also applies to gifts of "anything of value," which are defined by Commission regulations as including the provision of goods or services at less than the usual and normal charge for them. 11 C.F.R. § 100.7(a)(1)(iii).

The Act also provides that political committees filing reports with the Commission shall report all of their receipts in various categories. 2 U.S.C. § 434(b). Among these categories are receipts described as "rebates, refunds, and other offsets to operating expenditures." 2 U.S.C. § 434(b)(2)(I). This category covers such things as the return of unused portions of deposits required by certain businesses as well as the rebate of overpayments or overcharges, i.e., items that would reduce the amounts previously reported as "operating expenditures." These rebates, refunds, and other offsets may be received by a political committee from corporations as long as the rebate or refund does not result in the political committee's net payment falling below the usual and normal charge for the goods or services actually received. See, e.g., Advisory Opinion 1985-28. Thus, a rebate or refund by a corporation, when done to correct an overcharge or overpayment, is not considered a contribution or expenditure prohibited by the Act. A rebate for rent overpayments would be included in this category as long as the balance would represent the usual and normal rental payment and is in accordance with the rental agreement or is a valid

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modification of it.

The basis for the $146,000 in receipts from NCF to NCPAC is an internal review of the rent payments made by NCPAC to NCF from 1984 through most of 1987. This internal review revealed that NCPAC had been paying rent to NCF at a square footage rate substantially higher than other tenants of the building, then 1001 Prince Street in Alexandria.[2] For instance, according to the letter from Robert Shortley, NCPAC had been paying $44.95 a square foot for 2,877.3 square feet, where the highest rate paid by other tenants of the building never exceeded the $17.82 per square foot paid by the U.S. Government for Air Force and Marine Corps recruiting offices. Also, Shortley claims that NCPAC was paying for more space that it occupied, especially after the removal of a phone bank in 1985.

Therefore, NCPAC and NCF made a recalculation of the rent that NCPAC should have been paying for in relation to its occupied space from 1984 or 1985 through the present. This review indicated that NCPAC had substantially overpaid its rent in 1984 or 1985 through October 1987, when it had been paying $12,000 a month rent. To balance its actual payments with the revised amount due, NCPAC ceased paying rent in March 1988. In 1989, NCF also began to reimburse NCPAC for the remaining differences between the recalculated rent due and the actual payments. These reimbursements resulted in $146,000 in payments

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2. The correspondence from NCPAC seems to indicate that NCF either owned the building or held the lease on it, and was renting space to NCPAC and to other tenants. Clarification of the ownership and lease of the building is essential.

to NCPAC in 1989, reported as "offsets to operating expenditures" on its reports filed with the Commission.[3]

These circumstances raise several questions regarding whether the reimbursements by NCF to NCPAC are legitimate rebates or corporate contributions. First, the relationship between NCPAC and NCF does not provide the appearance that the rental agreement or its modification were arm's length transactions. Therefore, more information is required regarding the rental agreement and its modification to determine whether it is bona fide and valid. Second, particular questions arise regarding whether the reimbursements constitute a reformation of the rental agreement that is either permissible under the agreement itself or is a valid modification of a rental contract. A review of the actual lease agreements and other documentation is necessary to resolve this question. Third, if the reimbursements are determined to be permissible and valid, a further question still exists regarding whether the net rental payments (i.e., the original payments less the reimbursements) results in NCPAC's payment of the usual and normal charge for rent of its premises during the period in question. Fourth, the timing of these reimbursements are also a factor in that they occurred at a time when NCPAC's revenues had declined rather sharply and may have been an impetus for the

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3. At some point in the fall of 1989, NCPAC and NCF apparently moved from 1001 Prince Street to 618 South Alfred Street in Alexandria. In January 1990, NCPAC reported a payment of $533.33 to NCF as a rent payment.

reimbursements.[4] The information submitted by NCPAC in response to Commission inquiries, while helpful, is insufficient to resolve these and related questions and leave the appearance that the reimbursements may have been a form of corporate contributions.

Accordingly, there is reason to believe the National Conservative Foundation and Maiselle Dolan Shortley, as chairman, violated 2 U.S.C. § 441b(a).

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4. The sharp decline in NCPAC's revenues is illustrated by this chart:

Period	Receipts
1983-84	$19,514,822
1985-86	9,319,550
Jan.-June 1987	1,067,991
July-Dec. 1987	608,322
Jan.-June 1988	317,392
July-Dec. 1988	211,489
Jan.-June 1989	191,799
July-Dec. 1989	136,270
January 1990	4,973

Of the $191,799 received during the first six months of 1989, $97,000 or 51 per cent represented reimbursements from NCF. Of the $136,270 received during the last six months of 1989, $49,000 or 36 per cent represented these reimbursements.

OGC 6254

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

90 MAY 15 PM 3:02

HAND DELIVERED

NATIONAL CONSERVATIVE FOUNDATION
618 SOUTH ALFRED STREET
ALEXANDRIA, VIRGINIA 22314
(703) 548-0900

John T. (Terry) Dolan
Founder

Maiselle Dolan Shortley
Chairman

May 15, 1990

BY HAND

George F. Rishel, Esq.
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
90 MAY 16 AM 11:44

Re: MUR 3053

Dear Mr. Rishel:

I am in receipt of the Chairman's letter of May 2, 1990. I received this letter on Monday, May 7, 1990.

NCF is very anxious to comply with the Commission regarding its request for more information and documentation in this matter. However, the request is quite voluminous and due to our small staff, I would respectfully request an extension in time to and including June 15, 1990, in order to supply all documentation, answers and explanations necessary to set the Commission's minds at ease that this transaction was in compliance with the Federal Election Campaign Act. I am in the process of engaging counsel in this matter and need time to confer and review your voluminous requests.

I realize that extensions are not always granted, but I would hope that because of our small staff -- everyone here has taken on the duties of more than one position in order to cut our operating expenses -- you would allow us the time necessary to present our position as clearly and factually as possible.

Respectfully,

Maiselle Dolan Shortley

Maiselle Dolan Shortley
Chairman

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 17, 1990

Maiselle Dolan Shortley, Chairman
National Conservative Foundation
618 South Alfred Street
Alexandria, VA 22314

RE: MUR 3053
National Conservative
Foundation and Maiselle Dolan
Shortley, as treasurer

Dear Ms. Shortley:

This is in response to your letter dated May 15, 1990, which we received on May 16, 1990, requesting an extension of 24 days to respond to the Commission's inquiry. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your response is due by the close of business on June 15, 1990.

If you have any questions, please contact Jeff Long, the staff member assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

BY: George F. Rishel
Assistant General Counsel

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HAND DELIVERED

RECEIVED 6255
FEDERAL ELECTION COMMISSION
MAIL ROOM

90 MAY 15 PM 3:02

National Conservative Political Action Committee

618 SOUTH ALFRED STREET • ALEXANDRIA, VA 22314 • (703) 684-1800

John T. (Terry) Dolan
Founder

Maiselle Dolan Shortley
Chairman

May 15, 1990

BY HAND

George F. Rishel, Esq.
Office of the General Counsel
Federal Election Commission
999 E Street
Washington, D.C. 20463

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
90 MAY 16 AM 11:44

Re: MUR 3053

Dear Mr. Rishel:

I am in receipt of the Chairman's letter dated May 2, 1990. Apparently the letter was delivered sometime during the weekend of May 5-6, 1990. I will treat Monday, May 7, 1990 as the receipt date.

This timely letter is to respectfully request an extension of time in which to submit the information and answers to the interrogatories that you have requested, to and including June 15, 1990.

The National Conservative Political Action Committee is totally inactive at the present time. We do not have the money to hire someone to assemble all of the documents and information that you wish to review. Our payroll consists of two part-time people -- one to answer the very few phone calls that come to the PAC, and one to prepare the FEC report and write the few checks that monies that dribble in will allow us to write. Therefore, time spent on answering your inquiry must be volunteer time.

The bookkeeper who does the FEC report has agreed to assemble the information on a volunteer basis for NCPAC. However, she has a job and a family and cannot devote many hours a day to this project.

Although the Chairman has advised me in her letter that extensions in time are not routinely given, under these exceptional circumstances I would hope you could allow NCPAC to and including June 15, 1990 to comply with the Committee's requests.

Sincerely,

Robert L. Shortley
Treasurer

Paid for by the National Conservative Political Action Committee. Not authorized by any candidate or candidate's committee. (Contributions to NCPAC are not deductible as charitable contributions for income tax purposes.) Copies of NCPAC's financial records are available for review at the Federal Election Commission.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 17, 1990

Robert L. Shortley, Treasurer
National Conservative Political
Action Committee
618 South Alfred Street
Alexandria, VA 22314

RE: MUR 3053
National Conservative
Political Action Committee
and Robert L. Shortley, as
treasurer

Dear Mr. Shortley:

This is in response to your letter dated May 15, 1990, which we received on May 16, 1990, requesting an extension of 24 days to respond to the Commission's inquiry. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your response is due by the close of business on June 15, 1990.

If you have any questions, please contact Jeff Long, the staff member assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

BY: George F. Rishel
Assistant General Counsel

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OOC 6589

NATIONAL CONSERVATIVE FOUNDATION
618 SOUTH ALFRED STREET
ALEXANDRIA, VIRGINIA 22314
(703) 548-0900

John T. (Terry) Dolan
Founder

Maiselle Dolan Shortley
Chairman

June 15, 1990

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
90 JUN 15 PM 1:16

George F. Rishel, Esq.
Office of the General Counsel
Federal Election Commission
999 E Street
Washington, D.C. 20463

BY HAND

Re: MUR 3053

Dear Mr. Rishel:

Please find enclosed the Responses of the National Conservative Foundation to Interrogatories and Production of Documents, submitted by Maiselle Dolan Shortley.

Thank you,

Carolyn Shiben
Administrative Assistant

Enclosures

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of the National Conservative Foundation	)))))	MUR 3053

RESPONSE OF THE
NATIONAL CONSERVATIVE FOUNDATION
TO INTERROGATORIES AND
PRODUCTION OF DOCUMENTS

9104037257 1

June 15, 1990

Submitted by: Maiselle D. Shortley
Chairman
National Conservative
Foundation
618 S. Alfred Street
Alexandria, VA 22314
(703) 548-0900

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of the National Conservative Foundation	)))))	MUR 3053

RESPONSE OF THE
NATIONAL CONSERVATIVE FOUNDATION
TO INTERROGATORIES AND
PRODUCTION OF DOCUMENTS

QUESTION 1: State whether the National Conservative Foundation is incorporated. If so, provide the date and state of incorporation and a copy of the articles of incorporation. Identify the officers and directors and key staff personnel of the National Conservative Foundation during the period from 1984 through the present.

Yes, the National Conservative Foundation (NCF) was incorporated on June 13, 1978, in the state of Virginia under the name of National Conservative Research and Education Foundation. The name was changed to National Conservative Foundation in October, 1980. A copy of the articles of incorporation is enclosed as Exhibit A.

YEAR	BOARD OF DIRECTORS	OFFICERS
1984	John T. Dolan Maiselle D. Shortley Lisa Dudley	John T. Dolan, President Maiselle Shortley, Vice President Lisa Dudley, Secretary Eleanor Hannegan, Treasurer
1985	John T. Dolan Maiselle D. Shortley Lisa Dudley	John T. Dolan, President/Chairman Maiselle Shortley, Vice President Lisa Dudley, Secretary Eleanor Hannegan, Treasurer
1986	John T. Dolan Maiselle D. Shortley L. Brent Bozell, III	John T. Dolan, Chairman/President Maiselle Shortley, Vice President L. Brent Bozell, III, Secretary Dora Bodnar, Secretary
1987	Maiselle D. Shortley Kathleen Neville	Maiselle Shortley, Vice President Kathleen Neville, Secretary/Treas. Juanita Sholes, Asst. Treasurer

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10/1/87	Maiselle D. Shortley	Maiselle Shortley, Chairman/Pres.
	Margaret K. Dolan	Maiselle Shortley, Treasurer
	Linda Bean Jones	Margaret Dolan, Secretary
1988	Maiselle D. Shortley	Maiselle Shortley, Chairman/Pres.
	Margaret K. Dolan	Maiselle Shortley, Treasurer
	Linda Bean Jones	Margaret Dolan, Secretary
1989	Maiselle D. Shortley	Maiselle Shortley, Chairman/Pres.
	Margaret K. Dolan	Maiselle Shortley, Treasurer
	Linda Bean Jones	Margaret Dolan, Secretary
1990	Maiselle D. Shortley	Maiselle Shortley, Chairman/Pres.
	Margaret K. Dolan	Maiselle Shortley, Treasurer
	Linda Bean Jones	Margaret Dolan, Secretary

The following are the business and home addresses and phone numbers of the above stated people of which I am aware. There are, however, some persons listed that I do not know their whereabouts.

John T. Dolan
Deceased 12/86

L. Brent Bozell, III
Business: Media Research Center
111 S. Columbus Street
Alexandria, VA 22314
(703) 683-9733

Kathleen Neville
Business: Media Research Center
111 S. Columbus Street
Alexandria, VA 22314
(703) 683-9733

Juanita Sholes
Business: Media Research Center
111 S. Columbus Street
Alexandria, VA 22314
(703) 683-9733

Margaret K. Dolan
Business: None
Home: 298 Toilsome Hill Road
Fairfield, CT 06430
(203) 367-2942

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	Linda Bean Jones
Business:	P.O. Box 352 Hollowell, ME 04347 (207) 445-4639
Home: (Summer)	Linda Bean Jones 5 Harbor Square Camden, ME 04843 (207) 236-2806
Home: (Winter)	R.F.D. 1, Jones Road Windsor, ME 04363 (207)445-2159

Yes, the National Conservative Foundation Titleholding Corporation (NCFTC) was incorporated on October 1, 1980. A copy of its articles of incorporation is enclosed as Exhibit B.

YEAR	BOARD OF DIRECTORS	OFFICERS
1984	John T. Dolan J. Curtis Herge Leif E. Noren Rhonda K. Stalman	John T. Dolan, President J. Curtis Herge, Secretary Leif E. Noren, Treasurer
1985	John T. Dolan J. Curtis Herge Leif E. Noren Rhonda K. Stalman L. Brent Bozell, III	John T. Dolan, President J. Curtis Herge, Secretary Leif E. Noren, Treasurer
1986	John T. Dolan J. Curtis Herge Leif E. Noren L. Brent Bozell, III	John T. Dolan, President J. Curtis Herge, Secretary Leif E. Noren, Treasurer
1987	L. Brent Bozell, III J. Curtis Herge Leif E. Noren	 J. Curtis Herge, Secretary Leif E. Noren, Treasurer
11/6/87	Maiselle D. Shortley Margaret K. Dolan Cassandra O. Scholte	Maiselle D. Shortley, President Margaret K. Dolan, Secretary Cassandra O. Scholte, Treasurer (Officers elected 12/9/87)
1988	Maiselle D. Shortley Margaret K. Dolan Cassandra O. Scholte	Maiselle D. Shortley, President Margaret K. Dolan, Secretary Cassandra O. Scholte, Treasurer

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1989	Maiselle D. Shortley	Maiselle D. Shortley, President
	Margaret K. Dolan	Margaret K. Dolan, Secretary
	Cassandra O. Scholte	Cassandra O. Scholte, Treasurer
1990	Maiselle D. Shortley	Maiselle D. Shortley, President
	Margaret K. Dolan	Margaret K. Dolan, Secretary
	Cassandra O. Scholte	Cassandra O. Scholte, Treasurer

The addresses and phone numbers of which I am aware that are not listed above are as follows:

Cassandra O. Scholte
Business: National Conservative Foundation
618 South Alfred Street
Alexandria, VA 22314
(703) 548-0900
Home: 1850 Castle Ridge Road
Midlothian, VA 23144
(703) 461-9395 (weekday evenings)
(804) 794-3524 (weekends)

J. Curtis Herge
Business: 8201 Greensboro Drive
McLean, VA 22102
(703) 848-4700

Leif E. Noren
Business: Conservative Victory Committee
111 S. Columbus Street, #300
Alexandria, VA 22314
(703) 684-6603

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Yes, the National Conservative Foundation Endowment Fund was incorporated on September 3, 1981 in the state of Virginia. The articles of incorporation are enclosed as Exhibit C. This corporation was dissolved on June 29, 1988. A copy of the Certificate of Dissolution is enclosed as Exhibit D.

YEAR	BOARD OF DIRECTORS	OFFICERS
1984	John T. Dolan	John T. Dolan, Chairman/President
	Maiselle D. Shortley	Dora Bodnar, Secretary
	L. Brent Bozell, III	L. Brent Bozell,III, Treasurer

1985	John T. Dolan Maiselle D. Shortley L. Brent Bozell, III	John T. Dolan, Chairman/President Maiselle Shortley, Vice President L. Brent Bozell,III, Treasurer Dora Bodnar, Secretary
1986	John T. Dolan Maiselle D. Shortley L. Brent Bozell, III	John T. Dolan, Chairman/President Maiselle Shortley, Vice President L. Brent Bozell,III, Treasurer Dora Bodnar, Secretary
1987	Maiselle D. Shortley Kathleen L. Neville	Maiselle Shortley, Vice President Kathleen Neville, Treasurer Juanita Sholes, Asst. Treasurer
9/25/87	Maiselle D. Shortley Margaret K. Dolan Cassandra O. Scholte	Maiselle Shortley, Chairman/Pres. Margaret K. Dolan, Secretary Maiselle Shortley, Treasurer
1988	Corporation was dissolved.	

I do not know who the "key staff personnel" were prior to September 1987, except for the Chairman, John T. Dolan. Since September 1987, due to the size of the staff, each member plays an important role in his/her field of expertise.

QUESTION 2: State whether the National Conservative Foundation is a tax exempt organization. If so, provide a copy of the letter of such exemption.

Yes, the National Conservative Foundation is a tax exempt organization, as is the National Conservative Foundation Title Holding Corporation. Their tax exempt letters are enclosed as Exhibit E.

QUESTION 3: State whether the National Conservative Foundation filed a Form 990 with the Internal Revenue Service for the years of 1984 through 1989. If so, provide a copy of all Form 990s along with all related schedules filed for the years 1984 through 1989.

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NCF and NCFTC filed 990s for the years 1984 through 1988. Copies of the 990s are enclosed as Exhibit F. The 990s for 1989 are not yet complete. The IRS has afforded both organizations extensions in time to file for 1989.

QUESTION 4: State the National Conservative Foundation's legal relationship (i.e., owner, lessee, etc.) with the building at 1001 Prince Street, Alexandria, Virginia, during the period from 1984 through 1989.

In February 1983, the National Conservative Foundation (NCF) signed an Option to Purchase Agreement with the owner of the building, Walter F. O'Connell. See Exhibit G.

NCF had the right under the Deed of Lease to sublet any portion of the building. See Exhibit H.

In January 1989, NCF exercised its option to purchase the property at 1001 Prince Street from Walter F. O'Connell, and in February 1989, sold the property to Virginia Tech Foundation. The agreement reached with Virginia Tech Foundation included a provision that the space used by NCF and NCPAC would be rent free until both organizations relocated in July 1989. Because it would have been illegal for NCPAC to accept rent free premises, NCF continued charging NCPAC rent while both organizations were still located at 1001 Prince Street.

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QUESTION 5: State whether the National Conservative Foundation leased space to the National Conservative Political Action Committee ("NCPAC") during the period from 1984 through 1989. If so, provide copies of all leases in effect between the National Conservative Foundation and NCPAC during this period. Describe all provisions or separate arrangements between the National Conservative Foundation and NCPAC regarding: free rent, the cost of leaseholds improvements or changes, the duration of each lease, the square footage leased, the payment of any broker's commissions, and all other costs associated with the lease(s).

Yes, NCF rented space to NCPAC during the period from 1984 through 1989. However, after staff members searched the files, both inhouse and from our former attorney, no formal lease between the two organizations has been found. A memo in the former Executive Director of NCPAC, Leif Noren's, handwriting was found, however, stating that NCPAC was paying $14.00 per square foot in 1984. And a memo from Leif Noren to staff members stating that NCPAC was reducing its space and rental obligations. See Exhibit I.

To my knowledge NCPAC was never given free rent by the National Conservative Foundation.

To my knowledge, NCPAC did not pay for leasehold improvements between 1984 and 1989. Any leasehold improvements were made for the benefit of NCF, the lessor.

QUESTION 6: Identify all persons who represented or acted on behalf of the National Conservative Foundation regarding the lease arrangements between it and NCPAC during the period from 1984 to 1989.

I do not know who represented the National Conservative Foundation regarding lease arrangements between it and NCPAC during

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the period from 1984 until September 1987 when I became Chairman of the Foundation. After September 1987, I was responsible for the lease arrangements between the two entities.

QUESTION 7: Identify all persons employed or retained by the National Conservative Foundation who had a significant or substantive role in the review of the lease arrangements with NCPAC and the determination that overpayments of rent had occurred and describe each persons role.

Mr. Bill Wilson, 10424 Woodbury Woods Court, Fairfax, VA 22032, (703)250-8764, a paid consultant who was at the time employed with Carmen, Carmen & Hugel, 1667 K Street, N.W., Suite 950, Washington, D.C. 20006, called my attention to the fact that NCPAC was paying much to much rent at the time I became Chairman of NCF.

I made the final determination that overpayments of rent had occurred and that NCPAC should be reimbursed for its overpayments, after reviewing all documentation presented to me by NCPAC.

QUESTION 8: State whether the National Conservative Foundation leased space at 1001 Prince Street to any person or entity, other than NCPAC, during the period from 1984 through 1989. If so, identify all such lessees, and with respect to each such lessee provide the following information regarding the lease arrangements: free rent, the duration of each lease, the square footage leased, the costs of leasehold improvements or changes, the payment of any broker's commissions, and all costs associated with the lease. If the National Conservative Foundation has not leased space to any person or entity other than NCPAC, provide the above information regarding the other tenants of 1001 Prince Street from the period from 1984 to 1989 to the extent that the National Conservative Foundation knows or has access to such information.

The National Conservative Foundation did lease space at 1001 Prince Street to persons and entities other than NCPAC during the period from 1984 through 1989.

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The following is a list of known tenants in alphabetical order:

1) Lessee Name: A+ Personnel

Free Rent Offered: NCF agreed to provide three months free rent during the first year of occupancy.

Duration of Lease: Three Years

Square Footage Leased: Approximately 1,611 sq. ft.

Cost of Leasehold Improvements or Changes: NCF provided four sets of office keys, repainting of office space and adjacent hallway. Total Cost: $475.00

Broker's Commission Paid: $1,872.78

Other Costs Associated with Lease: Regular cleaning, maintenance, and utilities provided by NCF.

See Exhibit J.

Note: A+ Personnel Company defaulted on their first month's rent and security deposit and their tenancy was terminated as of February 1, 1988. NCF derived no financial remuneration from this rental contract. NCF did, however, recuperate a portion of the broker's commission through a settlement with the real estate firm regarding other outstanding invoices.

2) Lessee Name: American Resume Service

Free Rent Offered: None to my knowledge.

Duration of Lease: Three Years

Square Footage Leased: Approximately 192 sq. ft.

Cost of Leasehold Improvements or Changes: Two wall partitions were installed and office repainted. Cost and who paid for improvements are unknown.

Broker's Commission Paid: None to my knowledge.

Other Costs Associated with Lease: Regular cleaning, maintenance and utilities provided by NCF.

See Exhibit K.

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3) Lessee Name: Bond & Company

Free Rent Offered: None to my knowledge.

Duration of Lease: Two Years

Square Footage Leased: Approximately 880 sq. ft.

Cost of Leasehold
Improvements or Changes: NCF provided repainting of office, shampoo of carpet, lobby sign, closet installation and double electric outlets. Total cost unknown.

Broker's Commission Paid: $1353.00

Other Costs Associated with Lease: Regular cleaning, maintenance and utilities provided by NCF.

See Exhibit L.

4) Lessee Name: The Borden Group

Free Rent Offered: None

Duration of Lease: Month to Month

Square Footage Leased: Approximately 737 sq. ft.

Cost of Leasehold
Improvements or Changes: None provided by NCF.

Broker's Commission Paid: None

Other Costs Associated with Lease: Regular cleaning, maintenance and utilities provided by NCF.

See Exhibit M.

5) Lessee Name: Committee to Elect Maurice Dawkins

Free Rent Offered: None

Duration of Lease: 4 months 6 days

Square Footage Leased: Rented one office (approximately 630 sq. ft. temporarily with out lease, then leased second larger office (approx. 807 sq. ft.) and occupied both offices for approximately 20 days and then moved totally into larger leased office.

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Cost of Leasehold
Improvements or Changes: None

Broker's Commission Paid: None

Other Costs Associated with Lease: Regular cleaning, maintenance and utilities provided by NCF. Dawkins campaign terminated lease 3 months early and paid one extra months rent for terminating early.

See Exhibit N.

6) Lessee Name: Conover & Company, Inc.

Free Rent Offered: None

Duration of Lease: Six months

Square Footage Leased: Approximately 400 sq. ft.

Cost of Leasehold
Improvements or Changes: None

Broker's Commission Paid: None

Other Costs Associated with Lease: Regular cleaning, maintenance and utilities provided by NCF. One rental space provided by NCF.

See Exhibit O.

7) Lessee Name: Conservatives Against Liberal Legislation

Free Rent Offered: None to my knowledge.

Duration of Lease: Month to Month

Square Footage Leased: Approximately 3200

Cost of Leasehold
Improvements or Changes: NCF installed five dividing wall partitions with five doors, two of them with security locks. There is a schedule attached to lease determining who would pay for these improvements.

Broker's Commission Paid: None to my knowledge

Other Costs Associated with Lease: Regular cleaning, maintenance and utilities provided by NCF. Nine parking spaces included in lease.

See Exhibit P.

9103037258 2

8) Lessee Name: Conservative Leadership PAC

Free Rent Offered: None

Duration of Lease: Nine Months

Square Footage Leased: Approximately 142.5 sq. ft.

Cost of Leasehold Improvements or Changes: None

Broker's Commission Paid: None

Other Costs Associated with Lease: Regular cleaning, maintenance and utilities provided by NCF.

See Exhibit Q.

9) Lessee Name: Count Systems (Pentamation)

Free Rent Offered: None

Duration of Lease: Three Years

Square Footage Leased: Approximately 678 sq. ft.

Cost of Leasehold Improvements or Changes: Approximately $168.00 paid by NCF

Broker's Commission Paid: $1,683.12

Other Costs Associated with Lease: Regular cleaning, maintenance and utilities provided by NCF.

See Exhibit R.

10) Lessee Name: Steven Daniel Photography

Free Rent Offered: None

Duration of Lease: One year (extended month to month)

Square Footage Leased: Approximately 311 sq. ft.

Cost of Leasehold Improvements or Changes: NCF provided security locks at a cost of $40.00.

9103037258 3

Broker's Commission Paid: $217.70

Other Costs Associated with Lease: Maintenance and utilities provided by NCF.

See Exhibit S.

11) Lessee Name: Virginia Division of Unclaimed Property

Free Rent Offered: None to my knowledge

Duration of Lease: Two years, extended a third year.

Square Footage Leased: Approximately 318 sq. ft.

Cost of Leasehold
Improvements or Changes: NCF provided installation of two dividing walls and closet space, door with security lock, plus keys. Cost of improvements unknown.

Broker's Commission Paid: $426.81

Other Costs Associated with Lease: Regular cleaning, maintenance and utilities provided by NCF.

See Exhibit T.

12) Lessee Name: The Dolan Report

Free Rent Offered: None to my knowledge.

Duration of Lease: Month to Month

Square Footage Leased: Approximately 800 sq. ft.

Cost of Leasehold
Improvements or Changes: None to my knowledge.

Broker's Commission Paid: None to my knowledge.

Other Costs Associated with Lease: Regular cleaning, maintenance and utilities provided by NCF. Two parking spaces provided by NCF.

See Exhibit U.

13) Lessee Name: Equinox Energy Company

Free Rent Offered: None

9104037258 4

Duration of Lease: Month to Month

Square Footage Leased: Approximately 800 sq. ft.

Cost of Leasehold

Improvements or Changes: None

Broker's Commission Paid: None

Other Costs Associated with Lease: Regular cleaning, maintenance and utilities provided by NCF.

See Exhibit V.

14) Lessee Name: Arthur J. Finklestein & Associates, Inc.

Free Rent Offered: None to my knowledge.

Duration of Lease: Nine months, extended two months.

Square Footage Leased: Approximately 702 sq. ft.

Cost of Leasehold
Improvements or Changes: NCF provided security door lock,cost unknown.

Broker's Commission Paid: None to my knowledge.

Other Costs Associated with Lease: Regular cleaning, maintenance and utilities provided by NCF.

See Exhibit W.

15) Lessee Name: August Fromuth and John R. Zagame

Free Rent Offered: None to my knowledge.

Duration of Lease: 13 months

Square Footage Leased: Approximately 800 sq. ft.

Cost of Leasehold
Improvements or Changes: None to my knowledge

Broker's Commission Paid: None to my knowledge

Other Costs Associated with Lease: Regular cleaning, maintenance and utilities provided by NCF.

See Exhibit X.

9104037255 85

16) Lessee Name: David Glazer

Free Rent Offered: None to my knowledge.

Duration of Lease: Five Year (terminated after one year)

Square Footage Leased: Approx. 687.5 sq. ft.

Cost of Leasehold
Improvements or Changes: NCF provided partitioning walls, three interior doors with locks, dead bolt security lock on hall door, repainting of office. Total Cost: $2,500.00

Broker's Commission Paid: Unknown

Other Costs Associated with Lease: NCF provided regular cleaning, maintenance and utilities.

See Exhibit Y.

17) Lessee Name: Tom Kindness

Free Rent Offered: None to my knowledge.

Duration of Lease: Two year

Square Footage Leased: Approximately 715 sq. ft.

Cost of Leasehold
Improvements or Changes: NCF provided for the installation of two interior dividing walls with two interior doors, one closet and security lock for hall door. Total Cost: $3,435.00

Broker's Commission Paid: None to my knowledge.

Other Costs Associated with Lease: NCF provided regular cleaning, maintenance and utilities.

See Exhibit Z.

18) Lessee Name: Merrich Mortgage Co.

Free Rent Offered: None to my knowledge

Duration of Lease: Three years, terminated early.

Square Footage Leased: Approximately 715 sq. ft.

Cost of Leasehold
Improvements or Changes: Unknown

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Broker's Commission Paid: $1,099.31

Other Costs Associated with Lease: NCF provided regular cleaning, maintenance and utilities.

See Exhibit AA.

19) Lessee Name: Meuse Rinker Chapman

Free Rent Offered: None to my knowledge.

Duration of Lease: Two years, extended one month.

Square Footage Leased: Approximately 687.5 sq. ft.

Cost of Leasehold
Improvements or Changes: None to my knowledge.

Broker's Commission Paid: None to my knowledge.

Other Costs Associated with Lease: NCF provided regular cleaning, maintenance and utilities.

See Exhibit BB.

20) Lessee Name: National Council for Better Education

Free Rent Offered: None

Duration of Lease: Six months, extended month to month

Square Footage Leased: Approximately 712 sq. ft.

Cost of Leasehold
Improvements or Changes: None

Broker's Commission Paid: None

Other Costs Associated with Lease: NCF provided regular cleaning, maintenance and utilities.

See Exhibit CC.

21) Lessee Name: Craig Shirley & Associates

Free Rent Offered: None to my knowledge.

Duration of Lease: Month to Month

9104037258 7

Square Footage Leased: Approximately 702 sq. ft.

Cost of Leasehold
Improvements or Changes: NCF provided installation of security lock, painting of office and cleaning of carpets.

Broker's Commission Paid: None to my knowledge.

Other Costs Associated with Lease: NCF provided regular cleaning, maintenance and utilities.

See Exhibit DD.

22) Lessee Name: Cheryl L. Smith assumed by John Holsinger

Free Rent Offered: None to my knowledge.

Duration of Lease: Three years extended month to month

Square Footage Leased: Approximately 700 sq. ft.

Cost of Leasehold

Improvements or Changes: NCF provided 8 ft. high partition with door and electrical outlets, "L" shaped receptionist desk, raised kitchen cabinet, cleaned carpets. Total Cost unknown.

Broker's Commission Paid: $1,636.25

Other Costs Associated with Lease: NCF provided regular cleaning, maintenance and utilities and one parking space.

See Exhibit EE.

23) Lessee Name: Tory Television

Free Rent Offered: Unknown

Duration of Lease: Unknown

Square Footage Leased: Approximately 712 sq. ft.

Cost of Leasehold
Improvements or Changes: Unknown

Broker's Commission Paid: Unknown

Other Costs Associated with Lease: Unknown

There is knowledge that this firm did occupy an office in the building, but no records or lease could be found in the files.

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24) Lessee Name: United Express Courier Service

Free Rent Offered: None

Duration of Lease: Two years

Square Footage Leased: Approximately 543.77

Cost of Leasehold
Improvements or Changes: Lessee provided a partial wall division, installation of radio antenna and painting of office. Total Cost unknown. NCF provided two security locks costing $50.00.

Broker's Commission Paid: $676.50

Other Costs Associated with Lease: NCF provided regular cleaning, maintenance and utilities.

See Exhibit FF.

25) Lessee Name: U.S. Government

Free Rent Offered: None to my knowledge

Duration of Lease: 1st lease 4 years 4 1/2 months,
2nd lease 3 years

Square Footage Leased: Approximately 3,354 sq. ft.

Cost of Leasehold
Improvements or Changes: NCF provided installation of three closets, four interior access locks, one small dividing wall and additional lighting. Cost unknown.

Broker's Commission Paid: $14,947.07

Other Costs Associated with Lease: NCF provided regular cleaning, maintenance and utilities, plus eight parking spaces.

See Exhibit GG.

26) Lessee Name: Virginia Special Olympics

Free Rent Offered: None to my knowledge.

Duration of Lease: Six months, extend in six month increments.

Square Footage Leased: Approximately 556.6 sq. ft.

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Cost of Leasehold
Improvements or Changes: NCF provided painting and carpet cleaning. Cost unknown.

Broker's Commission Paid: $208.73

Other Costs Associated with Lease: NCF provided regular cleaning, maintenance and utilities.

See Exhibit HH.

27) Lessee Name: WJD Commercial Real Estate Co.
Property Management Office

Free Rent Offered: Unknown

Duration of Lease: Unknown

Square Footage Leased: Approximately 543.77 sq. ft.

Cost of Leasehold
Improvements or Changes: Unknown

Broker's Commission Paid: Unknown

Other Costs Associated with Lease: Unknown

There is knowledge that this firm did occupy an office in the building, but no records or lease could be found in the files.

28) Lessee Name: Dennis Yatras d/b/a Orion Enterprises

Free Rent Offered: None

Duration of Lease: One year

Square Footage Leased: Approximately 400 sq. ft.

Cost of Leasehold
Improvements or Changes: None

Broker's Commission Paid: $300.00

Other Costs Associated with Lease: NCF provided regular cleaning, maintenance and utilities.

See Exhibit II.

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29) Lessee Name: Young Americans for Freedom

Free Rent Offered: None to my knowledge.

Duration of Lease: Month-to-month

Square Footage Leased: Approximately 625 sq. ft.

Cost of Leasehold Improvements or Changes: NCF provided security lock. Cost unknown.

Broker's Commission Paid: None to my knowledge.

Other Costs Associated with Lease: NCF provided regular cleaning, maintenance, utilities and storage space.

See Exhibit JJ.

QUESTION 9: State the use made of space previously occupied by the NCPAC phone bank after it was disbanded in May 1985 and identify the persons or entity responsible for the rental payments for such space after May 1985.

The area of the building at 1001 Prince Street that NCPAC used as its phone bank, including the hall which served as a functional office, is shown by the shaded area in Exhibit KK.

The following is a list of firms that rented the space used by the Phone Bank after it was disbanded and the dates that these firms occupied the space.

DATE OF USE	SQ. FT. OCCUPIED	USE AND PARTY RESPONSIBLE FOR RENTAL PAYMENT
6/1/85-3/31/87	702	Craig Shirley & Assoc. (Political Consulting) Mr. Craig Shirley, Pres.
7/1/85-4/24/86	702	Arthur Finklestein & Assoc. (Political Polling Serv.) Mr. A. J. Finklestein, Pres.

9104037259 1

11/15/85- 7/15/86	625	Young Americans for Freedom/ Myron McKee (Political Fundraising) Mr. Mike Boos, Administrator
7/25/86- 7/25/90	192	American Resume Service (Resume Writing Service)
8/86- 9/87 (Approximate Dates)	543.77	WJD Commercial Real Estate Property Mgt. Office (Property Management Serv.) Mr. Tom Alred, Manager
12/1/87- 11/30/88	400	Dennis Yatras/Orion Entrp. (Financial Investmt. Cnsltg.) Mr. Dennis Yatras, Owner
1/13/88- 7/31/89+	311	Steven Daniel Photography (Photography Service) Mr. Steven Daniel, Owner
12/1/88- 5/31/89	400	Conover & Company, Inc. (Direct Mail Fundraising) Mr. Robert Conover, Owner
4/30/88- 4/29/90	543.77	United Express Courier Serv. (Parcel Delivery Service) Mssrs. Shahrokh M. Tabatabai- Hamadani, Qumars Pajoohi and Jalal Behboodpour, Owners
7/31/89	400	National Wilderness Fnd. (Environmental Education) Mr. Robert Gordon, Chairman (Leased by Virginia Tech Foundation)

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Enclosed as Exhibit LL are small floor plans with the respective space marked.

QUESTION 10: Describe the current lease arrangements, including the basis for the rent payments, involving the National Conservative Foundation, NCPAC, the Virginia Tech Foundation, or any other entity regarding the space at 619 South Alfred Street, Alexandria, Virginia. Give the date(s) such arrangements began, provide a copy of the lease(s), and explain any variances to the lease(s) as listed in Question 8.

NCF has no knowledge of or lease arrangements at 619 South Alfred Street. Assuming the question should read 618 South Alfred Street, NCPAC signed a lease with NCF prior to moving to the building at 618 South Alfred Street. (Exhibit MM). The assumption at that time was that NCPAC would be using half of the total square feet, or 1200 sq. ft. of the building. After moving both organizations in, it became apparent that because office #9 (see floor plan, Exhibit NN) was used totally for media research, NCPAC should not share the rent of that space. Also, office #7 was used by NCF for its Campaign School consultant, except for a few hours a week when part-time fundraisers made calls from that office. Therefore NCPAC should only pay for one-fourth of the total square feet of that office. The rent was renegotiated to 1080 sq. ft. at $17.50 per sq. ft., plus $75.00 for one-half of the storage area rented from Virginia Tech Foundation at 1001 Prince Street. (See Exhibit OO.)

The last activity of NCPAC was a fund raising letter sent out in November of 1989. NCPAC accepted responsibility for the 1080 sq. ft. through December 1989. In January 1990, when it became apparent that NCPAC would remain inactive for sometime, but also recognizing that some work was still being done to wind down the activities, NCPAC agreed to pay for one-fourth of the space in offices 1,2,3,4,5,and 6, and 40 square feet of space throughout the building where file cabinets of NCPAC information took up space. This totalled 314.25 square feet at 17.50 per square foot plus $75.00 for one-half of the storage area rented from Virginia Tech Foundation at 1001 Prince Street.

2104037259 3

From February 1990 through the present, NCPAC has been totally inactive. The only persons on the payroll are two part-time employees. The receptionist is paid a small amount to answer any calls that may come to NCPAC, and the bookkeeper is paid a small amount to file FEC reports and write any checks that may need to be written. Therefore, NCPAC is now paying NCF for 24.5 sq. ft. in the reception area where the phone is located and 50 sq. ft. where the bookkeeper works to file FEC reports, plus 40 sq. ft. of area where file cabinets used to store NCPAC documents and information are located, plus $75.00 for one-half of the cost of storage rented from Virginia Tech Foundation at 1001 Prince Street.

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EXHIBIT "A"

COPY

ARTICLES OF INCORPORATION
OF
NATIONAL CONSERVATIVE RESEARCH AND EDUCATION FOUNDATION

In compliance with the requirements of Chapter 2 of Title 13.1 of the Code of Virginia, the undersigned hereby acts to form a non-stock corporation not for profit and to that end sets forth the following:

ARTICLE I

The name of the corporation is: NATIONAL CONSERVATIVE RESEARCH AND EDUCATION FOUNDATION, hereinafter referred to as the Corporation.

ARTICLE II

The purpose or purposes for which the Corporation is organized and shall be operated are to receive contributions, or to make expenditures, or both, directly or indirectly, in order to engage in nonpartisan analysis, study and research regarding the political structure of the United States as it affects the public interest with respect to both the public and private sectors and to make the results thereof available to the general public. The Corporation shall sponsor and support public discussion groups, panels, lectures and forums, to which will be invited members of the public, governmental leaders and others for an interchange of views and the instruction of the public on the political structure of the United States. The Corporation shall distribute educational publications relevant to its purposes to civic associations, governmental bodies, libraries, schools, universities and other interested groups. The educational activities of the Corporation shall be designed and presented in a manner that will enable the listener or reader to draw his or her own conclusions. The Corporation shall not espouse policies or positions the accomplishment of which may only be achieved by the passage or defeat of legislation.

For the accomplishment of these purposes and without, in any particular, limiting the generality of the foregoing, the Corporation shall have the power to own,

9104037259 5

operate, print, publish, manage and distribute such books, magazines, papers and other literature for the dissemination and exchange of information as will further the objects and purposes of the Corporation; to purchase, lease or otherwise acquire, and hold, own, use and operate, or mortgage or otherwise encumber, or sell, real and personal property as may be necessary to carry out the objects and purposes of the Corporation; to receive and maintain a fund or funds of real or personal property, or both, and, subject to the restrictions and limitations hereinafter set forth, to use and apply the whole or any part of the income therefrom and the principal thereof exclusively in furtherance of the objects and purposes of the Corporation and by making contributions to organizations that qualify as organizations described in Section 501(c)(3), or successor Section, of the Internal Revenue Code and the Regulations thereunder as they now exist or as they may hereafter be amended.

No part of the net earnings of the Corporation shall inure to the benefit of any member, director or officer of the Corporation, or any private individual (except that reasonable compensation may be paid for services rendered to or for the Corporation affecting one or more of its purposes). No substantial part of the activities of the Corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation; and, the Corporation shall not participate in, nor intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office.

Upon the dissolution of the Corporation or the winding up of its affairs, the assets of the Corporation shall be distributed subject to the order of the Circuit Court of the County of Fairfax of the Commonwealth of Virginia as provided by law, exclusively to charitable, religious, scientific, literary, or educational organizations which would then qualify under the provisions of Section 501(c)(3), or successor Section, of the Internal Revenue Code and the Regulations thereunder as they now exist or as they may

9104037259 6

hereafter be amended. No member, director or officer of the Corporation, or any private individual, shall be entitled to share in the distribution or division of any of the corporate assets on dissolution of the Corporation.

Notwithstanding any other provision of this Certificate, the Corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt under Section 501(c)(3) of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended, or by an organization contributions to which are deductible under Section 170(c)(2) of such Code and Regulations as they now exist or as they may hereafter be amended. Alternatively, the Corporation shall have the power to, and shall, conduct and carry on any activities required to be conducted or carried on in order to acquire and maintain a determination that it is an organization exempt under Section 501(c)(3), or successor Section, of the Internal Revenue Code and the Regulations thereunder as they now exist or as they may hereafter be amended. To that end, if the Corporation shall be a "private foundation," as that term is defined in Section 509, or successor Section, of the Internal Revenue Code and the Regulations thereunder as they now exist or as they may hereafter be amended, the Corporation shall distribute its income for each taxable year at such time, and in such manner, as not to subject the Corporation to the tax imposed under Section 4942, or successor Section, of the Internal Revenue Code, and the Regulations thereunder as they now exist or as they may hereafter be amended; and, the Corporation shall not engage in any act of "self-dealing," retain any "excess business holdings," invest any amount in such a manner as to "jeopardize the carrying out of any of its exempt purposes," or make any "taxable expenditure," as those respective terms and phrases are defined in Section 4941(d), 4943(c), 4944 and 4945(d), respectively, or successor Sections, of the Internal Revenue Code and the Regulations thereunder as they now exist or as they may hereafter be amended.

9104037259 7

ARTICLE III

The Corporation shall have no members.

ARTICLE IV

The Directors of the Corporation shall hold office for a term of one year, and until their respective successors have been elected and qualified, and shall, with the exception of the initial Directors, be elected by a majority vote of the Directors in office immediately preceding the expiration of each term. Any vacancy in the Board of Directors that still occur prior to the expiration of a term shall be filled by such person as shall be appointed by the Chairman of the Board of Directors and the person so appointed shall hold office until the expiration of the term to which he or she succeeded.

ARTICLE V

The post office address of the initial registered office is No. 7600 Old Springhouse Road, McLean, Virginia 22101, which is located in Fairfax County, Virginia. The name of its registered agent is J. CURTIS HERGE, who is a resident of Virginia and who is a member of the Virginia State Bar and whose business office is the same as the registered office of the Corporation.

ARTICLE VI

The number of Directors constituting the initial Board of Directors is three (3) and the name and addresses of the persons who are to serve as the initial Directors are:

Name	Address
John T. Dolan	3129 S. 14th Street Arlington, Virginia 22209
John Komanin	1941 North Woodley Street Arlington, Virginia 22207
Maiselle Shortley	310 North Pitt Street Alexandria, Virginia

ARTICLE VII

The period of duration of the Corporation is perpetual.

9104037259 8

IN WITNESS WHEREOF, for the purpose of forming the Corporation under the laws of the Commonwealth of Virginia, the undersigned, Incorporator of the Corporation, has executed these Articles of Incorporation this 2 day of June, 1978.

JOHN T. DOLAN

STATE OF VIRGINIA }
COUNTY OF FAIRFAX } to-wit:

I, the undersigned Notary Public, in and for the State and County aforesaid, whose commission as such will expire on the 9th day of April, 1979, do hereby certify that on this day personally appeared before me in my said State and County, JOHN T. DOLAN, whose name is signed to the foregoing Articles of Incorporation of NATIONAL CONSERVATIVE RESEARCH AND EDUCATION FOUNDATION, dated the 2nd day of June, 1978, and then and there acknowledged the same before me.

GIVEN under my hand and notarial seal this day 2nd of June, 1978.

My Commission Expires [illegible] 1980

Notary Public

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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

STATEMENT OF REGISTERED OFFICE AND AGENT OF A CORPORATION THAT HAS CHANGED ITS NAME

The present name of the corporation is (give exact name shown in articles of amendment)
NATIONAL CONSERVATIVE FOUNDATION

The former name of the corporation was (give exact name shown in articles of amendment)
NATIONAL CONSERVATIVE RESEARCH AND EDUCATION FOUNDATION

The corporation is incorporated under the laws of the state of Virginia

The address of its registered office is
7600 Old Springhouse Road, McLean, Virginia 22102 Virginia.
(Number) (Street) (Post Office) (Zone)

The name of the county or city in which its registered office is located is the County of
(Insert "county" or "city")
Fairfax

The name of its registered agent is J. CURTIS HERGE

He is a resident of Virginia.

He is ☐ an officer of the corporation or ☐ a director of the corporation or ☒ a member of the Virginia State Bar.
[Check the applicable square or squares.]

If an officer, state title: _____

The address of the registered office and the address of the business office of the registered agent are identical.

The establishment of the registered office and the appointment of the registered agent were authorized by a resolution duly adopted by the board of directors of the corporation.

The registered office and agent of the corporation immediately prior to its change of name were: (If there has been no change, write the word "unchanged" on both lines)
UNCHANGED

UNCHANGED
(Number) (Street) (Post Office) (Zone) Virginia.

This statement must be executed in the present name of the corporation by any one of the following: the chairman or vice-chairman of the board of directors or the president or vice-president, who declares under the penalties or perjury that the facts stated herein are true. (NO OTHER OFFICER MAY SIGN).

NATIONAL CONSERVATIVE FOUNDATION

By _____
Maiselle Shortley Title President

FEES: The statement must be accompanied by the following fees:

If the corporation is a *foreign* corporation, a fee of one dollar payable to the Commission.

If the corporation is a *Virginia* corporation, a fee of one dollar payable to the Commission, and a fee of one dollar payable to the clerk of the court in the county or city in which the registered office is located, and, if the registered office is changed from a different county or city, a fee of one dollar payable to the clerk of the court of such county or city.
(Note: If in doubt as to the correct title of the clerk, make the check payable to "The Clerk of the Court").
But no fee is payable to the clerk of the court in the City of Richmond or in the County of Henrico.

9104037260 0

Commonwealth of Virginia

STATE CORPORATION COMMISSION

Richmond, June 13, 1978

This is to Certify that the certificate of incorporation of

National Conservative Research and Education Foundation

was this day issued and admitted to record in this office and that the said corporation is authorized to transact its business subject to all the laws of the State applicable to the corporation and its business.

State Corporation Commission

William E. Young
Clerk of the Commission

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EXHIBIT "B"

ARTICLES OF INCORPORATION

OF

NATIONAL CONSERVATIVE FOUNDATION TITLEHOLDING CORPORATION

In compliance with the requirements of Chapter 2 of Title 13.1 of the Code of Virginia, the undersigned hereby acts to form a non-stock corporation not for profit and to that end sets forth the following:

ARTICLE I

The name of the corporation is: NATIONAL CONSERVATIVE FOUNDATION TITLEHOLDING CORPORATION, hereinafter referred to as the Corporation.

ARTICLE II

The purpose or purposes for which the Corporation is organized and shall be operated are to receive contributions, or to make expenditures, or both, directly or indirectly, in order to engage in holding title to, managing, maintaining, and operating real property, and collecting the rents therefrom, as an organization exempt from taxation under Section 501(c)(2) of the Internal Revenue Code, or successor section, as it now exists or may hereafter be amended. For the accomplishment of these purposes and without, in any particular, limiting the generality of the foregoing, the Corporation shall have the power to own, operate, manage, repair, maintain, purchase,

let, lease, or otherwise acquire, and hold, use, mortgage or otherwise encumber, let, lease, convey, donate, or sell, real and personal property as may be necessary to carry out the purposes and objects of the Corporation; to receive and maintain a fund or funds of real or personal property, or both, and subject to the restrictions and limitations hereinafter set forth, to use and apply the whole or any part of the income therefrom and the principal thereof exclusively in furtherance of the objects and purposes of the Corporation and by making contributions to organizations that qualify as organizations described in Section 501(c)(3), or successor section, of the Internal Revenue Code and the Regulations thereunder as they now exist or as they may hereafter be amended.

No part of the net earnings of the Corporation shall inure to the benefit of any member, director or officer of the Corporation, or any private individual (except that reasonable compensation may be paid for services rendered to or for the Corporation affecting one or more of its purposes). The Corporation shall not accrue any net income, but shall disburse any net income annually, or more often, to an organization that qualifies as exempt under Section 501(c)(3), or successor section, of the Internal Revenue Code and the Regulations thereunder as they now exist or as they may hereafter be amended.

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Upon the dissolution of the Corporation or the winding up of its affairs, the assets of the Corporation shall be distributed to the National Conservative Foundation (formerly the National Conservative Research and Education Foundation) or its successor organization, or in the event that the National Conservative Foundation or its successor organization is dissolved or has had a winding up of its affairs, or no longer qualifies as a charitable educational organization under the provisions of Section 501(c)(3), or successor section, of the Internal Revenue Code and Regulations thereunder as they now exist or as they may hereafter be amended, the assets of the Corporation shall be distributed subject to the order of the Circuit Court of the County of Fairfax of the Commonwealth of Virginia as provided by law, exclusively to charitable, religious, scientific, literary, or educational organizations which would then qualify under the provisions of Section 501(c)(3), or successor section, of the Internal Revenue Code and the Regulations thereunder as they now exist or as they may hereafter be amended. No member, director, or officer of the Corporation, or any private individual, shall be entitled to share in the distribution or division of any of the corporate assets on dissolution of the Corporation.

Notwithstanding any other provision herein, the Corporation shall not conduct or carry on any activities

2104037260 4

not permitted to be conducted or carried on by an organization exempt under Section 501(c)(2) of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended. Alternatively, the Corporation shall have the power to, and shall, conduct and carry on any activities required to be conducted or carried on in order to acquire and maintain a determination that it is an organization exempt under Section 501(c)(2), or successor Section, of the Internal Revenue Code and the Regulations thereunder as they now exist or as they may hereafter be amended. To that end, if the Corporation shall be a "private foundation," as that term is defined in Section 509, or successor section, of the Internal Revenue Code and the regulations thereunder as they now exist or as they may hereafter be amended, the Corporation shall distribute its income for each taxable year at such time, and in such manner, as not to subject the Corporation to the tax imposed under Section 4942, or successor section, of the Internal Revenue Code, and the Regulations thereunder as they now exist or as they may hereafter be amended; and, the Corproation shall not engage in any act of "self-dealing," retain any "excess business holdings," invest any amount in such a manner as to "jeopardize the carrying out of any of its exempt purposes," or make any "taxable expenditure," as those respective terms and phrases are defined in Section 4941(d), 4943(c), 4944 and 4945(d), respectively, or successor

2104037-2605

sections, of the Internal Revenue Code and the Regulations thereunder as they now exist or as they may hereafter be amended.

ARTICLE III

The Corporation shall have no members.

ARTICLE IV

The Directors of the Corporation shall hold office for a term of one year, and until their respective successors have been elected and qualified, and shall, with the exception of the initial Directors, be elected by a majority vote of the Directors in office immediately preceding the expiration of each term. Any vacancy in the Board of Directors that shall occur prior to the expiration of a term shall be filled by such person as shall be appointed by the Chairman of the Board of Directors and the person so appointed shall hold office until the expiration of the term to which he or she succeeded.

ARTICLE V

The post office address of the initial registered office is 7600 Old Springhouse Road, McLean, Virginia 22102, which is located in Fairfax County, Virginia. The name of its registered agent is J. CURTIS HERGE, who is a resident of Virginia and who is a member of the Virginia State Bar and whose business office is the same as the registered office of the Corporation.

ARTICLE VI

The number of Directors constituting the initial Board of Directors is three (3) and the name and address of the persons who are to serve as the initial Directors are:

Name	Address
John T. Dolan	3129 S. 14th Street Arlington, Virginia 22209
Anne Marie Dohrs	2916 Olive Street Washington, D.C. 20007
Maiselle Shortley	310 North Pitt Street Alexandria, Virginia

ARTICLE VII

The period of duration of the Corporation is perpetual.

IN WITNESS WHEREOF, for the purpose of forming the Corporation under the laws of the Commonwealth of Virginia, the undersigned, Incorporator of the Corporation, has executed these Articles of Incorporation this 15th day of September, 1980.

JOHN T. DOLAN
JOHN T. DOLAN

2104037-2607

STATE OF VIRGINIA)
COUNTY OF FAIRFAX) to-wit

I, the undersigned Notary Public, in and for the State and County aforesaid, whose commission as such will expire on the 14th day of November, 1982, do certify that on this day personally appeared before me in my said State and County, JOHN T. DOLAN, whose name is signed to the foregoing Articles of Incorporation of NATIONAL CONSERVATIVE FOUNDATION TITLEHOLDING CORPORATION, dated the 15th day of September, 1980, and then and there acknowledged the same before me.

GIVEN under my hand and notorial seal this 15th day of September, 1980.

Margaret V. Baker
Notary at Large

9104037-2608

Commonwealth of Virginia

STATE CORPORATION COMMISSION

Richmond, October 1, 1980

This is to Certify that the certificate of incorporation of

National Conservative Foundation Titleholding Corporation

was this day issued and admitted to record in this office and that the said corporation is authorized to transact its business subject to all the laws of the State applicable to the corporation and its business.

State Corporation Commission

William S. Ivey

Clerk of the Commission

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EXHIBIT "C"

ARTICLES OF INCORPORATION

OF

NATIONAL CONSERVATIVE FOUNDATION ENDOWMENT FUND

In compliance with the requirements of Chapter 2 of Title 13.1 of the Code of Virginia, the undersigned hereby acts to form a non-stock corporation not for profit and to that end sets forth the following:

ARTICLE I

The name of the corporation is: NATIONAL CONSERVATIVE FOUNDATION ENDOWMENT FUND, hereinafter referred to as the Corporation.

ARTICLE II

The objects and purposes of the Corporation, which is not formed for pecuniary profit or financial gain, shall be exclusively to act for the benefit of, to perform the functions of, or to carry out and support the purposes of National Conservative Foundation, a Virginia non-stock corporation, which has received recognition as an organization described in §§509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code. Specifically, the purposes of the Corporation shall be exclusively to receive contributions, or to make expenditures, or both, directly or indirectly, in order to engage in nonpartisan analyses, study and research regarding the political structure of the United States as it affects the public interest with respect to both the public and

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private sectors and to make the results thereof available to the general public. The Corporation shall sponsor, conduct and support public discussion groups, panels, lectures and forums, to which will be invited members of the public, governmental leaders and others for an interchange of views and the instruction of the public on the topic or topics then under review. The Corporation shall distribute educational publications relevant to its purposes to civic associations, governmental bodies, libraries, schools, universities and other interested groups. The educational activities of the Corporation shall be designed and presented in a manner that will enable the listener or reader to draw his or her own conclusions. The Corporation shall not espouse policies or positions the accomplishment of which may only be achieved by the passage or defeat of legislation.

For the accomplishment of these purposes and without, in any particular, limiting the generality of the foregoing, the Corporation shall have the power to own, operate, print, publish, manage and distribute such books, magazines, papers, and other literature for the dissemination and exchange of information as will further the objects and purposes of the Corporation, to purchase, lease or otherwise acquire, and hold, own, use and operate, or mortgage or otherwise encumber, or sell, real and personal property as may be necessary to carry out the objects and purposes of the Corporation; to receive and maintain a fund or funds of

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real or personal property, or both, and, subject to the restrictions and limitations hereinafter set forth, to use and apply the whole of the income therefrom and the principal thereof exclusively in furtherance of the objects and purposes of National Conservative Foundation.

No part of the net earnings of the Corporation shall inure to the benefit of any member, director or officer of the Corporation, or any private individual (except that reasonable compensation may be paid for goods or services rendered to or for the Corporation affecting one or more of its purposes). The Corporation shall not participate in, nor intervene in (including the publication or distribution of statements) any political campaign on behalf of, or in opposition to, any candidate for public office.

In the event National Conservative Foundation does not maintain recognition as an organization described under §509(a)(1) of the Internal Revenue Code, the Corporation shall benefit, perform the functions of, or carry out and support the purposes of another organization(s) described in §509(a)(1) of the Internal Revenue Code which purposes are to educate the general public in governmental affairs. The selection of the organization(s) described in §509(a)(1) of the Internal Revenue Code which shall receive the support of the Corporation in the event National Conservative Foundation ceases to be an organization described in §509(a)(1) of the Internal Revenue Code shall be in the sole discretion of

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the Directors of the Corporation subject to the restrictions stated above.

Upon the dissolution of the Corporation or the winding up of its affairs, the assets of the Corporation shall be distributed exclusively to National Conservative Foundation or the organization(s) selected to succeed National Conservative Foundation as provided above. However, if the named recipient is not then in existence or no longer a qualified distributee or unwilling or unable to accept the distribution, then the assets of this Corporation shall be distributed to a fund, foundation or corporation organized and operated exclusively for the purpose specified in Section 501(c)(3) of the Internal Revenue Code. No member, Director or officer of the Corporation, or any private individual, shall be entitled to share in the distribution or division of any of the corporate assets on dissolution of the Corporation.

ARTICLE III

The Corporation shall have no members.

ARTICLE IV

The Directors of the Corporation shall hold office for a term of one year, and until their respective successors have been elected and qualified, and shall, with the exception of the initial Directors, be elected by a majority vote of the Directors of National Conservative Foundation; or in the event National Conservative Foundation ceases to be an organization described in §509(a)(1) of the Internal Revenue

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Code, the Directors shall be selected by the Directors of the organization(s) selected to succeed National Conservative Foundation, as described in Article II.

The initial Board of Directors shall be comprised of the Directors of National Conservative Foundation. Any vacancy in the Board of Directors that shall occur prior to the expiration of a term shall be filled by such person as shall be appointed by the Chairman of the Board of Directors of National Conservative Foundation. A Director so appointed to fill a vacancy shall hold office for the unexpired term of his predecessor in office.

ARTICLE V

The post office address of the initial registered office is No. 7600 Old Springhouse Road, McLean, Virginia 22102, which is located in Fairfax County, Virginia. The name of its registered agent is J. Curtis Herge, who is a resident of Virginia and who is a member of the Virginia State Bar and whose business office is the same as the registered office of the Corporation.

ARTICLE VI

The number of Directors constituting the initial Board of Directors is three (3) and the names and addresses of the persons who are to serve as the initial Directors are:

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Name	Address
John T. Dolan	3129 S. 14th Street Arlington, Virginia 22209
Maiselle Shortley	310 North Pitt Street Alexandria, Virginia
Robert Boege	5707 Seminary Road Bailey's Crossroads, Virginia 22041

ARTICLE VII

The period of duration of the Corporation is perpetual.

IN WITNESS WHEREOF, for the purpose of forming the Corporation under the laws of the Commonwealth of Virginia, the undersigned, Incorporator of the Corporation, has executed these Articles of Incorporation this 27th day of August, 1981.

J. CURTIS HERGE

J. CURTIS HERGE
Incorporator

STATE OF VIRGINIA)
COUNTY OF FAIRFAX) to-wit:

I, the undersigned Notary Public, in and for the State and County aforesaid, whose commission as such will expire on the 15th day of May , 19 84 , do hereby certify that on this day personally appeared before me in my said State and County, J. CURTIS HERGE, whose name is signed to the foregoing Articles of Incorporation of National Conservative Foundation Endowment Fund, dated the 27th day of August, 1981, and he then and there acknowledged the same before me.

GIVEN under my hand and notarial seal this 27th day of August, 1981.

DONNA O. SISK
Notary Public

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Commonwealth of Virginia

STATE CORPORATION COMMISSION

Richmond, September 3, 1981

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This is to Certify that the certificate of incorporation of

National Conservative Foundation Endowment Fund

was this day issued and admitted to record in this office and that the said corporation is authorized to transact its business subject to all the laws of the State applicable to the corporation and its business.

State Corporation Commission

William L. [illegible]

Clerk of the Commission

CIS090

EXHIBIT "D"

221495

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
June 29, 1988

CERTIFICATE OF DISSOLUTION

The State Corporation Commission has found the accompanying articles submitted on behalf of

NATIONAL CONSERVATIVE FOUNDATION ENDOWMENT FUND

to comply with the requirements of law, and confirms payment of all related fees.

Therefore, it is ordered that this

CERTIFICATE OF DISSOLUTION

be issued, and admitted to record with the articles in this office of the Commission, effective June 29, 1988.

STATE CORPORATION COMMISSION

By Elizabeth B. Lacy
Commissioner

Court Number: 129

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Internal Revenue Service
District Director

Department of the Treasury

EXHIBIT "E"

Date: AUG 22 1978

Employer Identification Number:
None

Accounting Period Ending:
December 31

Foundation Status Classification:
* 509(a)(1) & 170(b)(1)(A)(vi)

Advance Ruling Period Ends:
December 31, 1980

Person to Contact:
R. Hutchins

Contact Telephone Number:
301-962-4773

National Conservative Research and
Education Foundation
1500 Wilson Blvd.
Arlington, Virginia 22209

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code.

Because you are a newly created organization, we are not now making a final determination of your foundation status under section 509(a) of the Code. However, we have determined that you can reasonably be expected to be a publicly supported organization described in section *see above.

Accordingly, you will be treated as a publicly supported organization, and not as a private foundation, during an advance ruling period. This advance ruling period begins on the date of your inception and ends on the date shown above.

Within 90 days after the end of your advance ruling period, you must submit to us information needed to determine whether you have met the requirements of the applicable support test during the advance ruling period. If you establish that you have been a publicly supported organization, you will be classified as a section 509(a)(1) or 509(a)(2) organization as long as you continue to meet the requirements of the applicable support test. If you do not meet the public support requirements during the advance ruling period, you will be classified as a private foundation for future periods. Also, if you are classified as a private foundation, you will be treated as a private foundation from the date of your inception for purposes of sections 507(d) and 4940.

Grantors and donors may rely on the determination that you are not a private foundation until 90 days after the end of your advance ruling period. If you submit the required information within the 90 days, grantors and donors may continue to rely on the advance determination until the Service makes a final determination of your foundation status. However, if notice that you will no longer be treated as a section * organization is published in the Internal Revenue Bulletin, grantors and donors may not rely on this determination after the date of such publication. Also, a grantor or donor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act that resulted in your loss of section * status, or acquired knowledge that the Internal Revenue Service had given notice that you would be removed from classification as a section * organization.

P.O. Box 13163, Baltimore, MD 21203 (over) Letter 1045(DO) (6-77)

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If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. Also, you should inform us of all changes in your name or address.

Generally, you are not liable for social security (FICA) taxes unless you file a waiver of exemption certificate as provided in the Federal Insurance Contributions Act. If you have paid FICA taxes without filing the waiver, you should call us. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other Federal excise taxes. If you have any questions about excise, employment, or other Federal taxes, please let us know.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

You are required to file Form 990, Return of Organization Exempt from Income Tax, only if your gross receipts each year are normally more than $10,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. The law imposes a penalty of $10 a day, up to a maximum of $5,000, when a return is filed late, unless there is reasonable cause for the delay.

You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T. In this letter, we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

cc: J. Curtis Herge
Sedam & Herge
7600 Old Springhouse Rd.
McLean, Virginia 22101

Sincerely yours,

Donald J. Lockney

District Director

Internal Revenue Service
District Director

Department of the Treasury

Date:
JUL 09 1981

Employer Identification Number:

Internal Revenue Code
Section 501(c)(2)

Accounting Period Ending:
December 31
Form 990 Required: ☒ Yes ☐ No

Person to Contact:
G. Whaltle
Contact Telephone Number:
(301) 962-4774

▷ National Conservative Foundation Titleholding Corporation
1500 Wilson Boulevard
Arlington, VA 22209

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Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under the provisions of the Internal Revenue Code section indicated above.

Unless specifically excepted, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) for each employee to whom you pay $100 or more during a calendar year. And, unless excepted, you are also liable for tax under the Federal Unemployment Tax Act for each employee to whom you pay $50 or more during a calendar quarter if, during the current or preceding calendar year, you had one or more employees at any time in each of 20 calendar weeks or you paid wages of $1,500 or more in any calendar quarter. If you have any questions about excise, employment or other Federal taxes, please address them to this office.

If your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status. Also, you should inform us of all changes in your name or address.

The block checked at the top of this letter shows whether you must file Form 990, Return of Organization Exempt from Income Tax. If the Yes box is checked, you are only required to file Form 990 if your gross receipts each year are normally more than $10,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. The law provides for a penalty of $10 a day, up to a maximum of $5,000, when a return is filed late, unless there is reasonable cause for the delay. This penalty may also be charged if a return is not complete. So, please make sure your return is complete before you file it.

You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Internal Revenue

(over)

Code. If you are subject to this tax, you must file an income tax return on Form 990-T. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in Code section 513.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

Because this letter could help resolve any questions about your exempt status, you should keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

(signed) Teddy R. Kern

Teddy R. Kern
District Director

cc: J. Curtis Herge, Esquire
Sellen & Herge, P.C.
7600 Old Springhouse Rd.
McLean, VA 22102

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EXHIBIT "F"

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c) (except black lung benefit trust or private foundation) of the Internal Revenue Code or section 4947(a)(1) trust

Note: You may be required to use a copy of this return to satisfy state reporting requirements. See instruction D.

1988

For the calendar year 1988, or fiscal year beginning January 1, 1988, and ending December 31, 19 88.

Use IRS label. Otherwise, please print or type.	Name of organization	A Employer identification number (see instruction L)
	National Conservative Foundation	51 : 0227364
	Address (number and street)	B State registration number (see instruction D)
	618 S. Alfred Street	
	City or town, state, and ZIP code	C Section 4947(a)(1) trusts filing this form in lieu of Form 1041, check here ▶ ☐ (see instruction C10)
	Alexandria, VA 22314	

D Check type of organization—Exempt under section ▶ ☐ 501(c)(3) (insert number), OR ▶ ☐ section 4947(a)(1) trust

E Accounting method: ☐ Cash ☒ Accrual ☐ Other (specify) ▶

Check here if application for exemption is pending . . ▶ ☐

F Is this a group return (see instruction J) filed for affiliates? . . . . ☐ Yes ☒ No

If "Yes," enter the number of affiliates for which this return is filed ____

Is this a separate return filed by a group affiliate? . . . . . ☐ Yes ☒ No

G If "Yes" to either, give four-digit group exemption number (GEN) ▶

H ☐ Check here if your gross receipts are normally not more than $25,000 (see instruction B11). You do not have to file a completed return with IRS but should file a return without financial data if you were mailed a Form 990 Package (see instruction A). Some states may require a completed return.

I ☐ Check here if gross receipts are normally more than $25,000 and line 12 is $25,000 or less. Complete Parts I (except lines 13-15), III, IV, VI, and VII and only the indicated items in Parts II and V (see instruction I). If line 12 is more than $25,000, complete the entire return.

501(c)(3) organizations and 4947(a)(1) trusts must also complete and attach Schedule A (Form 990). (See instructions.)

Part I Statement of Support, Revenue, and Expenses and Changes in Fund Balances

				(A) Total	These columns are optional—see instructions (B) Unrestricted/ Expendable	(C) Restricted/ Nonexpendable
Support and Revenue	1	Contributions, gifts, grants, and similar amounts received:				
	a	Direct public support	202,385			
	b	Indirect public support				
	c	Government grants				
	d	Total (add lines 1a through 1c) (attach schedule—see instructions)		202,385		
	2	Program service revenue (from Part IV, line f)				
	3	Membership dues and assessments				
	4	Interest on savings and temporary cash investments		376		
	5	Dividends and interest from securities				
	6a	Gross rents	177,589			
	b	Minus: rental expenses	166,770			
	c	Net rental income (loss)		10,819		
	7	Other investment income (Describe ▶)				
	8a	Gross amount from sale of assets other than inventory (Securities / Other)				
	b	Minus: cost or other basis and sales expenses				
	c	Gain (loss) (attach schedule)				
	9	Special fundraising events and activities (**attach schedule**—see instructions):				
	a	Gross revenue (not including $ ____ of contributions reported on line 1a)				
	b	Minus: direct expenses				
	c	Net income (line 9a minus line 9b)				
	10a	Gross sales minus returns and allowances				
	b	Minus: cost of goods sold (attach schedule)				
	c	Gross profit (loss)				
	11	Other revenue (from Part IV, line g)		27,550		
	12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8c, 9c, 10c, and 11)		241,130		
Expenses	13	Program services (from line 44, column (B)) (see instructions)		276,399		
	14	Management and general (from line 44, column (C)) (see instructions)		68,284		
	15	Fundraising (from line 44, column (D)) (see instructions)		89,387		
	16	Payments to affiliates (attach schedule—see instructions)				
	17	Total expenses (add lines 16 and 44, column (A))		434,070		
Fund Balances	18	Excess (deficit) for the year (subtract line 17 from line 12)		(192,940)		
	19	Fund balances or net worth at beginning of year (from line 74, column (A))		26,279		
	20	Other changes in fund balances or net worth (attach explanation)				
	21	Fund balances or net worth at end of year (add lines 18, 19, and 20)		(166,661)		

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Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for most sections 501(c)(3) and (e)(4) organizations and 4947(a)(1) trusts but optional for others. (See instructions.)

Do not include amounts reported on lines 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
Expenses	22 Grants and allocations (attach schedule)				
	23 Specific assistance to individuals				
	24 Benefits paid to or for members				
	25 Compensation of officers, directors, etc.	4,200	2,940	420	840
	26 Other salaries and wages	77,686	54,380	7,769	15,537
	27 Pension plan contributions				
	28 Other employee benefits	8,688	6,081	869	1,738
	29 Payroll taxes	3,144	2,201	314	629
	30 Professional fundraising fees				
	31 Accounting fees	15,427	10,799	1,543	3,085
	32 Legal fees	89,855	41,475	32,464	15,916
	33 Supplies	2,188	1,532	219	437
	34 Telephone	8,429	5,901	842	1,686
	35 Postage and shipping	29,826	20,878	2,982	5,966
	36 Occupancy	84,000	58,800	8,400	16,800
	37 Equipment rental and maintenance	7,686	5,380	769	1,537
	38 Printing and publications	49,851	34,896	4,985	9,970
	39 Travel	922	830		92
	40 Conferences, conventions, and meetings	3,692	2,584	369	739
	41 Interest	1,148		1,148	
	42 Depreciation, depletion, etc. (attach schedule)	3,926	2,748	785	393
	43 Other expenses (itemize): a Business Tax	459		459	
	b Computer Services	1,795	1,256	180	359
	c Consulting Fees	4,226	2,958	423	845
	d Creative Costs	2,136	1,495		641
	e Commissions	309			309
	f See attached	34,477	19,265	3,344	11,868
	44 Total functional expenses (add lines 22 through 43) Organizations completing columns B-D, carry these totals to lines 13-15.	434,070	276,399	68,284	89,387

Part III Statement of Program Services Rendered

List each program service title on lines a through d; for each, identify the service output(s) or product(s), and report the quantity provided. Enter the total expenses attributable to each program service and the amount of grants and allocations included in that total. (See instructions for Part III.)

		Expenses (Optional for some organizations—see instructions)
a	Public Education and Research (Grants and allocations $)	80,156
b	Campaign Schools (Grants and allocations $)	13,820
c	Media Bias (Grants and allocations $)	8,292
d	Development & Promotion (Grants and allocations $)	174,131
e	Other program service activities (attach schedule) (Grants and allocations $)	
f	Total (add lines a through e) (should equal line 44, column (B))	276,399

9 1 0 4 0 3 7 2 6 2 3

National Conservative Foundation 51-0227364

1988 Form 990

Part II

Line 43f

Category	Total	Services	Program Services	Management Fundraising
Insurance	$ 640	$	$ 640	$
Advertising	135	100	35	
Mailing Service	10,321	7,225	1,032	2,064
List Maintenance	10,050	7,035	1,005	2,010
Mail List Rental	5,187	3,631	518	1,038
Direct Mail Fees	618			618
Counting and Caging	5,912			5,912
Dues, Fees & Registra.	481	481		
Miscellaneous	1133	793	114	226
Total	$34,477	$19,265	$3,344	$11,868

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Part IV Program Service Revenue and Other Revenue (State nature.)

	Program service revenue	Other revenue
a Fees from government agencies		
b Miscellaneous income		27,550
c		
d		
e		
f Total program service revenue (enter here and on line 2)		
g Total other revenue (enter here and on line 11)		27,550

Part V Balance Sheets If line 12 or Column (B) of line 59 is more than $25,000, complete the entire balance sheet. If line 12, Part I, and Column (B) of line 59 are $25,000 or less, you may complete only lines 59, 66, 74, and 75. See instructions.

Note: Columns (C) and (D) are optional. *Columns (A) and (B) must be completed to the extent applicable. Where required, attached schedules should be for end-of-year amounts only.*

		(A) Beginning of year	End of year (B) Total	(C) Unrestricted/ Expendable	(D) Restricted/ Nonexpendable
	Assets				
45	Cash—noninterest-bearing	47,038	4,679		
46	Savings and temporary cash investments	25,427	104		
47	Accounts receivable ► _____ minus allowance for doubtful accounts ► _____	22,597	1,800		
48	Pledges receivable ► _____ minus allowance for doubtful accounts ► _____				
49	Grants receivable				
50	Receivables due from officers, directors, trustees, and key employees (attach schedule)				
51	Other notes and loans receivable ► _____ minus allowance for doubtful accounts ► _____				
52	Inventories for sale or use				
53	Prepaid expenses and deferred charges				
54	Investments—securities (attach schedule)				
55	Investments—land, buildings, and equipment: basis ► _____ minus accumulated depreciation ► _____ (attach schedule)				
56	Investments—other (attach schedule)				
57	Land, buildings, and equipment: basis ► 34,391 minus accumulated depreciation ► 19,846 (attach schedule)	18,471	14,545		
58	Other assets ► _____	100,000	100,000		
59	Total assets (add lines 45 through 58)	213,533	121,128		
	Liabilities				
60	Accounts payable and accrued expenses	50,393	125,358		
61	Grants payable				
62	Support and revenue designated for future periods (attach schedule)				
63	Loans from officers, directors, trustees, and key employees (attach schedule)	50,000	63,000		
64	Mortgages and other notes payable (attach schedule)	85,634	91,734		
65	Other liabilities ► Withheld tax	1,227	7,697		
66	Total liabilities (add lines 60 through 65)	187,254	287,789		
	Fund Balances or Net Worth				
	Organizations that use fund accounting, check here ► ☐ and complete lines 67 through 70 and lines 74 and 75.				
67a	Current unrestricted fund	26,279	(166,661)		
b	Current restricted fund				
68	Land, buildings, and equipment fund				
69	Endowment fund				
70	Other funds (Describe ► _____)				
	Organizations that do not use fund accounting, check here ► ☐ and complete lines 71 through 75.				
71	Capital stock or trust principal				
72	Paid-in or capital surplus				
73	Retained earnings or accumulated income				
74	Total fund balances or net worth (see instructions)	26,279	(166,661)		
75	Total liabilities and fund balances/net worth (see instructions)	213,533	121,128		

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National Conservative Foundation 51-0227364

1988 Form 990

Part V

Line 63

Loan from: Mrs. Margaret Dolan Amount: $60,000
298 Toilsome Hill Road
Fairfield, CT 06430

Mrs. Dolan serves as an Officer of the Corporation. She is the Secretary of the National Conservative Foundation

Loan from: Maiselle Dolan Shortley Amount: $ 3,000
6962 Dunaway Court
McLean, VA 22101

Mrs. Shortley serves as an Officer of the Corporation. She is the Chairman of the National Conservative Foundation

Part V

Line 64

Loan from: The Honorable Fred Lovegrove Amount: $50,000
1976 Post Road
Fairfield, CT 06430

Note payable: National Conservative Political Action Committee State Election Fund Amount: $41,734
618 South Alfred Street
Alexandria, VA 22314

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Part VI List of Officers, Directors, and Trustees (List each one whether compensated or not. See instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter zero)	(D) Contributions to employee benefit plans	(E) Expense account and other allowances
See attached list				

Part VII Other Information

		Yes	No
76	Has the organization engaged in any activities not previously reported to the Internal Revenue Service? If "Yes," attach a detailed description of the activities.		X
77	Have any changes been made in the organizing or governing documents, but not reported to IRS? If "Yes," attach a conformed copy of the changes.		X
78	*If the organization had income from business activities, such as those reported on lines 2, 9, and 10 (among others), but NOT reported on Form 990-T, attach a statement explaining your reason for not reporting the income on Form 990-T.*		
a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?		X
b	If "Yes," have you filed a tax return on Form 990-T, Exempt Organization Business Income Tax Return, for this year?	N/A	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? (See instructions.) If "Yes," attach a statement as described in the instructions.		X
80	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization? (See instructions.) If "Yes," enter the name of the organization ► National Conservative Foundation Titleholding Corporation and check whether it is ☐ exempt OR ☐ nonexempt.	X	
81 a	Enter amount of political expenditures, direct or indirect, as described in the instructions ►		
b	Did you file Form 1120-POL, U.S. Income Tax Return for Certain Political Organizations, for this year?		X
82	Did your organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value? If "Yes," you may indicate the value of these items here. Do not include this amount as support in Part I or as an expense in Part II. See instructions for reporting in Part III ►		X
83	*Section 501(c)(5) or (6) organizations.*—Did the organization spend any amounts in attempts to influence public opinion about legislative matters or referendums? (See instructions and Regulations section 1.162-20(c).) If "Yes," enter the total amount spent for this purpose		
84	*Section 501(c)(7) organizations.*—Enter: a Initiation fees and capital contributions included on line 12		
b	Gross receipts, included in line 12, for public use of club facilities (See instructions.)		
c	Does the club's governing instrument or any written policy statement provide for discrimination against any person because of race, color, or religion? (See instructions.)		
85	*Section 501(c)(12) organizations.*—Enter amount of:		
a	Gross income received from members or shareholders		
b	Gross income received from other sources (do not net amounts due or paid to other sources against amounts due or received from them)		
86	*Public interest law firms.*—Attach information described in the instructions.		
87	List the states with which a copy of this return is filed ►		
88	During this tax year did you maintain any part of your accounting/tax records on a computerized system?		X
89	The books are in care of ► Organization Telephone no. ► 703-684-1800 Located at ► Alexandria, VA		
90	*Section 4947(a)(1) trusts filing Form 990 in lieu of Form 1041.*—Enter the amount of tax-exempt interest received or accrued during the tax year ►		

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature of officer — Date: 11/15/89 — Title: Chairman

Paid Preparer's Use Only

Preparer's signature — Date — Check if self-employed ► ☐

Firm's name (or yours, if self-employed) and address — ZIP code

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1988 Form 990

Part VI

Board of Directors

Maiselle Dolan Shortley McLean, VA	Part-time	-0-
Margaret K. Dolan Fairfield, CT	Part-time	-0-
Linda B. Jones	Part-time	-0-

Officers of the Corporation

Maiselle Dolan Shortley McLean, VA Chairman-President Treasurer	Part-time	$4,200
Margaret K. Dolan Fairfield, CT Secretary	Part-time	-0-

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SCHEDULE A (Form 990)
Department of the Treasury
Internal Revenue Service

Organization Exempt Under 501(c)(3)

(Except Private Foundation), 501(e), 501(f), 501(k), or Section 4947(a)(1) Trust
Supplementary Information
▶ Attach to Form 990.

OMB No. 1545-0047

1988

Name: National Conservative Foundation

Employer identification number: 51 : 0227364

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees (See specific instructions.) (List each one. If there are none, enter "None.")

Name and address of employees paid more than $30,000	Title and average hours per week devoted to position	Compensation	Contributions to employee benefit plans	Expense account and other allowances
1 N/A				
Total number of other employees paid over $30,000 ▶				

Part II Compensation of the Five Highest Paid Persons for Professional Services (See specific instructions.) (List each one. If there are none, enter "None.")

Name and address of persons paid more than $30,000	Type of service	Compensation
N/A		
Total number of others receiving over $30,000 for professional services ▶		

Part III Statements About Activities

		Yes (1)	No (2)
1	During the year, have you attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the legislative activities $ _____ Complete Part VI of this form for organizations that made an election under section 501(h) on Form 5768 or other statement. For other organizations checking "Yes," attach a statement giving a detailed description of the legislative activities and a classified schedule of the expenses paid or incurred.	1		X
2	During the year, have you, either directly or indirectly, engaged in any of the following acts with a trustee, director, principal officer, or creator of your organization, or any taxable organization or corporation with which such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary:			
a	Sale, exchange, or leasing of property?	2a		X
b	Lending of money or other extension of credit? see schedule for 990 Part V Line 63	2b	X	
c	Furnishing of goods, services, or facilities?	2c		X
d	Payment of compensation (or payment or reimbursement of expenses if more than $1,000)? see Part VI	2d	X	
e	Transfer of any part of your income or assets? If the answer to any question is "Yes," attach a detailed statement explaining the transactions.	2e		X
3	Do you make grants for scholarships, fellowships, student loans, etc.?	3		X
4	Attach a statement explaining how you determine that individuals or organizations receiving disbursements from you in furtherance of your charitable programs qualify to receive payments. (See specific instructions.)			

9 1 5 4 0 3 7 2 6 2 9

Part IV Reason for Non-Private Foundation Status (See instructions for definitions.)

The organization is not a private foundation because it is (check applicable box; please check only ONE box):

5 ☐ [1] A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).

6 ☐ [2] A school. Section 170(b)(1)(A)(ii). (Also complete Part V, page 3.)

7 ☐ [3] A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).

8 ☐ [4] A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).

9 ☐ [5] A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter name, city, and state of hospital ▶ .....

10 ☐ [6] An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete Support Schedule.)

11 ☒ [7] An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete Support Schedule.)

12 ☐ [8] An organization that normally receives: (a) no more than 1/3 of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975, and (b) more than 1/3 of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions—subject to certain exceptions. See section 509(a)(2). (Also complete Support Schedule.)

13 ☐ [9] An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) boxes 5 through 12 above or (2) section 501(c)(4), (5), or (6) if they meet the test of section 509(a)(2). See section 509(a)(3).

Provide the following information about the supported organizations. (See instructions for Part IV, box 13.)

(a) Name of supported organizations	(b) Box number from above

14 ☐ [0] An organization organized and operated to test for public safety. Section 509(a)(4). (See specific instructions.)

Support Schedule (Complete only if you checked box 10, 11, or 12 above.) Use cash method of accounting.

Calendar year (or fiscal year beginning in) ▶	(a) 1987	(b) 1986	(c) 1985	(d) 1984	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	1,381,099	1,468,998	1,085,996	1,024,629	4,960,722
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is not a business unrelated to the organization's charitable, etc., purpose					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	11,939	4,138	2,394	1,199	19,670
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for your benefit and either paid to you or expended on your behalf					
21 The value of services or facilities furnished to you by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach schedule. Do not include gain (or loss) from sale of capital assets					
23 Total of lines 15 through 22	1,393,038	1,473,136	1,088,390	1,025,828	4,980,392
24 Line 23 minus line 17	1,393,038	1,473,136	1,088,390	1,025,828	4,980,392
25 Enter 1% of line 23	13,930	14,731	10,884	10,258	

26 Organizations described in box 10 or 11:

a Enter 2% of amount in column (e), line 24 99,608

b Attach a list (not open to public inspection) showing the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1984 through 1987 exceeded the amount shown in 26a. Enter the sum of all excess amounts here 757,374

(Continued on page 3)

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National Conservative Foundation 51-0227364

Schedule A

Page 2

Line 26b

Harold W. Siebens	1984	$ 5,000
65 Harbour Square	1985	125,000
Suite 2810	1987	247,500
Toronto, Canada M5J 2C4		377,500
Causa World Services, Inc.	1987	100,000
P.O. Box 1295		
McLean, VA 22101		
Linda B. Jones	1984	25,000
R.F.D. 7-Box 2570	1985	20,000
Windson, ME 04363	1986	234,874
		279,874

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Part IV Support Schedule (continued) (Complete only if you checked box 10, 11, or 12 on page 2.)

27 Organizations described in box 12, page 2:

a Attach a list for amounts shown on lines 15, 16, and 17, showing the name of, and total amounts received in each year from, each "disqualified person," and enter the sum of such amounts for each year:

(1987) ..... (1986) ..... (1985) ..... (1984) .....

b Attach a list showing, for 1984 through 1987, the name and amount included in line 17 for each person (other than "disqualified persons") from whom the organization received more, during that year, than the larger of: the amount on line 25 for the year or $5,000. Include organizations described in boxes 5 through 11 as well as individuals. Enter the sum of these excess amounts for each year:

(1987) (1986) (1985) (1984)

28 For an organization described in box 10, 11, or 12, page 2, that received any unusual grants during 1984 through 1987, attach a list (not open to public inspection) for each year showing the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not include these grants in line 15 above. (See specific instructions.)

Part V Private School Questionnaire
(To be completed ONLY by schools that checked box 6 in Part IV)

		Yes (1)	No (2)
29 Do you have a racially nondiscriminatory policy toward students by statement in your charter, bylaws, other governing instrument, or in a resolution of your governing body?	29		
30 Do you include a statement of your racially nondiscriminatory policy toward students in all your brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30		
31 Have you publicized your racially nondiscriminatory policy by newspaper or broadcast media during the period of solicitation for students, or during the registration period if you have no solicitation program, in a way that makes the policy known to all parts of the general community you serve?	31		
If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)			
32 Do you maintain the following:			
a Records indicating the racial composition of the student body, faculty, and administrative staff?	32a		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b		
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c		
d Copies of all material used by you or on your behalf to solicit contributions?	32d		
If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)			
33 Do you discriminate by race in any way with respect to:			
a Students' rights or privileges?	33a		
b Admissions policies?	33b		
c Employment of faculty or administrative staff?	33c		
d Scholarships or other financial assistance? (See instructions.)	33d		
e Educational policies?	33e		
f Use of facilities?	33f		
g Athletic programs?	33g		
h Other extracurricular activities?	33h		
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)			
34a Do you receive any financial aid or assistance from a governmental agency?	34a		
b Has your right to such aid ever been revoked or suspended?	34b		
If you answered "Yes" to either 34a or b, please explain using an attached separate statement.			
35 Do you certify that you have complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation. (See instructions for Part V.)	35		

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Part VI Lobbying Expenditures by Public Charities (see instructions)
(To be completed ONLY by an eligible organization that filed Form 5768)

Check here ▶ a ☐ If the organization belongs to an affiliated group (see instructions).
Check here ▶ b ☐ If you checked a and "limited control" provisions apply (see instructions).

Limits on Lobbying Expenses	(a) Affiliated group totals	(b) To be completed for ALL electing organizations
36 Total (grassroots) lobbying expenses to influence public opinion		
37 Total lobbying expenses to influence a legislative body		
38 Total lobbying expenses (add lines 36 and 37)		
39 Other exempt purpose expenses (see Part VI instructions)		
40 Total exempt purpose expenses (add lines 38 and 39) (see instructions)		
41 Lobbying nontaxable amount. Enter the smaller of $1,000,000 or the amount determined under the following table—		
If the amount on line 40 is— / The lobbying nontaxable amount is—		
Not over $500,000 — 20% of the amount on line 40		
Over $500,000 but not over $1,000,000 — $100,000 plus 15% of the excess over $500,000		
Over $1,000,000 but not over $1,500,000 — $175,000 plus 10% of the excess over $1,000,000		
Over $1,500,000 — $225,000 plus 5% of the excess over $1,500,000		
42 Grassroots nontaxable amount (enter 25% of line 41)		
(Complete lines 43 and 44. File Form 4720 if either line 36 exceeds line 42 or line 38 exceeds line 41.)		
43 Excess of line 36 over line 42		
44 Excess of line 38 over line 41		

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45–50 for details.)

	Lobbying Expenses During 4-Year Averaging Period				
Calendar year (or fiscal year beginning in) ▶	(a) 1988	(b) 1987	(c) 1986	(d) 1985	(e) Total
45 Lobbying nontaxable amount (see instructions)					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenses (see instructions)					
48 Grassroots nontaxable amount (see instructions)					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenses (see instructions)					

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Part VII Information Regarding Transfers, Transactions, and Relationships With Other Organizations
See instructions on reverse side.

		Yes	No
51	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		
a	Transfers of:		
	(i) Cash		
	(ii) Other assets		
b	Transactions:		
	(i) Sales of assets		
	(ii) Purchases of assets		
	(iii) Rental of facilities or equipment		
	(iv) Reimbursement arrangements		
	(v) Loans or loan guarantees		
	(vi) Performance of services or membership or fundraising solicitations		
c	Sharing of facilities, equipment, mailing lists or other assets, or paid employees		

d If "Yes" to any of the above, complete the following schedule. The "Amount involved" column below should always indicate the value of the goods, other assets, or services given. In addition, if the organization received less than fair market value in any transaction or sharing arrangement, the column should include the value of the goods, other assets, or services received.

Line no.	Amount involved	Name of noncharitable organization	Description of transfers, transactions, and sharing arrangements

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527? ☐ Yes ☐ No

b If "Yes," complete the following schedule.

Name of organization	Type of organization	Description of relationship

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Form **4562**

Department of the Treasury
Internal Revenue Service (3)

Depreciation and Amortization

▶ See separate instructions.
▶ Attach this form to your return.

OMB No. 1545-0172

1988

Attachment Sequence No. **67**

Name(s) as shown on return
National Conservative Foundation

Identifying number
51-0227364

Business or activity to which this form relates

Part I Depreciation *(Use Part III for automobiles, certain other vehicles, computers, and property used for entertainment, recreation, or amusement.)*

Section A.—Election To Expense Depreciable Assets (Section 179)

(a) Description of property	(b) Date placed in service	(c) Cost	(d) Expense deduction
1			

2 Listed property—Enter total from Part III, Section A, column (h) . . . . .
3 Total (add lines 1 and 2, but do not enter more than $10,000) . . . . .
4 Enter the amount, if any, by which the cost of all section 179 property placed in service during this tax year is more than $200,000 . . . . .
5 Subtract line 4 from line 3. If less than zero, enter zero. (See instructions for other limitations.) . . . . .

Section B.—Depreciation

(a) Class of property	(b) Date placed in service	(c) Basis for depreciation (Business use only—see instructions)	(d) Recovery period	(e) Method of figuring depreciation	(f) Deduction
6 Modified Accelerated Cost Recovery System (MACRS) (see instructions): For assets placed in service ONLY during tax year beginning in 1988					
a 3-year property					
b 5-year property					
c 7-year property					
d 10-year property					
e 15-year property					
f 20-year property					
g Residential rental property					
h Nonresidential real property					
7 Alternative Depreciation System (ADS)					

8 Listed property—Enter total from Part III, Section A, column (g) . . . . .
9 MACRS deduction for assets placed in service prior to 1988 (see instructions) . . . . .

Section C.—ACRS and/or Other Depreciation

10 Property subject to section 168(f)(1) election (see instructions) . . . . .
11 ACRS and/or other depreciation (see instructions) 3,926

Section D.—Summary

12 Total (add deductions on lines 5 through 11). Enter here and on the Depreciation line of your return (Partnerships and S corporations—Do NOT include any amounts entered on line 5.) 3,926
13 For assets above placed in service during the current year, enter the portion of the basis attributable to section 263A costs. (see instructions) . . . . .

Part II Amortization

(a) Description of property	(b) Date acquired	(c) Cost or other basis	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
1 Amortization for property placed in service only during tax year beginning in 1988					
2 Amortization for property placed in service prior to 1988					
3 Total. Enter here and on Other Deductions or Other Expenses line of your return					

9 1 5 4 0 3 7 2 6 3 5

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c) (except black lung benefit trust or private foundation) of the Internal Revenue Code or section 4947(a)(1) trust

Note: You may be required to use a copy of this return to satisfy state reporting requirements. See instruction D.

OMB No. 1545-0047

1987

For the calendar year 1987, or fiscal year beginning , 1987, and ending , 19

Use IRS label. Otherwise, please print or type.

Name of organization: National Conservative Foundation

A Employer identification number (see instruction L): 51 : 0227364

Address (number and street): 1001 Prince Street

B State registration number (see instruction D)

City or town, state, and ZIP code: Alexandria, VA 22314

C Section 4947(a)(1) trusts filing this form in lieu of Form 1041, check here ▶ ☐ (see instruction C10)

D Check type of organization—Exempt under section ▶ ☒ 501(c)(2) (insert number), OR ▶ ☐ section 4947(a)(1) trust

Check here if application for exemption is pending . . ▶ ☐

E Accounting method: ☐ Cash ☒ Accrual ☐ Other (specify) ▶

F Is this a group return (see instruction J) filed for affiliates? . . . . . ☐ Yes ☒ No

If "Yes," enter the number of affiliates for which this return is filed ____

Is this a separate return filed by a group affiliate? . . . . . ☐ Yes ☒ No

G If "Yes" to either, give four-digit group exemption number (GEN) ▶

H ☐ Check here if your gross receipts are normally not more than $25,000 (see instruction B11). You do not have to file a completed return with IRS but should file a return without financial data if you were mailed a Form 990 Package (see instruction A). Some states may require a completed return.

I ☐ Check here if gross receipts are normally more than $25,000 and line 12 is $25,000 or less. Complete Parts I (except lines 13-15), III, IV, VI, and VII and only the indicated items in Parts II and V (see instruction I). If line 12 is more than $25,000, complete the entire return.

501(c)(3) organizations and 4947(a)(1) trusts must also complete and attach Schedule A (Form 990). (See instructions.)

Part I Statement of Support, Revenue, and Expenses and Changes in Fund Balances

		(A) Total	These columns are optional—see instructions (B) Unrestricted/ Expendable	(C) Restricted/ Nonexpendable
Support and Revenue	1 Contributions, gifts, grants, and similar amounts received:			
	a Direct public support . . . 1,381,099			
	b Indirect public support . . .			
	c Government grants . . .			
	d Total (add lines 1a through 1c) (attach schedule—see instructions) . .	1,381,099		
	2 Program service revenue (from Part IV, line f) . . .			
	3 Membership dues and assessments . . .			
	4 Interest on savings and temporary cash investments . . .	11,939		
	5 Dividends and interest from securities . . .			
	6a Gross rents . . . 50,481			
	b Minus: rental expenses . . . 54,428			
	c Net rental income (loss) . . .	(3,947)		
	7 Other investment income (Describe ▶)			
	8a Gross amount from sale of assets other than inventory (Securities / Other)			
	b Minus: cost or other basis and sales expenses			
	c Gain (loss) (attach schedule)			
	9 Special fundraising events and activities (attach schedule—see instructions):			
	a Gross revenue (not including $ ____ of contributions reported on line 1a) . . .			
	b Minus: direct expenses . . .			
	c Net income (line 9a minus line 9b) . . .			
	10a Gross sales minus returns and allowances . . .			
	b Minus: cost of goods sold (attach schedule) . .			
	c Gross profit (loss) . . .			
	11 Other revenue (from Part IV, line g) . . .	12,323		
	12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8c, 9c, 10c, and 11) . .	1,401,414		
Expenses	13 Program services (from line 44, column (B)) (see instructions) . .	1,167,551		
	14 Management and general (from line 44, column (C)) (see instructions)	168,748		
	15 Fundraising (from line 44, column (D)) (see instructions) . . .	234,636		
	16 Payments to affiliates (attach schedule—see instructions) . . .			
	17 Total expenses (add lines 16 and 44, column (A)) . . .	1,570,935		
Fund Balances	18 Excess (deficit) for the year (subtract line 17 from line 12) . . .	(169,521)		
	19 Fund balances or net worth at beginning of year (from line 74, column (A)) .	145,800		
	20 Other changes in fund balances or net worth (attach explanation) .			
	21 Fund balances or net worth at end of year (add lines 18, 19, and 20) .	26,279		

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for most sections 501(c)(3) and (c)(4) organizations and 4947(a)(1) trusts but optional for others. (See instructions.)

Do not include amounts reported on lines 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
Expenses	22 Grants and allocations (attach schedule)	217,100	217,100		
	23 Specific assistance to individuals				
	24 Benefits paid to or for members				
	25 Compensation of officers, directors, etc.	95,364	66,755	9,536	19,073
	26 Other salaries and wages	167,145	117,001	16,715	33,429
	27 Pension plan contributions				
	28 Other employee benefits	12,480	8,736	1,248	2,496
	29 Payroll taxes	19,507	13,655	1,951	3,901
	30 Professional fundraising fees				
	31 Accounting fees	15,959	11,171	1,596	3,192
	32 Legal fees	27,606	19,325	2,760	5,521
	33 Supplies	9,719	6,803	972	1,944
	34 Telephone	25,056	17,539	2,506	5,011
	35 Postage and shipping	60,934	42,654	6,093	12,187
	36 Occupancy	84,000	58,800	8,400	16,800
	37 Equipment rental and maintenance	23,037	16,126	2,303	4,608
	38 Printing and publications	103,525	72,468	10,352	20,705
	39 Travel	13,079	9,155	1,308	2,616
	40 Conferences, conventions, and meetings	5,549	3,884	555	1,110
	41 Interest & Penalties	3,674	552	3,122	-
	42 Depreciation, depletion, etc. (attach schedule)	7,960		7,960	
	43 Other expenses (itemize): a Business taxes	2,109	1,477	210	422
	b Honoraria	2,250	2,250		
	c Computer services	34,216	23,952	3,420	6,844
	d Consulting fees	143,786	51,814	63,215	28,757
	e Broadcast costs	235,026	235,026		
	f See attached	261,854	171,308	24,526	66,020
	44 Total functional expenses (add lines 22 through 43) Organizations completing columns B-D, carry these totals to lines 13-15.	1,570,935	1,167,551	168,748	234,636

Part III Statement of Program Services Rendered

List each program service title on lines a through d; for each, identify the service output(s) or product(s), and report the quantity provided. Enter the total expenses attributable to each program service and the amount of grants and allocations included in that total. (See instructions for Part III.)

		Expenses (Optional for some organizations—see instructions)
a	Public Education (Grants and allocations $)	32,108
b	Campaign Schools (Grants and allocations $)	54,875
c	Media Bias (Grants and allocations $)	339,641
d	Development & Promotion (Grants and allocations $)	740,927
e	Other program service activities (attach schedule) (Grants and allocations $)	
f	Total (add lines a through e) (should equal line 44, column (B))	1,167,551

9 10 0 3 7 2 6 3 7

National Conservative Foundation 51-0227364

1987 Form 990

Part II

Line 22 Page 1 of 2

National Foundation for Economic Research
111 Cabot Street
Needham, MA 02194

$ 112,600.00

Eagle Forum Foundation
316 Pennsylvania Avenue SE
Suite 203
Washington, DC 20003

$ 10,000.00

Free Congress Foundation
721 2nd Street NE
Washington, DC 20002

$ 2,000.00

Christian Civic League of Maine
70 Sewall Street
Augusta, ME 04043

$ 10,000.00

American Defense Foundation
214 Massachusetts Ave. NE
Washington, DC 20002

$ 11,000.00

The Heritage Foundation
214 Massachusetts Ave. NE
Washington, DC 20002

$ 5,000.00

Leadership Institute
8001 Braddock Road, Suite 502
Springfield, VA 22151

$ 10,000.00

Conservative Caucus Foundation
450 Maple Street East, Suite 309
Vienna, VA 22180

$ 10,000.00

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National Conservative Foundation 51-0227364

1987 Form 990

Part II

Line 22 Page 2 of 2

Hillsdale College
Hillsdale, MI 49242

$ 10,000.00

The Foundation for Economic Education
Irvington-On-Hudson
New York, NY 10533

$ 1,000.00

Accuracy in Media
1275 K Street NW, Suite 1150
Washington, DC 20005

$ 5,000.00

American Foundation for Resistance International
6 East 39th Street, Suite 1209
New York, NY 10016

$ 1,000.00

Council for National Policy
513 Capitol Court, NE
Suite 200
Washington, DC 20002

$ 4,500.00

Cuban American National Foundation
1625 Eye Street NW
Washington, DC 20006

$ 5,000.00

Radio America
499 S. Capitol Street SW, Suite 404
Washington, DC 20003

$ 5,000.00

National Right to Life Committee
419 7th Street NW
Washington, DC 20004

$ 15,000.00

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National Conservative Foundation 51-0227364

1987 Form 990

Part II

Line 43f

Category	Total	Program Services	Management and General	Fundraising
Insurance	$ 29	$	$ 29	$
Commissions	29,598	20,719	2,959	5,920
Advertising	23,939	16,758	2,393	4,788
Word Processing	130			130
Mailing Services	34,454	24,118	3,445	6,891
List Maintenance	6,093			6,093
Mail List Rental	39,946	27,962	3,995	7,989
Direct Mail Fees	100,813	70,569	10,081	10,163
Counting & Caging	10,878			10,878
Dues, Fees Registra.	6,151	4,306	642	1,203
Miscellaneous	9,823	6,876	982	1,965
Total	$ 261,854	$ 171,308	$ 24,526	$ 66,020

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Part IV Program Service Revenue and Other Revenue (State nature.)	Program service revenue	Other revenue
a Fees from government agencies		
b Miscellaneous income		12,323
c		
d		
e		
f Total program service revenue (enter here and on line 2)		
g Total other revenue (enter here and on line 11)		12,323

Part V Balance Sheets If line 12 or Column (B) of line 59 is more than $25,000, complete the entire balance sheet. If line 12, Part I, and Column (B) of line 59 are $25,000 or less, you may complete only lines 59, 66, 74, and 75. See instructions.

Note: Columns (C) and (D) are optional. *Columns (A) and (B) must be completed to the extent applicable. Where required, attached schedules should be for end-of-year amounts only.*	(A) Beginning of year	End of year (B) Total	(C) Unrestricted/ Expendable	(D) Restricted/ Nonexpendable
Assets				
45 Cash—noninterest-bearing	345,455	47,038		
46 Savings and temporary cash investments		25,427		
47 Accounts receivable ► _____ minus allowance for doubtful accounts ► _____		22,597		
48 Pledges receivable ► _____ minus allowance for doubtful accounts ► _____				
49 Grants receivable				
50 Receivables due from officers, directors, trustees, and key employees (attach schedule)				
51 Other notes and loans receivable ► _____ minus allowance for doubtful accounts ► _____	19,410			
52 Inventories for sale or use				
53 Prepaid expenses and deferred charges	193			
54 Investments—securities (attach schedule)				
55 Investments—land, buildings and equipment: basis ► _____ minus accumulated depreciation ► _____ (attach schedule)				
56 Investments—other (attach schedule)				
57 Land, buildings and equipment: basis ► 34,391 minus accumulated depreciation ► 15,920 (attach schedule)	15,085	18,471		
58 Other assets ► building purchase option		100,000		
59 Total assets (add lines 45 through 58)	380,143	213,533		
Liabilities				
60 Accounts payable and accrued expenses	99,940	50,393		
61 Grants payable				
62 Support and revenue designated for future periods (attach schedule)				
63 Loans from officers, directors, trustees, and key employees (attach schedule)		50,000		
64 Mortgages and other notes payable (attach schedule)	81,036	85,634		
65 Other liabilities ► Withheld taxes	3,367	1,227		
66 Total liabilities (add lines 60 through 65)	184,343	187,254		
Fund Balances or Net Worth				
Organizations that use fund accounting, check here ► ☒ and complete lines 67 through 70 and lines 74 and 75.				
67a Current unrestricted fund	195,800	26,279		
b Current restricted fund				
68 Land, buildings and equipment fund				
69 Endowment fund				
70 Other funds (Describe ► _____)				
Organizations that do not use fund accounting, check here ► ☐ and complete lines 71 through 75.				
71 Capital stock or trust principal				
72 Paid-in or capital surplus				
73 Retained earnings or accumulated income				
74 Total fund balances or net worth (see instructions)	195,800	26,279		
75 Total liabilities and fund balances/net worth (see instructions)	380,143	213,533		

National Conservative Foundation 51-0227364

1987 Form 990

Part V

Line 63

Loan from: Mrs. Margaret Dolan Amount: $ 50,000.00
298 Toilsome Hill Road
Fairfield, CT 06430

Mrs. Dolan serves as an Officer of the Corporation. She is the Secretary of the National Conservative Foundation.

Part V

Line 64

Loan from: The Honorable Fred Lovegrove Amount: $ 50,000.00
1976 Post Road
Fairfield, CT 06430

Note payable: National Conservative Political Action Committee-State Election Fund Amount: $ 35,634.00
1001 Prince Street
Alexandria, VA 22314

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Part VI List of Officers, Directors, and Trustees (List each one whether compensated or not. See instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if any)	(D) Contributions to employee benefit plans	(E) Expense account and other allowances
See attached list				

Part VII Other Information

		Yes	No
76	Has the organization engaged in any activities not previously reported to the Internal Revenue Service? If "Yes," attach a detailed description of the activities.		X
77	Have any changes been made in the organizing or governing documents, but not reported to IRS? If "Yes," attach a conformed copy of the changes.		X
78	*If the organization had income from business activities, such as those reported on lines 2, 9, and 10 (among others), but NOT reported on Form 990-T, attach a statement explaining your reason for not reporting the income on Form 990-T.*		
a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?		X
b	If "Yes," have you filed a tax return on Form 990-T, Exempt Organization Business Income Tax Return, for this year?		N/A
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? (See instructions.) If "Yes," attach a statement as described in the instructions.		X
80	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization? (See instructions.)	X	
	If "Yes," enter the name of the organization ▶ National Conservative Foundation Title-holding Corporation and check whether it is ☒ exempt OR ☐ nonexempt.		
81 a	Enter amount of political expenditures, direct or indirect, as described in the instructions ▶ -0-		
b	Did you file Form 1120-POL, U.S. Income Tax Return for Certain Political Organizations, for this year?		X
82	Did your organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
	If "Yes," you may indicate the value of these items here. Do not include this amount as support in Part I or as an expense in Part II. See instructions for reporting in Part III ▶		
83	*Section 501(c)(5) or (6) organizations.*—Did the organization spend any amounts in attempts to influence public opinion about legislative matters or referendums? (See instructions and Regulations section 1.162-20(c).)		
	If "Yes," enter the total amount spent for this purpose		
84	*Section 501(c)(7) organizations.*—Enter: a Initiation fees and capital contributions included on line 12		
b	Gross receipts, included in line 12, for public use of club facilities (See instructions.)		
c	Does the club's governing instrument or any written policy statement provide for discrimination against any person because of race, color, or religion? (See instructions.)		
85	*Section 501(c)(12) organizations.*—Enter amount of:		
a	Gross income received from members or shareholders		
b	Gross income received from other sources (do not net amounts due or paid to other sources against amounts due or received from them)		
86	*Public interest law firms.*—Attach information described in the instructions.		
87	List the states with which a copy of this return is filed ▶		
88	During this tax year did you maintain any part of your accounting/tax records on a computerized system?		X
89	The books are in care of ▶ Organization Telephone no. ▶ 703-684-1800 Located at ▶ Alexandria, VA		
90	*Section 4947(a)(1) trusts filing Form 990 in lieu of Form 1041.*—Enter the amount of tax-exempt interest received or accrued during the tax year ▶		

2140372643

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

▶ Signature of officer | Date | ▶ Title

Paid Preparer's Use Only

Preparer's signature ▶ | Date 12/2/88 | Check if self-employed ▶ ☐

Firm's name (or yours, if self-employed) and address ▶ Huckaby & Associates, 228 S. Washington St, #200 | ZIP code Alexandria, VA 22314

☆ U.S. Government Printing Office: 1988-225-158/20278

National Conservative Foundation 51-0227364

1987 Form 990

Part VI

Board Of Directors

Maiselle Dolan Shortley	1/1/87-12/31/87 Part-time	$ -0-
Kathleen Neville Alexandria, VA	1/1/87-9/25/87 Part-time	$ -0-
Margaret K. Dolan Fairfield, CT	9/25/87-12/31/87 Part-time	$ -0-
Linda B. Jones Windsor, ME	10/1/87-12/31/87 Part-time	$ -0-
Robert L. Shortley McLean, VA	8/17/87-9/25/87 Part-time	$ -0-

Officers of the Corporation

Maiselle Dolan Shortley McLean, VA Chairman-President Treasurer	1/1/87-12/31/87 Part-time 9/25/87-12/31/87	$ -0- $ -0-
Kathleen Neville Alexandria, VA Secretary/Treasurer	1/1/87-9/25/87 Part-time	$ 5,072.68
Juanita Sholes Alexandria, VA Assistant Treasurer	1/1/87-9/25/87 Part-time	$ 2,941.05
Robert L. Shortley McLean, VA Vice-President	8/17/87-9/25/87 Part-time	$ -0-
Margaret K. Dolan Fairfield, CT Secretary	9/25/87-12/31/87 Part-time	$ -0-
Brent Bozell Triangle, VA Executive Director	1/1/87-8/31/87 Full-time	$15,429.34 71,921.28 (Commissions & Consulting)

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SCHEDULE A (Form 990)
Department of the Treasury
Internal Revenue Service

Organization Exempt Under 501(c)(3)

(Except Private Foundation), 501(e), 501(f), 501(k), or Section 4947(a)(1) Trust
Supplementary Information
▶ Attach to Form 990.

OMB No. 1545-0047

1987

Name: National Conservative Foundation

Employer identification number: 51 : 0227364

Part I Compensation of Five Highest Paid Employees Other Than Officers, Directors, and Trustees (See specific instructions.)

Name and address of employees paid more than $30,000	Title and average hours per week devoted to position	Compensation	Contributions to employee benefit plans	Expense account and other allowances
N/A				
Total number of other employees paid over $30,000 ▶				

Part II Compensation of Five Highest Paid Persons for Professional Services (See specific instructions.)

Name and address of persons paid more than $30,000	Type of service	Compensation
Brent Bozell Triangle, VA	Consulting/Commissions	$71,921.28
Total number of others receiving over $30,000 for professional services ▶		

Part III Statements About Activities

		Yes (1)	No (2)
1	During the year, have you attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum?	1	X
	If "Yes," enter the total expenses paid or incurred in connection with the legislative activities $ _____		
	Complete Part VI of this form for organizations that made an election under section 501(h) on Form 5768 or other statement. For other organizations checking "Yes," attach a statement giving a detailed description of the legislative activities and a classified schedule of the expenses paid or incurred.		
2	During the year, have you, either directly or indirectly, engaged in any of the following acts with a trustee, director, principal officer or creator of your organization, or any organization or corporation with which such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary:		
a	Sale, exchange, or leasing of property?	2a	X
b	Lending of money or other extension of credit? see schedule for Form 990, Part V, Line 63	2b X	
c	Furnishing of goods, services, or facilities?	2c	X
d	Payment of compensation (or payment or reimbursement of expenses if more than $1,000)? see schedule	2d X	
e	Transfer of any part of your income or assets? for Form 990, Part VI	2e	X
	If the answer to any question is "Yes," attach a detailed statement explaining the transactions.		
3	Do you make grants for scholarships, fellowships, student loans, etc.?	3	X
4	Attach a statement explaining how you determine that individuals or organizations receiving disbursements from you in furtherance of your charitable programs qualify to receive payments. (See specific instructions.)		

Part IV Reason for Non-Private Foundation Status (See instructions for definitions.)

The organization is not a private foundation because it is (check applicable box; please check only ONE box):

5 ☐ 1 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).

6 ☐ 2 A school. Section 170(b)(1)(A)(ii). (Also complete Part V, page 3.)

7 ☐ 3 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).

8 ☐ 4 A Federal, state or local government or governmental unit. Section 170(b)(1)(A)(v).

9 ☐ 5 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter name, city, and state of hospital ▶ .....

10 ☐ 6 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete Support Schedule.)

11 ☒ 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete Support Schedule.)

12 ☐ 8 An organization that normally receives: (a) no more than 1/3 of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975, and (b) more than 1/3 of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions—subject to certain exceptions. See section 509(a)(2). (Also complete Support Schedule.)

13 ☐ 9 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) boxes 5 through 12 above or (2) section 501(c)(4), (5), or (6) if they meet the test of section 509(a)(2). See section 509(a)(3).

Provide the following information about the supported organizations. (See instructions for Part IV, box 13.)

(a) Name of supported organizations	(b) Box number from above

14 ☐ 0 An organization organized and operated to test for public safety. Section 509(a)(4). (See specific instructions.)

Support Schedule (Complete only if you checked box 10, 11, or 12 above.) Use cash method of accounting.

Calendar year (or fiscal year beginning in) ▶	(a) 1986	(b) 1985	(c) 1984	(d) 1983	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	1,468,998	1,085,996	1,024,629	713,027	4,292,650
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is not a business unrelated to the organization's charitable, etc., purpose				11,421	11,421
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	4,183	2,394	1,199	584	8,360
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for your benefit and either paid to you or expended on your behalf					
21 The value of services or facilities furnished to you by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach schedule. Do not include gain (or loss) from sale of capital assets					
23 Total of lines 15 through 22	1,473,181	1,088,390	1,025,828	725,032	4,312,431
24 Line 23 minus line 17	1,473,181	1,088,390	1,025,828	713,611	4,301,010
25 Enter 1% of line 23	14,732	10,884	10,258	7,250	

26 Organizations described in box 10 or 11:

a Enter 2% of amount in column (e), line 24. 86,020

b Attach a list (not open to public inspection) showing the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1983 through 1986 exceeded the amount shown in 26a. Enter the sum of all excess amounts here ..... none

(Continued on page 3)

Part IV Support Schedule (continued)(Complete only if you checked box 10, 11, or 12 on page 2.)

27 Organizations described in box 12, page 2:

a Attach a list for amounts shown on lines 15, 16, and 17, showing the name of, and total amounts received in each year from, each "disqualified person," and enter the sum of such amounts for each year:

(1986)..... (1985)..... (1984)..... (1983).....

b Attach a list showing, for 1983 through 1986, the name and amount included in line 17 for each person (other than "disqualified persons") from whom the organization received more, during that year, than the larger of: the amount on line 25 for the year or $5,000. Include organizations described in boxes 5 through 11 as well as individuals. Enter the sum of these excess amounts for each year:

(1986) (1985) (1984) (1983)

28 For an organization described in box 10, 11, or 12, page 2, that received any unusual grants during 1983 through 1986, attach a list (not open to public inspection) for each year showing the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not include these grants in line 15 above. (See specific instructions.) N/A

Part V Private School Questionnaire
To Be Completed ONLY by Schools That Checked Box 6 in Part IV

		Yes (1)	No (2)
29	Do you have a racially nondiscriminatory policy toward students by statement in your charter, bylaws, other governing instrument, or in a resolution of your governing body?		
30	Do you include a statement of your racially nondiscriminatory policy toward students in all your brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Have you publicized your racially nondiscriminatory policy by newspaper or broadcast media during the period of solicitation for students or during the registration period if you have no solicitation program, in a way that makes the policy known to all parts of the general community you serve? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)		
32	Do you maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by you or on your behalf to solicit contributions? If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)		
33	Do you discriminate by race in any way with respect to:		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance? (See instructions.)		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)		
34a	Do you receive any financial aid or assistance from a governmental agency?		
b	Has your right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached separate statement.		
35	Do you certify that you have complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation. (See instructions for Part V.)		

Part VI Lobbying Expenditures by Public Charities (see instructions) (To be completed ONLY by an eligible organization that filed Form 5768)

Check here ▶ a ☐ If the organization belongs to an affiliated group. (see instructions)
Check here ▶ b ☐ If you checked a and "limited control" provisions apply. (see instructions)

Limits on Lobbying Expenses	(a) Affiliated group totals	(b) To be completed for ALL electing organizations
36 Total (grassroots) lobbying expenses to influence public opinion		
37 Total lobbying expenses to influence a legislative body		
38 Total lobbying expenses (add lines 36 and 37)		
39 Other exempt purpose expenses (see Part VI instructions)		
40 Total exempt purpose expenses (add lines 38 and 39) (see instructions)		
41 Lobbying nontaxable amount. Enter the smaller of $1,000,000 or the amount determined under the following table—		
If the amount on line 40 is— / The lobbying nontaxable amount is—		
Not over $500,000 — 20% of the amount on line 40		
Over $500,000 but not over $1,000,000 — $100,000 plus 15% of the excess over $500,000		
Over $1,000,000 but not over $1,500,000 — $175,000 plus 10% of the excess over $1,000,000		
Over $1,500,000 — $225,000 plus 5% of the excess over $1,500,000		
42 Grassroots nontaxable amount (enter 25% of line 41)		
(Complete lines 43 and 44. File Form 4720 if either line 36 exceeds line 42 or line 38 exceeds line 41.)		
43 Excess of line 36 over line 42		
44 Excess of line 38 over line 41		

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45-50 for details.)

Lobbying Expenses During 4-Year Averaging Period

Calendar year (or fiscal year beginning in) ▶	(a) 1987	(b) 1986	(c) 1985	(d) 1984	(e) Total
45 Lobbying nontaxable amount (see instructions)					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenses (see instructions)					
48 Grassroots nontaxable amount (see instructions)					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenses (see instructions)					

• U S GPO 1987 0-183-072

Form **4562**

Department of the Treasury
Internal Revenue Service (3)

Depreciation and Amortization

▶ See separate instructions.
▶ Attach this form to your return.

OMB No 1545-0172

1987

Attachment Sequence No 67

Name(s) as shown on return
National Conservative Foundation

Identifying number
51-0227364

Business or activity to which this form relates

Part I **Depreciation** (Do not use this part for automobiles, certain other vehicles, computers, and property used for entertainment, recreation, or amusement. Instead, use Part III.)

Section A.—Election To Expense Depreciable Assets Placed in Service During This Tax Year (Section 179)

(a) Description of property	(b) Date placed in service	(c) Cost	(d) Expense deduction
1			

2 Listed property—Enter total from Part III, Section A, column (h)	
3 Total (add lines 1 and 2, but do not enter more than $10,000)	
4 Enter the amount, if any, by which the cost of all section 179 property placed in service during this tax year is more than $200,000	
5 Subtract line 4 from line 3. If result is less than zero, enter zero. (See instructions for other limitations)	

Section B.—Depreciation

(a) Class of property	(b) Date placed in service	(c) Basis for depreciation (Business use only—see instructions)	(d) Recovery period	(e) Method of figuring depreciation	(f) Deduction
6 Accelerated Cost Recovery System (ACRS) (see instructions): *For assets placed in service* **ONLY** *during tax year beginning in 1987*					
a 3-year property					
b 5-year property					
c 7-year property					
d 10-year property					
e 15-year property					
f 20-year property					
g Residential rental property					
h Nonresidential real property					

7 Listed property—Enter total from Part III, Section A, column (g)	
8 ACRS deduction for assets placed in service prior to 1987 (see instructions)	

Section C.—Other Depreciation

9 Property subject to section 168(f)(1) election (see instructions)	
10 Other depreciation (see instructions)	7,960

Section D.—Summary

11 Total (add deductions on lines 5 through 10). Enter here and on the Depreciation line of your return (Partnerships and S corporations—Do NOT include any amounts entered on line 5.)	7,960
12 For assets above placed in service during the current year, enter the portion of the basis attributable to additional section 263A costs. (See instructions for who must use.)	

Part II **Amortization**

(a) Description of property	(b) Date acquired	(c) Cost or other basis	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
1 Amortization for property placed in service only during tax year beginning in 1987					
2 Amortization for property placed in service prior to 1987					
3 Total Enter here and on Other Deductions or Other Expenses line of your return					

9104037226 49

FILE COPY

Form 990

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c) (except black lung benefit trust or private foundation) of the Internal Revenue Code or section 4947(a)(1) trust

Note: You may be required to use a copy of this return to satisfy state reporting requirements. See instruction D.

OMB No. 1545-0047

1986

For calendar year 1986, or fiscal year beginning , 1986, and ending , 19

Label
Use IRS label. Otherwise, please type or print.

No. TO 51-0227364 990 12 3 15 03
Address NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE ST
City ALEXANDRIA VA 22314
IB

IRS

A Employer identification number (see instruction L)
51 : 0227364

B State registration number (see instruction D)

C Section 4947(a)(1) trusts filing this form in lieu of Form 1041, check here ▶ ☐ (see instruction C10).

E Check type of organization—Exempt under section ▶ ☒ 501(c)(3) (insert number), OR ▶ ☐ section 4947(a)(1) trust
Accounting method: ☐ Cash ☒ Accrual ☐ Other (specify) ▶

Check here if application for exemption is pending . . ▶ ☐

F Is a group return (see instruction J) filed for affiliates? . . . . ☐ Yes ☒ No
If "Yes," enter the number of affiliates for which this return is filed ____
Is a separate return filed by a group affiliate? . . . . . ☐ Yes ☒ No

G If "Yes" to either, give four-digit group exemption number (GEN) ▶

H Check here if your gross receipts are normally not more than $25,000 (see instruction B11). You do not have to file a completed return with IRS but should file a return without financial data if you were mailed a Form 990 Package (see instruction A). Some states may require a completed return.

I Check here if gross receipts are normally more than $25,000 and line 12 is $25,000 or less. Complete Parts I (except lines 13-15), III, IV, VI, and VII and only the indicated items in Parts II and V (see instruction I). If line 12 is more than $25,000, complete the entire return.

501(c)(3) organizations and 4947(a)(1) trusts must also complete and attach Schedule A (Form 990). (See instructions.)

Part I Statement of Support, Revenue, and Expenses and Changes in Fund Balances		(A) Total	These columns are optional—see instructions (B) Unrestricted/Expendable	(C) Restricted/Nonexpendable
Support and Revenue	1 Contributions, gifts, grants, and similar amounts received:			
	a Direct public support 1,468,998			
	b Indirect public support			
	c Government grants			
	d Total (add lines 1a through 1c) (attach schedule—see instructions) . .	1,468,998		
	2 Program service revenue (from Part IV, line f)	400		
	3 Membership dues and assessments			
	4 Interest on savings and temporary cash investments	4,183		
	5 Dividends and interest from securities			
	6a Gross rents			
	b Minus: rental expenses			
	c Net rental income (loss)			
	7 Other investment income (Describe ▶)			
	8a Gross amount from sale of assets other than inventory (Securities / Other)			
	b Minus: cost or other basis and sales expenses			
	c Gain (loss) (attach schedule)			
	9 Special fundraising events and activities (attach schedule—see instructions):			
	a Gross revenue (not including $ ____ of contributions reported on line 1a)			
	b Minus: direct expenses			
	c Net income (line 9a minus line 9b)			
	10a Gross sales minus returns and allowances . . .			
	b Minus: cost of goods sold (attach schedule) . .			
	c Gross profit (loss)			
	11 Other revenue (from Part IV, line g)	4,918		
	12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8c, 9c, 10c, and 11) . .	1,478,499		
Expenses	13 Program services (from line 44, column (B)) (see instructions) . .	675,430		
	14 Management and general (from line 44, column (C)) (see instructions)	275,439		
	15 Fundraising (from line 44, column (D)) (see instructions)	87,814		
	16 Payments to affiliates (attach schedule—see instructions) . . .			
	17 Total expenses (add lines 16 and 44, column (A))	1,038,683		
Fund Balances	18 Excess (deficit) for the year (subtract line 17 from line 12) . . .	439,816		
	19 Fund balances or net worth at beginning of year (from line 74, column (A)) .	(216,147)		
	20 Other changes in fund balances or net worth (attach explanation) .	(27,869)		
	21 Fund balances or net worth at end of year (add lines 18, 19, and 20) .	195,800		

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Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for most sections 501(c)(3) and (c)(4) organizations and 4947(a)(1) trusts but optional for others. (See instructions.)

Do not include amounts reported on lines 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule)				
23 Specific assistance to individuals				
24 Benefits paid to or for members				
25 Compensation of officers, directors, etc.				
26 Other salaries and wages	182,071	157,724	8,637	15,710
27 Pension plan contributions				
28 Other employee benefits	1,540		1,540	
29 Payroll taxes	16,427		16,427	
30 Professional fundraising fees				
31 Accounting fees	14,184		14,184	
32 Legal fees	38,722		38,722	
33 Supplies	9,962	8,761	252	949
34 Telephone	28,942	9,296	19,646	
35 Postage and shipping	47,936	37,305	2,576	8,055
36 Occupancy	81,500		81,500	
37 Equipment rental and maintenance	14,433	8,679	5,754	
38 Printing and publications	47,086	42,227	285	4,574
39 Travel	9,177	7,774	1,393	10
40 Conferences, conventions, and meetings				
41 Interest & Penalties	13,166	1,780	11,386	
42 Depreciation, depletion, etc. (attach schedule)	2,811		2,811	
43 Other expenses (itemize): a Bank Charges	640		216	424
b				
c Honoraria & Writers Fees	9,191	9,191		
d Computer Services	33,604	31,957		1,647
e Consulting Fees	113,904	34,750	60,000	19,154
f See attached	373,387	325,986	10,110	37,291
44 Total functional expenses (add lines 22 through 43) Organizations completing columns B-D, carry these totals to line 13-15.	1,038,683	675,430	275,439	87,814

Part III Statement of Program Services Rendered

List each program service title on lines a through d; for each, identify the service output(s) or product(s), and report the quantity provided. Enter the total expenses attributable to each program service and the amount of grants and allocations included in that total. (See instructions for Part III.)

		Expenses (Optional for some organizations—see instructions)
a	Public Education (Grants and allocations $)	18,541
b	Campaign Schools (Grants and allocations $)	31,741
c	Media Bias (Grants and allocations $)	196,493
d	Development & Promotion (Grants and allocations $)	428,655
e	Other program service activities (attach schedule) (Grants and allocations $)	
f	Total (add lines a through e) (should equal line 44, column (B))	675,430

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Part IV Program Service Revenue and Other Revenue (State Nature)

		Program service revenue	Other revenue
a	Fees from government agencies		
b	Campaign School Tuition	400	
c	Miscellaneous Income		4,918
d			
e			
f	Total program service revenue (enter here and on line 2)	400	
g	Total other revenue (enter here and on line 11)		4,918

Part V Balance Sheets If line 12 or Column (B) of line 59 is more than $25,000, complete the entire balance sheet. If line 12, Part I, and Column (B) of line 59 are $25,000 or less, you may complete only lines 59, 66, 74, and 75. See instructions.

Note: Columns (C) and (D) are optional. *Columns (A) and (B) must be completed to the extent applicable. Where required, attached schedules should be for end-of-year amounts only.*

		(A) Beginning of year	End of year (B) Total	End of year (C) Unrestricted/ Expendable	End of year (D) Restricted/ Nonexpendable
	Assets				
45	Cash—non-interest bearing	24,753	345,455		
46	Savings and temporary cash investments				
47	Accounts receivable ► _____ minus allowance for doubtful accounts ► _____				
48	Pledges receivable ► _____ minus allowance for doubtful accounts ► _____				
49	Grants receivable				
50	Receivables due from officers, directors, trustees, and key employees (attach schedule)				
51	Other notes and loans receivable ► _____ minus allowance for doubtful accounts ► _____		19,410		
52	Inventories for sale or use				
53	Prepaid expenses and deferred charges	182	193		
54	Investments—securities (attach schedule)				
55	Investments—land, buildings and equipment: basis ► _____ minus accumulated depreciation ► _____ (attach schedule)				
56	Investments—other (attach schedule)				
57	Land, buildings and equipment: basis ► 23045 minus accumulated depreciation ► 7960 (attach schedule)	13,717	15,085		
58	Other assets ► _____				
59	Total assets (add lines 45 through 58)	38,652	380,143		
	Liabilities				
60	Accounts payable and accrued expenses	160,175	99,940		
61	Grants payable				
62	Support and revenue designated for future periods (attach schedule)				
63	Loans from officers, directors, trustees, and key employees (attach schedule)				
64	Mortgages and other notes payable (attach schedule) NCPACSEF	73,817	81,036		
65	Other liabilities ► Withheld Taxes	48,676	3,367		
66	Total liabilities (add lines 60 through 65)	282,668	184,343		
	Fund Balances or Net Worth				
	Organizations that use fund accounting, check here ► ☒ and complete lines 67 through 70 and lines 74 and 75.				
67a	Current unrestricted fund	(244,016)	195,800		
b	Current restricted fund				
68	Land, buildings and equipment fund				
69	Endowment fund				
70	Other funds (Describe ► _____)				
	Organizations that do not use fund accounting, check here ► ☐ and complete lines 71 through 75.				
71	Capital stock or trust principal				
72	Paid-in or capital surplus				
73	Retained earnings or accumulated income				
74	Total fund balances or net worth (see instructions)	(244,016)	195,800		
75	Total liabilities and fund balances or net worth (add lines 66 and 74)	38,652	380,143		

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Part VI List of Officers, Directors, and Trustees (List each officer, director, and trustee whether compensated or not.) (See instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if any)	(D) Contributions to employee benefit plans	(E) Expense account and other allowances
John T. Dolan Arlington, VA	Chairman/President Part-time	-0-	-0-	-0-
Kathy Neville Alexandria, VA	Secretary/Treasurer Part-time	3,763	-0-	-0-
Arent Bozell Triangle, VA	Executive Director Full-time	17,125	-0-	-0-

Part VII Other Information

		Yes	No
26	Has the organization engaged in any activities not previously reported to the Internal Revenue Service? If "Yes," attach a detailed description of the activities.		X
27	Have any changes been made in the organizing or governing documents, but not reported to IRS? If "Yes," attach a conformed copy of the changes.		X
28a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?		X
b	If "Yes," have you filed a tax return on Form 990-T, Exempt Organization Business Income Tax Return, for this year?		N/A
c	If the organization has gross sales or receipts from business activities not reported on Form 990-T, attach a statement explaining your reason for not reporting them on Form 990-T.		
29	Was there a liquidation, dissolution, termination, or substantial contraction during the year? (See instructions.) If "Yes," attach a statement as described in the instructions.		X
30	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization? (See instructions.) If "Yes," enter the name of the organization ► ..... and check whether it is ☐ exempt OR ☐ nonexempt.		X
31a	Enter amount of political expenditures, direct or indirect, as described in the instructions ►		
b	Did you file Form 1120-POL, U.S. Income Tax Return for Certain Political Organizations, for this year?		X
32	Did your organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value? If "Yes," you may indicate the value of these items here. Do not include this amount as support in Part I or as an expense in Part II. See instructions for reporting in Part III ►		X
33	*Section 501(c)(5) or (6) organizations.*—Did the organization spend any amounts in attempts to influence public opinion about legislative matters or referendums? (See instructions and Regulations section 1.162-20(c).) If "Yes," enter the total amount spent for this purpose		
34	*Section 501(c)(7) organizations.*—Enter amount of:		
a	Initiation fees and capital contributions included on line 12		
b	Gross receipts, included in line 12, for public use of club facilities (see instructions)		
c	Does the club's governing instrument or any written policy statement provide for discrimination against any person because of race, color, or religion? (See instructions.)		
35	*Section 501(c)(12) organizations.*—Enter amount of:		
a	Gross income received from members or shareholders		
b	Gross income received from other sources (do not net amounts due or paid to other sources against amounts due or received from them)		
36	*Public interest law firms.*—Attach information described in the instructions.		
37	List the states with which a copy of this return is filed ►		
38	During this tax year did you maintain any part of your accounting/tax records on a computerized system?		X
39	The books are in care of ► Organization Telephone no. ► 703/684-1800 Located at ► Alexandria, VA		

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature of officer | Date | Title

Paid Preparer's Use Only

Preparer's signature: J P Bailey

Firm's name (or yours if self-employed): J. PARKER BAILEY, CPA, PC

Date: [redacted] employed ► ☐

ZIP code 54126923

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SCHEDULE A (Form 990)
Department of the Treasury Internal Revenue Service

Organization Exempt Under 501(c)(3)

(Except Private Foundation), 501(e), 501(f), 501(k), or Section 4947(a)(1) Trust

Supplementary Information

► Attach to Form 990.

OMB No. 1545-0047

1986

NATIONAL CONSERVATIVE FOUNDATION

Employer identification number: 51 : 0227364

Part II Compensation of Five Highest Paid Employees Other Than Officers, Directors, and Trustees (See specific instructions)

Name and address of employees paid more than $30,000	Title and average hours per week devoted to position	Compensation	Contributions to employee benefit plans	Expense account and other allowances
N/A				
N/A				
N/A				
Total number of other employees paid over $30,000 ►				

Part III Compensation of Five Highest Paid Persons for Professional Services (See specific instructions)

Name and address of persons paid more than $30,000	Type of service	Compensation
John T. Dolan Arlington, VA	Consulting	36,500
Brent Bozell Triangle, VA	Consulting	34,500
Berge, Sparks, Christopher & Biondi McLean, VA	Legal Fees	32,500
Total number of others receiving over $30,000 for professional services ►	N/A	

Part IV Statements About Activities

		Yes (1)	No (2)
1	During the year, have you attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum?	1		X
	If "Yes," enter the total expenses paid or incurred in connection with the legislative activities $ _____ Complete Part VI of this form for organizations that made an election under section 501(h) on Form 5768 or other statement. For other organizations checking "Yes," attach a statement giving a detailed description of the legislative activities and a classified schedule of the expenses paid or incurred.			
2	During the year, have you, either directly or indirectly, engaged in any of the following acts with a trustee, director, principal officer or creator of your organization, or any organization or corporation with which such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary:			
a	Sale, exchange, or leasing of property?	2a		X
b	Lending of money or other extension of credit?	2b		X
c	Furnishing of goods, services, or facilities?	2c		X
d	Payment of compensation (or payment or reimbursement of expenses if more than $1,000)?	2d	X	
e	Transfer of any part of your income or assets?	2e		X
	If the answer to any question is "Yes," attach a detailed statement explaining the transactions.			
3	Do you make grants for scholarships, fellowships, student loans, etc.?	3		X
4	Attach a statement explaining how you determine that individuals or organizations receiving disbursements from you in furtherance of your charitable programs qualify to receive payments. (See specific instructions)			

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Part IV Reason for Non-Private Foundation Status (See instructions for definitions)

The organization is not a private foundation because it is (check applicable box; please check only ONE box):

5 ☐ 1 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).

6 ☐ 2 A school. Section 170(b)(1)(A)(ii). (Also complete Part V, page 3.)

7 ☐ 3 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).

8 ☐ 4 A Federal, state or local government or governmental unit. Section 170(b)(1)(A)(v).

9 ☐ 5 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter name, city, and state of hospital ▶ .....

10 ☐ 6 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete Support Schedule.)

11 ☒ 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete Support Schedule.)

12 ☐ 8 An organization that normally receives: (a) no more than 1/3 of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975, and (b) more than 1/3 of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions—subject to certain exceptions. See section 509(a)(2). (Also complete Support Schedule.)

13 ☐ 9 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) boxes 5 through 12 above or (2) section 501(c)(4), (5), or (6) if they meet the test of section 509(a)(2). See section 509(a)(3).

Provide the following information about the supported organizations. (See instructions for Part IV, box 13.)

(a) Name of supported organizations	(b) Box number from above

14 ☐ 0 An organization organized and operated to test for public safety. Section 509(a)(4). (See specific instructions)

Support Schedule (Complete only if you checked box 10, 11, or 12 above) Use cash method of accounting.

Calendar year (or fiscal year beginning in) ▶	(a) 1985	(b) 1984	(c) 1983	(d) 1982	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	1,085,996	1,024,629	713,027	819,104	3,642,756
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is not a business unrelated to the organization's charitable, etc., purpose			11,421	1,566	12,987
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	2,394	1,199	584	4,935	9,112
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for your benefit and either paid to you or expended on your behalf					
21 The value of services or facilities furnished to you by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach schedule. Do not include gain (or loss) from sale of capital assets					
23 Total of lines 15 through 22	1,088,390	1,025,828	725,032	825,605	3,664,855
24 Line 23 minus line 17	1,088,390	1,025,828	713,611	824,039	3,651,868
25 Enter 1% of line 23	10,884	10,258	7,250	8,256	
26. Organizations described in box 10 or 11: a Enter 2% of amount in column (e), line 24.					73,037
b Attach a list (not open to public inspection) showing the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1982 through 1985 exceeded the amount shown in 26a. Enter the sum of all excess amounts here					None

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Part IV Support Schedule (continued)(Complete only if you checked box 10, 11, or 12 on page 2)

Organizations described in box 12, page 2:

a Attach a list for amounts shown on lines 15, 16, and 17, showing the name of, and total amounts received in each year from, each "disqualified person," and enter the sum of such amounts for each year:

(1985)..... (1984)..... (1983)..... (1982).....

b Attach a list showing, for 1982 through 1985, the name and amount included in line 17 for each person (other than "disqualified persons") from whom the organization received more, during that year, than the larger of: the amount on line 25 for the year or $5,000. Include organizations described in boxes 5 through 11 as well as individuals. Enter the sum of these excess amounts for each year:

(1985) (1984) (1983) (1982)

For an organization described in box 10, 11, or 12, page 2, that received any unusual grants during 1982 through 1985, attach a list (not open to public inspection) for each year showing the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not include these grants in line 15 above. (See specific instructions)

Part V Private School Questionnaire
To Be Completed ONLY by Schools That Checked Box 6 In Part IV

		Yes (1)	No (2)
Do you have a racially nondiscriminatory policy toward students by statement in your charter, bylaws, other governing instrument, or in a resolution of your governing body?	29		
Do you include a statement of your racially nondiscriminatory policy toward students in all your brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30		
Have you publicized your racially nondiscriminatory policy by newspaper or broadcast media during the period of solicitation for students or during the registration period if you have no solicitation program, in a way that makes the policy known to all parts of the general community you serve?	31		
If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)			
Do you maintain the following:			
Records indicating the racial composition of the student body, faculty, and administrative staff?	32a		
Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b		
Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c		
Copies of all material used by you or on your behalf to solicit contributions?	32d		
If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)			
Do you discriminate by race in any way with respect to:			
Students' rights or privileges?	33a		
Admissions policies?	33b		
Employment of faculty or administrative staff?	33c		
Scholarships or other financial assistance? (See instructions)	33d		
Educational policies?	33e		
Use of facilities?	33f		
Athletic programs?	33g		
Other extracurricular activities?	33h		
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)			
Do you receive any financial aid or assistance from a governmental agency?	34a		
Has your right to such aid ever been revoked or suspended?	34b		
If you answered "Yes" to either 34a or b, please explain using an attached separate statement.			
Do you certify that you have complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-			

9 1 U 4 0 3 7 2 6 1 5 1 6

Part VI Lobbying Expenditures by Public Charities (See Instructions)
(To be completed ONLY by an eligible organization that filed Form 5768)

Check here ▶ a ☐ If the organization belongs to an affiliated group. (See instructions)
Check here ▶ b ☐ If you checked a and "limited control" provisions apply. (See instructions)

Limits on Lobbying Expenses	(a) Affiliated group totals	(b) To be completed for ALL electing organizations
36 Total (grassroots) lobbying expenses to influence public opinion		
37 Total lobbying expenses to influence a legislative body		
38 Total lobbying expenses (add lines 36 and 37)		
39 Other exempt purpose expenses (See Part VI instructions)		
40 Total exempt purpose expenses (add lines 38 and 39) (See instructions)		
41 Lobbying nontaxable amount. Enter the smaller of $1,000,000 or the amount determined under the following table—		
If the amount on line 40 is— / The lobbying nontaxable amount is—		
Not over $500,000 — 20% of the amount on line 40		
Over $500,000 but not over $1,000,000 — $100,000 plus 15% of the excess over $500,000		
Over $1,000,000 but not over $1,500,000 — $175,000 plus 10% of the excess over $1,000,000		
Over $1,500,000 — $225,000 plus 5% of the excess over $1,500,000		
42 Grassroots nontaxable amount (enter 25% of line 41)		
(Complete lines 43 and 44. File Form 4720 if either line 36 exceeds line 42 or line 38 exceeds line 41.)		
43 Excess of line 36 over line 42		
44 Excess of line 38 over line 41		

4-Year Averaging Period Under Section 501(h).

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45-50 for details.)

Calendar year (or fiscal year beginning in) ▶	(a) 1986	(b) 1985	(c) 1984	(d) 1983	(e) Total
	Lobbying Expenses During 4-Year Averaging Period				
45 Lobbying nontaxable amount (See instructions)					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenses (See instructions)					
48 Grassroots nontaxable amount (See instructions)					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenses (See instructions)					

☆ U.S. Government Printing Office: 1987—181-447/48106

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Form **4562**

Department of the Treasury
Internal Revenue Service (O)

Depreciation and Amortization

▶ See separate instructions.
▶ Attach this form to your return.

OMB No. 1545-0172

1986

Attachment Sequence No. **67**

Name(s) as shown on return: **NATIONAL CONSERVATIVE FOUNDATION**

Identifying number: **51-0227364**

Business or activity to which this form relates

Part I **Depreciation** (Do not use this part for automobiles, certain other vehicles, computers, and property used for entertainment, recreation, or amusement. Instead, use Part III.)
See instructions under Items You Should Note for new rules for certain assets placed in service after July 31, 1986.

Section A.—Election To Expense Recovery Property (Section 179)

(a) Class of property	(b) Cost	(c) Expense deduction
1		
2 Listed property—Enter total from Part III, Section A, column (h)		
3 Total (see instructions for limitations). (Partnerships or S corporations—see the Schedule K and Schedule K-1 Instructions of Form 1065 or 1120S)		

Section B.—Depreciation of Recovery Property

(a) Class of property	(b) Date placed in service	(c) Basis for depreciation (Business use only—see instructions)	(d) Recovery period	(e) Method of figuring depreciation	(f) Deduction
4 Accelerated Cost Recovery System (ACRS) (see instructions): *For assets placed in service* ONLY *during tax year beginning in 1986*					
a 3-year property					
b 5-year property					
c 10-year property					
d 15-year public utility property					
e Low-income housing					
f 15-year real property					
g 18-year real property					
h 19-year real property					
5 Listed property—Enter total from Part III, Section A, column (g)					
6 ACRS deduction for assets placed in service prior to 1986 (see instructions)					

Section C.—Depreciation of Nonrecovery Property

7 Property subject to section 168(e)(2) election (see instructions)	
8 Other depreciation (see instructions)	7,960

Section D.—Summary

9 Depreciation from Form 4562A (see instructions)	
10 Total (add deductions on lines 3 through 9). Enter here and on the Depreciation line of your return (Partnerships and S corporations—Do NOT include any amounts entered on line 3.)	7,960

Part II **Amortization**

(a) Description of property	(b) Date acquired	(c) Cost or other basis	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
1 Amortization for property placed in service only during tax year beginning in 1986					
2 Amortization for property placed in service prior to 1986					
3 Total. Enter here and on Other Deductions or Other Expenses line of your return					

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NATIONAL CONSERVATIVE FOUNDATION 1986 51-0227364

PART II - STATEMENT OF FUNCTIONAL EXPENSES

LINE 43 (F) - OTHER EXPENSES

	(A) TOTAL	(B) PROGRAM SERVICES	(C) MGMT & GENERAL	(D) FUND RAISING
Subscriptions & Reference	$ 4,972	$ 4,884	$ 75	$ 13
Press Release Service	290	290		
Meeting Expense	26,427	25,832	595	
Insurance	7,325		7,325	
Miscellaneous	2,057	1,244	545	268
Counting & Caging	4,995			4,995
Word Processing	-0-			
Dues, Fees & Registrations	985	245	300	440
Advertising	16,653	13,485	146	3,022
Production Costs	22,825	21,971		854
Calling Services	25,593	19,355	1,124	5,114
Marketing	14,777			14,777
Commissions	46,315	46,315		
List Maintenance	1,716			1,716
Mail List Rental	2,470	1,927		543
Direct Mail Fees	21,331	16,638		4,693
Word Processing Costs	856			856
Grants & Contributions	147,550	147,550		
Broadcasting Costs	26,250	26,250		
Total	$373,387	$325,986	$10,110	$37,291

LINE 20 - OTHER CHANGES IN FUND BALANCES OR NET WORTH

Prior period adjustment	$27,869

P00037269

AMENDED AMENDED

FILE COPY

Form 990

Return of Organization Exempt from Income Tax

Under section 501(c) (except black lung benefit trust or private foundation) of the Internal Revenue Code or section 4947(a)(1) trust

Note: You may be required to use a copy of this return to satisfy State reporting requirements. See instruction D.

OMB No. 1545-0047

1985

Department of the Treasury Internal Revenue Service (99)

For calendar year 1985, or fiscal year beginning , 1985, and ending , 19

Name of organization NATIONAL CONSERVATIVE FOUNDATION	A Employer identification number (see instruction L) 51 : 0227364
Address (number and street) 1001 PRINCE STREET	B State registration number (see instruction D)
City or town, state, and ZIP code ALEXANDRIA, VA 22314	C If address changed, check here . . . . ▶ ☐

E Check type of organization—Exempt under section ▶ ☒ 501(c)(3) (insert number), OR ▶ ☐ section 4947(a)(1) trust

F Accounting method: ☐ Cash ☒ Accrual ☐ Other (specify) ▶

Check here if application for exemption is pending . . ▶ ☐

G Section 4947(a)(1) trusts filing this form in lieu of Form 1041, check here ▶ ☐ (see instruction C10).

H Is a group return (see instruction J) filed for affiliates? . . . . ☐ Yes ☐ No

Was a separate return filed by a group affiliate? . . . . . ☐ Yes ☐ No

If "Yes" to either, give four-digit group exemption number (GEN) ▶

I Check here if your gross receipts are normally not more than $25,000 (see instruction B11). You do not have to file a completed return with IRS but should file a return without financial data if you were mailed a Form 990 Package (see instruction A). Some States may require a completed return.

J Check here if gross receipts are normally more than $25,000 and line 12 is $25,000 or less. Complete Parts I (except lines 13-15), III, IV, VI, and VII and only the indicated items in Parts II and V (see instruction I). If line 12 is more than $25,000, complete the entire return.

K 501(c) organizations and 4947(a)(1) trusts must also complete and attach Schedule A (Form 990). (See instructions.)

Part I Statement of Support, Revenue, and Expenses and Changes in Fund Balances

		(A) Total	These columns are optional—see instructions (B) Unrestricted/Expendable	(C) Restricted/Nonexpendable
Support and Revenue	1 Contributions, gifts, grants, and similar amounts received:			
	a Direct public support 1,085,996			
	b Indirect public support			
	c Government grants			
	d Total (add lines 1a through 1c) (attach schedule—see instructions) .	1,085,996		
	2 Program service revenue (from Part IV, line f)	580		
	3 Membership dues and assessments			
	4 Interest on savings and temporary cash investments			
	5 Dividends and interest from securities	2,394		
	6a Gross rents			
	b Minus: rental expenses			
	c Net rental income (loss)			
	7 Other investment income (Describe ▶)			
	8a Gross amount from sale of assets other than inventory . (Securities / Other)			
	b Minus: cost or other basis and sales expenses			
	c Gain (loss) (attach schedule)			
	9 Special fundraising events and activities (attach schedule—see instructions):			
	a Gross revenue (not including $ _____ of contributions reported on line 1a)			
	b Minus: direct expenses			
	c Net income (line 9a minus line 9b)			
	10a Gross sales minus returns and allowances . .			
	b Minus: cost of goods sold (attach schedule) . .			
	c Gross profit (loss)			
	11 Other revenue (from Part IV, line g)	10,061		
	12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8c, 9c, 10c, and 11). . .	1,099,031		
Expenses	13 Program services (from line 44, column (B)) (see instructions) . .	619,424		
	14 Management and general (from line 44, column (C)) (see instructions)	422,923		
	15 Fundraising (from line 44, column (D)) (see instructions)	123,276		
	16 Payments to affiliates (attach schedule—see instructions)			
	17 Total expenses (add lines 16 and 44, column (A))	1,165,623		
Fund Balances	18 Excess (deficit) for the year (subtract line 17 from line 12)	(66,592)		
	19 Fund balances or net worth at beginning of year (from line 74, column (A))	(149,555)		
	20 Other changes in fund balances or net worth (attach explanation) . .			
	21 Fund balances or net worth at end of year (combine lines 18, 19, and 20) . .	(216,147)		

9104037216650

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for most section 501(c)(3) and (c)(4) organizations and 4947(a)(1) trusts but optional for others. (See instructions.)

Do not include amounts reported on lines 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule)				
23 Specific assistance to individuals				
24 Benefits paid to or for members				
25 Compensation of officers, directors, etc.	33,496		33,496	
26 Other salaries and wages	176,144	768	175,376	
27 Pension plan contributions				
28 Other employee benefits	4,209		4,209	
29 Payroll taxes				
30 Professional fundraising fees				
31 Accounting fees				
32 Legal fees				
33 Supplies	9,948	3,945	747	5,256
34 Telephone	8,036	2,421	3,536	2,079
35 Postage and shipping	61,885	48,206	4,434	9,245
36 Occupancy	77,094	10,448	66,646	
37 Equipment rental and maintenance	7,185	4,215	2,970	
38 Printing and publications	66,573	56,359	1,981	8,233
39 Travel	54,122	47,179	6,942	1
40 Conferences, conventions and meetings				
41 Interest	1,212	466	665	81
42 Depreciation, depletion, etc. (attach schedule)	2,574		2,574	
43 Other expenses (itemize): a BANK CHARGES	1,915	85	800	1,030
b PROFESSIONAL FEES	38,552	4,985	33,564	3
c HONORARIA & WRITERS FEES	5,050	4,550	500	
d COMPUTER SERVICES	61	61		
e CONSULTING FEES	88,106	41,260	45,745	1,101
f SEE ATTACHED	529,461	394,476	38,738	96,247
44 Total functional expenses (add lines 22 through 43)	1,165,623	619,424	422,923	123,276

Part III Statement of Program Services Rendered

List each program service title on lines a through d; for each, identify the service output(s) or product(s) and report the quantity provided. Enter the total expenses attributable to each program service and the amount of grants and allocations included in that total. (See instructions for Part III.)

	Expenses (Optional for some organizations—see instructions)
a PUBLIC SURVEYS (Grants and allocations $)	2,717
b PUBLIC EDUCATION (Grants and allocations $)	54,336
c CAMPAIGN SCHOOLS (Grants and allocations $)	46,337
d DEVELOPMENT & PROMOTION (Grants and allocations $)	516,034
Other program service activities (attach schedule) (Grants and allocations $)	
Total (add lines a through e) (should equal line 44, column (B))	619,424

Program Service Revenue and Other Revenue (State Nature)	Program service revenue	Other revenue
from government agencies		
MPAIGN SCHOOL TUITION	580	
SCELLANEOUS INCOME		10,061
program service revenue (enter here and on line 2)	580	
other revenue (enter here and on line 11)		10,061

Balance Sheets If line 12 or line 59 is more than $25,000, complete the entire balance sheet. If line 12, Part I, and line 59 are $25,000 or less, you may complete only lines 59, 66, 74 and 75. See instructions.

Columns (C) and (D) are optional. Columns (A) and (B) must be completed to the extent applicable. Where required, attached schedules should be for end-of-year amounts only.	(A) Beginning of year	End of year (B) Total	(C) Unrestricted/ Expendable	(D) Restricted/ Nonexpendable
Assets				
—non-interest bearing	13,164	9,421		
gs and temporary cash investments	967	1,568		
unts receivable ►				
s allowance for doubtful accounts ►				
es receivable ►				
s allowance for doubtful accounts ►				
s receivable				
ivables due from officers, directors, trustees, and key oyees (attach schedule)				
notes and loans receivable ►				
s allowance for doubtful accounts ►				
tories for sale or use				
aid expenses and deferred charges				
tments—securities (attach schedule)				
ments—land, buildings and equipment: basis ►				
accumulated depreciation ► (attach schedule)				
tments—other (attach schedule) ALEX. BROWN & SONS	29	-0-		
buildings and equipment: basis ► 19,975				
accumulated depreciation ► 6,372 (attach schedule)	15,183	13,603		
assets ► PREPAID INSURANCE	168	-0-		
assets (add lines 45 through 58)	29,511	24,592		
Liabilities				
unts payable and accrued expenses	123,856	152,544		
ts payable				
ort and revenue designated for future periods (attach schedule)				
s from officers, directors, trustees and key employees ch schedule)				
gages and other notes payable (attach schedule) NC PAC SEF	42,112	39,562		
r liabilities ► WITHHELD TAXES	13,098	48,633		
liabilities (add lines 60 through 65)	179,066	240,739		
Fund Balances or Net Worth				
ons that use fund accounting, check here ► ☐ and complete lines 67 through 70 and lines 74 and 75.				
urrent unrestricted fund	(149,555)	(216,147)		
urrent restricted fund				
l, buildings and equipment fund				
owment fund				
er funds (Describe ►)				
ions that do not use fund accounting, check here ► ☐ complete lines 71 through 75.				
ital stock or trust principal				
l-in or capital surplus				
ained earnings or accumulated income				
l fund balances or net worth (see instructions)	(149,555)	(216,147)		
l liabilities and fund balances et worth (see instructions)	29,511	24,592		

List of Officers, Directors, and Trustees (List each officer, director, and trustee whether compensated or not.) (See Instructions)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if any)	(D) Contributions to employee benefit plans	(E) Expense account and other allowances
DOLAN N, VA	CHAIRMAN/PRES PART	2,550	-0-	-0-
ITER IA, VA	SECRETARY PART	10,558	-0-	-0-
ZELL , VA	EXEC DIR/TREAS FULL	20,388	-0-	-

Other Information

	Yes	No
organization engaged in any activities not previously reported to the Internal Revenue Service?		X
attach a detailed description of the activities.		
y changes been made in the organizing or governing documents, but not reported to IRS?		X
attach a conformed copy of the changes.		
he organization have unrelated business gross income of $1,000 or more during the year covered by this return?		X
es," have you filed a tax return on Form 990-T, Exempt Organization Business Income Tax Return, for this year?		N
e organization has gross sales or receipts from business activities not reported on Form 990-T, attach a ment explaining your reason for not reporting them on Form 990-T.		
re a liquidation, dissolution, termination, or substantial contraction during the year (see instructions)?		X
attach a statement as described in the instructions.		
rganization related (other than by association with a statewide or nationwide organization) through common ship, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization (see instructions)?		X
enter the name of the organization ► ..... and check whether it is ☐ exempt OR ☐ nonexempt.		
n amount of political expenditures, direct or indirect, as described in the instructions ►		
ou file Form 1120-POL, U.S. Income Tax Return for Certain Political Organizations, for this year?		
organization receive donated services or the use of materials, equipment or facilities at no charge or at ially less than fair rental value?		X
you may indicate the value of these items here. Do not include this amount as support or as an expense in Part II. See instructions for reporting in Part III ►		
501(c)(5) or (6) organizations.—Did the organization spend any amounts in attempts to influence public bout legislative matters or referendums (see instructions and Regulations section 1.162-20(c))?		
enter the total amount spent for this purpose		
01(c)(7) organizations.—Enter amount of:		
tion fees and capital contributions included on line 12		
receipts, included in line 12, for public use of club facilities (see instructions)		
the club's governing instrument or any written policy statement provide for discrimination against any person use of race, color, or religion (see instructions)?		
01(c)(12) organizations.—Enter amount of:		
income received from members or shareholders		
income received from other sources (do not net amounts due or paid to other sources st amounts due or received from them)		
erest law firms.—Attach information described in the instructions.		
tates with which a copy of this return is filed ►		
s tax year did you maintain any part of your accounting/tax records on a computerized system?		X
s are in care of ► ORGANIZATION Telephone No. ► (703) 684-1800		
t ► ALEXANDRIA, VA		

nder penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and lief it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature of officer [redacted] Title

Preparer's signature [redacted] Date 7/1-/86 Check if self-employed ► [redacted]

Preparer's name (or yours, if self-employed) J. PARKER BAILEY, CPA, PC ZIP code 54 126231

ONAL CONSERVATIVE FOUNDATION 1985 51-0227364

II - STATEMENT OF FUNCTIONAL EXPENSES

43 (F) - OTHER EXPENSES

	(A) TOTAL	(B) PROGRAM SERVICES	(C) MGMT & GENERAL	(D) FUND RAISING
CRIPTIONS & REFERENCE	$ 5,263	$ 354	$ 3,164	$ 1,745
ING EXPENSE	17,725	16,911		814
IDE SERVICES	5,385	3,090	2,295	
RANCE	7,410		7,410	
ELLANEOUS	4,592	1,704	1,104	1,784
EXPENSE	14,725		14,725	
TING & CAGING	7,996			7,996
PROCESSING	9,027		1,850	7,177
, FEES, & REGISTRATIONS	1,250	600	350	300
RTISING	9,516	3,422	424	5,670
UCTION COSTS	207,245	200,996		6,249
ING SERVICES	96,385	84,072		12,313
ETING	13,213		3,216	9,997
ISSIONS	1,523	1,326	197	
NEMPLOYMENT	1,468		1,468	
MAINTENANCE	22,956			22,956
RENTAL	20,848	18,659		2,189
T MAIL FEES	77,004	62,224		14,780
TS & ALLOCATIONS	250			250
TAXES	2,765	230	2,535	
RCH & SURVEY	1,805			1,805
SETTING/ARTWORK	1,110	888		222
	$529,461	$394,476	$ 38,738	$ 96,247

43 (F) - GRANTS & ALLOCATIONS

NAL JOURNALISM CENTER $ 250

20

21

4562

Department of the Treasury
Internal Revenue Service (0)

Depreciation and Amortization

▶ See separate instructions.
▶ Attach this form to your return.

OMB No. 1545-0172

1985

67

Name(s) shown on return

NATIONAL CONSERVATIVE FOUNDATION

Identifying number

51-0227364

Business or activity to which this form relates

(Other)

Depreciation

Use Part III, Specific Information Concerning Automobiles and other Listed Property, for certain transportation equipment (e.g. autos), amusement/recreation property, and computer/peripheral equipment.

Section A.—Election to Expense Recovery Property (Section 179)

(a) Class of property	(b) Cost	(c) Expense deduction

Listed property—Enter total from Part III, Section A, column (h) . . . . . .

Total (see instructions for limitations). (Partnerships or S corporations—see the Schedule K and Schedule K instructions of Form 1065 or 1120S) . . . . . .

Section B.—Depreciation of Recovery Property

(a) Class of property	(b) Date placed in service	(c) Cost or other basis	(d) Recovery period	(e) Method of figuring depreciation	(f) Deduction
Accelerated Cost Recovery System (ACRS) (see instructions): *For assets other than automobiles and other listed property placed in service* **ONLY** *during tax year beginning in 1985*					
3-year property					
5-year property					
10-year property					
15-year public utility property					
Low-income housing					
15-year real property					
18-year real property					
(See "Items You Should Note")					

Listed property—Enter total from Part III, Section A, column (g) . . . . . .

ACRS deduction for assets other than automobiles and other listed property placed in service prior to 1985 (see instructions) . . . . . .

Section C.—Depreciation of Nonrecovery Property

Property subject to section 168(e)(2) election (see instructions) . . . . . .

Other depreciation (see instructions) 2,574

Section D.—Summary

Total (Add deductions on lines 3 through 8). Enter here and on the Depreciation line of your return (Partnerships and S corporations—Do NOT include any amounts entered on line 3.) 2,574

Amortization

(a) Description of property	(b) Date acquired	(c) Cost or other basis	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year

Enter here and on Other Deductions or Other Expenses line of your return

2160437226655

Organization Exempt Under 501(c)(3)

(Except Private Foundation), 501(e), 501(f), 501(k), or Section 4947(a)(1) Trust

Supplementary Information

► Attach to Form 990.

OMB No. 1545-0047

1985

Name: NATIONAL CONSERVATIVE FOUNDATION

Employer identification number: 51:0227364

Compensation of Five Highest Paid Employees (Other than Officers, Directors, and Trustees—see specific instructions)

Name and address of employees paid more than $30,000	Title and average hours per week devoted to position	Compensation	Contributions to employee benefit plans	Expense account and other allowances
Number of other employees paid over ►				

Compensation of Five Highest Paid Persons for Professional Services (See specific instructions)

Name and address of persons paid more than $30,000	Type of service	Compensation
J.L. DOLAN, [illegible], VA	CONSULTING	39,500
Number of others receiving over $30,000 for professional services ►	-0-	

Statements About Activities

		Yes (1)	No (2)
During the year have you attempted to influence national, State or local legislation, including any attempt to influence public opinion on a legislative matter or referendum?	1		X
If "Yes," enter the total expenses paid or incurred in connection with the legislative activities .$ _____			
Complete Part VI of this form for organizations that made an election under section 501(h) on Form 5768 or other statement. For other organizations checking "Yes," attach a statement giving a detailed description of the legislative activities and a classified schedule of the expenses paid or incurred.			
During the year have you, either directly or indirectly, engaged in any of the following acts with a trustee, director, principal officer or creator of your organization, or any organization or corporation with which such person is related as an officer, director, trustee, majority owner or principal beneficiary:			
Sale, exchange, or leasing of property?	2a		X
Lending of money or other extension of credit?	2b		X
Furnishing of goods, services, or facilities?	2c		X
Payment of compensation (or payment or reimbursement of expenses if more than $1,000)? PART VI-990	2d	X	
Transfer of any part of your income or assets?	2e		X
If the answer to any question is "Yes," attach a detailed statement explaining the transactions.			
Attach a statement explaining how you determine that individuals or organizations receiving disbursements from you in furtherance of your charitable programs qualify to receive payments. (See specific instructions.)			
Do you make grants for scholarships, fellowships, student loans, etc.?	4		X

Paperwork Reduction Act Notice, see page 1 of the separate Instructions to this form.

Schedule A (Form 990) 1985

9104037266

Reason for Non-Private Foundation Status (See instructions for definitions)

The organization is not a private foundation because it is (check applicable box; please check only ONE box):

- A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- A school. Section 170(b)(1)(A)(ii). (Also complete Part V, page 3.)
- A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- A Federal, state or local government or governmental unit. Section 170(b)(1)(A)(v).
- A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter name, city, and state of hospital ▶ .....
- An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete Support Schedule.)
- An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete Support Schedule.)
- An organization that normally receives: (a) no more than 1/3 of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975, and (b) more than 1/3 of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions—subject to certain exceptions. See section 509(a)(2). (Also complete Support Schedule.)
- An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) boxes 5 through 12 above or (2) section 501(c)(4), (5), or (6) if they meet the test of section 509(a)(2). See section 509(a)(3).

Following information about the supported organizations. (See instructions for Part IV, box 13.)

(a) Name of supported organizations	(b) Box number from above

- An organization organized and operated to test for public safety. Section 509(a)(4). (See specific instructions.)

Support Schedule (Complete only if you checked box 10, 11, or 12 above) Use cash method of accounting.

Calendar year (or fiscal year beginning in) ▶	(a) 1984	(b) 1983	(c) 1982	(d) 1981	(e) Total
Gifts, and contributions received. (Do not include unusual grants. See line 28.)	1,024,629	713,027	819,104	821,520	3,378,280
Membership fees received					
Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is not a business unrelated to the organization's charitable, etc., functions	-0-	11,421	1,566	5,800	18,787
Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975	1,199	584	4,935	15,634	22,352
Gross income from unrelated business activities not included in line 18					
Tax revenues levied for your benefit and either paid to or expended on your behalf					
The value of services or facilities furnished to you by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
Other income. Attach schedule. Do not include gain (or loss) from sale of capital assets					
Total of lines 15 through 22	1,025,828	725,032	825,605	842,954	3,419,419
Line 23 minus line 17	1,025,828	713,611	824,039	837,154	3,400,632
1% of line 23	10,258	7,250	8,256	8,430	

Organizations described in box 10 or 11:
Enter 2% of amount in column (e), line 24. 68,013
Attach a list (not open to public inspection) showing the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1981 through 1984 exceeded the

NOTE

91140372667

Support Schedule (continued)(Complete only if you checked box 10, 11, or 12 on page 2)

Organizations described in box 12, page 2:

a Attach a list, for amounts shown on lines 15, 16, and 17, showing the name of, and total amounts received in each year from each "disqualified person," and enter the sum of such amounts for each year:

(1984)..... (1983)..... (1982)..... (1981).....

b Attach a list showing, for 1981 through 1984, the name and amount included in line 17 for each person (other than "disqualified persons") from whom the organization received more, during that year, than the larger of: the amount on line 25 for the year or $5,000. Include organizations described in boxes 5 through 11 as well as individuals. Enter the sum of these excess amounts for each year:

(1984) (1983) (1982) (1981)

If an organization described in boxes 10, 11, or 12, page 2, that received any unusual grants during 1981 through 1984, attach a list (not open to public inspection) for each year showing the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not include these grants in line 15 above. (See specific instructions.)

Private School Questionnaire
To Be Completed ONLY by Schools that Checked Box 6 in Part IV

		Yes (1)	No (2)
Do you have a racially nondiscriminatory policy toward students by statement in your charter, bylaws, other governing instrument, or in a resolution of your governing body?	29		
Do you include a statement of your racially nondiscriminatory policy toward students in all your brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30		
Have you publicized your racially nondiscriminatory policy by newspaper or broadcast media during the period of solicitation for students or during the registration period if you have no solicitation program, in a way that makes the policy known to all parts of the general community you serve?	31		
If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)			
Do you maintain the following:			
a Records indicating the racial composition of the student body, faculty, and administrative staff?	32a		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b		
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c		
d Copies of all material used by you or on your behalf to solicit contributions?	32d		
If you answered "No," to any of the above, please explain. (If you need more space, attach a separate statement.)			
Do you discriminate by race in any way with respect to:			
a Students' rights or privileges?	33a		
b Admissions policies?	33b		
c Employment of faculty or administrative staff?	33c		
d Scholarships or other financial assistance (see instructions)?	33d		
e Educational policies?	33e		
f Use of facilities?	33f		
g Athletic programs?	33g		
h Other extra-curricular activities?	33h		
If you answered "Yes," to any of the above, please explain. (If you need more space, attach a separate statement.)			
Do you receive any financial aid or assistance from a governmental agency?	34a		
Has your right to such aid ever been revoked or suspended?	34b		
If you answered "Yes," to either 34a or b, please explain using an attached separate statement.			
You certify that you have complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-1975			

2140837 25688

Lobbying Expenditures By Public Charities (See Instructions)
(To be completed ONLY by an eligible organization that filed Form 5768.)

▶ a ☐ If the organization belongs to an affiliated group (see instructions).
▶ b ☐ If you checked a and "limited control" provisions apply (see instructions).

Limits on Lobbying Expenses	(a) Affiliated group totals	(b) To be completed for ALL electing organizations
grassroots) lobbying expenses to influence public opinion		
lobbying expenses to influence a legislative body		
lobbying expenses (add lines 36 and 37)		
exempt purpose expenses (see Part VI instructions)		
exempt purpose expenses (add lines 38 and 39) (see instructions)		
g nontaxable amount. Enter the smaller of $1,000,000 or the amount determined under ing table—		
If the amount on line 40 is— / The lobbying nontaxable amount is—		
Not over $500,000 / 20% of the amount on line 40		
Over $500,000 but not over $1,000,000 / $100,000 plus 15% of the excess over $500,000		
Over $1,000,000 but not over $1,500,000 / $175,000 plus 10% of the excess over $1,000,000		
Over $1,500,000 / $225,000 plus 5% of the excess over $1,500,000		
ts nontaxable amount (enter 25% of line 41)		
e lines 43 and 44. File Form 4720 if either line 36 exceeds line 42 or line 38 exceeds line 41.)		
d line 36 over line 42		
d line 38 over line 41		

4-Year Averaging Period Under Section 501(h).

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45-50 for details.)

Lobbying Expenses During 4-Year Averaging Period

Calendar year (or fiscal year beginning in) ▶	(a) 1985	(b) 1984	(c) 1983	(d) 1982	(e) Total
nontaxable amount (see rs)					
ceiling amount (150% of)					
lobbying expenses (see rs)					
nontaxable amount (see rs)					
ceiling amount (150% of)					
lobbying expenses (see rs)					

91040372669

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt from Income Tax

Under section 501(c) (except black lung benefit trust or private foundation) of the Internal Revenue Code or section 4947(a)(1) trust

Note: You may be required to use a copy of this return to satisfy State reporting requirements. See instruction D.

OMB No. 1545-0047

FILE COPY

For the calendar year 1984, or fiscal year beginning , 1984, and ending , 19

Use IRS label. Otherwise, please print or type.	Name of organization	A Employer identification number (see instruction L)
	NATIONAL CONSERVATIVE FOUNDATION	51 : 0227364
	Address (number and street)	B State registration number (see instruction D)
	1001 PRINCE STREET	
	City or town, State, and ZIP code	C If address changed, check here ▶
	ALEXANDRIA, VA 22314	

E Check applicable box—Exempt under section ▶ ☒ 501(c)(3) (insert number), OR ▶ ☐ section 4947(a)(1) trust ☐ Check here if application exemption is pending

F Accounting method: ☐ Cash ☒ Accrual ☐ Other (specify) ▶

G Section 4947(a)(1) trusts filing this form in lieu of Form 1041, check here ▶ ☐ (see instruction C10).

H Is this a group return (see instruction J) filed for affiliates? ☐ Yes ☒ No
Is this a separate return filed by a group affiliate? ☐ Yes ☒ No
If "Yes" to either, give four-digit group exemption number (GEN) ▶

I ☐ Check here if your gross receipts are normally not more than $25,000 (see instruction B11). You do not have to file a completed return with IRS but should file a return without financial data if you were mailed a Form 990 Package (see instruction A). Some States may require a completed return.

J ☐ Check here if gross receipts are normally more than $25,000 and line 12 is $25,000 or less. Complete Parts I (except lines 13-15), III, IV, VI, and VII and only the indicated items in Parts II and V (see instruction I). If line 12 is more than $25,000, complete the entire return.

501(c)(3) organizations and 4947(a)(1) trusts must also complete and attach Schedule A (Form 990). (See instructions.)

Part I Statement of Support, Revenue, and Expenses and Changes in Fund Balances

	(A) Total	These columns are optional—see instructions (B) Unrestricted/Expendable	(C) Restricted/Nonexpendable
Support and Revenue			
1 Contributions, gifts, grants, and similar amounts received:			
(a) Direct public support 1024,629.26			
(b) Indirect public support			
(c) Government grants			
(d) Total (add lines 1(a) through 1(c)) (attach schedule—see instructions)	1024,629.26	✓	
2 Program service revenue (from Part IV, line (f))	2,509.00		
3 Membership dues and assessments			
4 Interest on savings and temporary cash investments			
5 Dividends and interest from securities	1,199.37	✓	
6 (a) Gross rents			
(b) Minus: Rental expenses			
(c) Net rental income (loss)			
7 Other investment income (Describe ▶)			
8 (a) Gross amount from sale of assets other than inventory: Securities 651.22; Other 20,788.84			
(b) Minus: cost or other basis and sales expenses: Securities (700.00); Other (73,000.00)			
(c) Gain (loss) (attach schedule): Securities (48.78); Other (52,211.16)	(52,259.94		
9 Special fundraising events and activities (attach schedule—see instructions):			
(a) Gross revenue (not including $ of contributions reported on line 1(a))			
(b) Minus: direct expenses			
(c) Net income (line 9(a) minus line 9(b))			
10 (a) Gross sales minus returns and allowances			
(b) Minus: Cost of goods sold (attach schedule)			
(c) Gross profit (loss)			
11 Other revenue (from Part IV, line (g))			
12 Total revenue (add lines 1(d), 2, 3, 4, 5, 6(c), 7, 8(c), 9(c), 10(c), and 11)	976,077.69		
Expenses			
13 Program services (from line 44(B)) (see instructions)	478,928.26		
14 Management and general (from line 44(C)) (see instructions)	409,698.14		
15 Fundraising (from line 44(D)) (see instructions)	144,752.18		
16 Payments to affiliates (attach schedule—see instructions)			
17 Total expenses (add lines 16 and 44(A))	1033,378.58		
Fund Balances			
18 Excess (deficit) for the year (subtract line 17 from line 12)	(57,300.89)		
19 Fund balances or net worth at beginning of year (from line 74(A))	(92,254.03)		
20 Other changes in fund balances or net worth (attach explanation)			
21 Fund balances or net worth at end of year (add lines 18, 19, and 20)	(149,554.92		

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for most section 501(c)(3) and (c)(4) organizations and 4947(a)(1) trusts but optional for others. (See instructions.)

Do not include amounts reported on lines 6(b), 8(b), 9(b), 10(b), or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule)	66,000.00	66,000.00		
23 Specific assistance to individuals				
24 Benefits paid to or for members				
25 Compensation of officers, directors, etc.	57,115.54		57,115.54	
26 Other salaries and wages	104,683.33	35.00	104,648.33	
27 Pension plan contributions				
28 Other employee benefits	4,007.01		4,007.01	
29 Payroll taxes	2,569.66		2,569.66	
30 Professional fundraising fees				
31 Accounting fees				
32 Legal fees				
33 Supplies & OFFICE	5,449.86	3,114.57	1,909.31	425.98
34 Telephone	9,501.66		9,501.66	
35 Postage and shipping	97,350.06	77,887.93	1,472.79	17,989.34
36 Occupancy & UTILITIES	116,876.27		116,876.27	
37 Equipment rental and maintenance	5,332.59	2,315.79	2,443.62	573.18
38 Printing and publications	134,397.48	110,097.24	2,668.13	21,632.11
39 Travel	28,761.90	25,183.88	3,556.10	21.92
40 Conferences, conventions and meetings	17,425.73	15,225.73	200.00	2,000.00
41 Interest	2,706.76	185.21	1,908.88	612.67
42 Depreciation, depletion, etc. (attach schedule)	1,645.93		1,645.93	
43 Other expenses (itemize): (a) BANK CHARGES	1,114.59	22.85	31.59	1,060.15
(b) PROFESSIONAL FEES	34,921.92	800.00	33,921.92	200.00
(c) HONORARIA & WRITERS FEES	1,700.00	1,400.00	100.00	200.00
(d) COMPUTER SERVICES	5,752.24	4,895.06		857.18
(e) CONSULTING FEES	55,507.12	12,909.70	41,120.00	1,477.42
(f) SEE ATTACHED	280,558.93	158,855.30	24,001.40	97,702.23
44 Total functional expenses (add lines 22 through 43)	1033,378.58	478,928.26	409,698.14	144,752.18

Part III Statement of Program Services Rendered

List each program service title on lines (a) through (d); for each, identify the service output(s) or product(s) and report the quantity provided. Enter the total expenses attributable to each program service and the amount of grants and allocations included in that total. (See instructions for Part III.)	Expenses (Optional for some organizations—see instructions)
(a) PUBLIC SURVEYS (Grants and allocations $)	3,454.86
(b) PUBLIC EDUCATION (Grants and allocations $)	69,097.18
(c) CAMPAIGN SCHOOLS (Grants and allocations $)	24,211.24
(d) DEVELOPMENT & PROMOTION (Grants and allocations $66,000.00)	245,652.61
(e) Other program service activities (attach schedule) TV FORUM (Grants and allocations $)	136,512.37
Total (add lines (a) through (e)) (should equal line 44(B))	478,928.26

Part IV Program Service Revenue and Other Revenue (State Nature)

		Program service revenue	Other revenue
(a)	Fees from government agencies		
(b)	CAMPAIGN SCHOOL TUITION	2,509.00	
(c)			
(d)			
(e)			
(f)	Total program service revenue (enter here and on line 2)	2,509.00	
(g)	Total other revenue (enter here and on line 11)		

Part V Balance Sheets — If line 12, Part I, and line 58 are $25,000 or less, you should complete only lines 59, 66, and 74 and, if you do not use fund accounting, line 73. If line 12 or line 58 is more than $25,000, complete the entire balance sheet. See instructions.

Note: Columns (C) and (D) are optional. Columns (A) and (B) must be completed to the extent applicable. Where required, attached schedules should be for end-of-year amounts only.		(A) Beginning of year	End of year (B) Total	(C) Unrestricted/ Expendable	(D) Restricted/ Nonexpendable
	Assets				
45	Cash—non-interest bearing	7,695.60	13,164.45		
46	Savings and temporary cash investments	573.68	966.89		
47	Accounts receivable ▶ _____ minus allowance for doubtful accounts ▶ _____				
48	Pledges receivable ▶ _____ minus allowance for doubtful accounts ▶ _____				
49	Grants receivable				
50	Receivables due from officers, directors, trustees and key employees (attach schedule)				
51	Other notes and loans receivable ▶ _____ minus allowance for doubtful accounts ▶ _____				
52	Inventories for sale or use				
53	Prepaid expenses and deferred charges				
54	Investments—securities (attach schedule)	700.00			
55	Investments—land, buildings and equipment: basis ▶ 73,000 minus accumulated depreciation ▶ _____ (attach schedule)	73,000.00			
56	Investments—other (attach schedule) ALEX BROWN & SONS		29.00		
57	Land, buildings and equipment: basis ▶ 18,981.28 minus accumulated depreciation ▶ 3,798.00 (attach schedule)	12,213.89	15,183.28		
58	Other assets ▶ PREPAID INSURANCE	170.38	167.64		
59	Total assets (add lines 45 through 58)	94,353.55	29,511.26		
	Liabilities				
60	Accounts payable and accrued expenses	134,380.27	123,856.53		
61	Grants payable				
62	Support and revenue designated for future periods (attach schedule)				
63	Loans from officers, directors, trustees and key employees (attach schedule)				
64	Mortgages and other notes payable (attach schedule) NCPAC-SEF	42,112.00	42,112.00		
65	Other liabilities ▶ WITHHELD TAXES	10,115.31	13,097.65		
66	Total liabilities (add lines 60 through 65)	186,607.58	179,066.18		
	Fund Balances or Net Worth				
	Organizations that use fund accounting, check here ▶ ☒ and complete lines 67 through 70 and lines 74 and 75.	(92,254.03	(149,554.92		
67	a. Current unrestricted fund				
	b. Current restricted fund				
68	Land, buildings and equipment fund				
69	Endowment fund				
70	Other funds (Describe ▶ _____)				
	Organizations that do not use fund accounting, check here ▶ ☐ and complete lines 71 through 75.				
71	Capital stock or trust principal				
72	Paid-in or capital surplus				
73	Retained earnings or accumulated income				
74	Total fund balances or net worth (see instructions)	(92,254.03	(149,554.92)		
75	Total liabilities and fund balances/net worth (see instructions)	94,353.55	29,511.26		

Part VI List of Officers, Directors, and Trustees (List each officer, director, and trustee whether compensated or not.) (See instructions)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if any)	(D) Contributions to employee benefit plans	(E) Expense account and other allowances
JOHN T. DOLAN ARLINGTON, VA	CHAIRMAN/PRES. PART	31,000.00	-0-	-0-
DORA BODNAR ALEXANDRIA, VA	SECRETARY PART	7,999.94	-0-	-0-
BRENT BOZELL TRIANGLE, VA	EXEC DIR/TREAS FULL	41,107.88	-0-	-0-

Part VII Other Information

		Yes	No
76	Has the organization engaged in any activities not previously reported to the Internal Revenue Service? If "Yes," attach a detailed description of the activities.		X
77	Have any changes been made in the organizing or governing documents, but not reported to IRS? If "Yes," attach a conformed copy of the changes.		X
78	(a) Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?		X
	(b) If "Yes," have you filed a tax return on Form 990-T, Exempt Organization Business Income Tax Return, for this year?		N/A
	(c) If the organization has gross sales or receipts from business activities not reported on Form 990-T, attach a statement explaining your reason for not reporting them on Form 990-T.		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year (see instructions)? If "Yes," attach a statement as described in the instructions.		X
80	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization (see instructions)? If "Yes," enter the name of organization ▶ _____ and check whether it is ☐ exempt OR ☐ nonexempt.		X
81	(a) Enter amount of political expenditures, direct or indirect, as described in the instructions ▶		
	(b) Did you file Form 1120-POL, U.S. Income Tax Return for Certain Political Organizations, for this year?		X
82	Did your organization receive donated services or the use of materials, equipment or facilities at no charge or at substantially less than fair rental value?		X
	If "Yes," you may indicate the value of these items here. Do not include this amount as support in Part I or as an expense in Part II. See instructions for reporting in Part III ▶		
83	*Section 501(c)(5) or (6) organizations.*—Did the organization spend any amounts in attempts to influence public opinion about legislative matters or referendums (see instructions and Regulations section 1.162-20(c))?		
	If "Yes," enter the total amount spent for this purpose ▶		
84	*Section 501(c)(7) organizations.*—Enter amount of:		
	(a) Initiation fees and capital contributions included on line 12 ▶		
	(b) Gross receipts, included in line 12, for public use of club facilities (see instructions) ▶		
	(c) Does the club's governing instrument or any written policy statement provide for discrimination against any person because of race, color, or religion (see instructions)?		
85	*Section 501(c)(12) organizations.*—Enter amount of:		
	(a) Gross income received from members or shareholders ▶		
	(b) Gross income received from other sources (do not net amounts due or paid to other sources against amounts due or received from them) ▶		
86	*Public interest law firms.*—Attach information described in instructions.		
87	List the States with which a copy of this return is filed ▶ _____		
88	During this tax year did you maintain any part of your accounting/tax records on a computerized system?	X	
89	The books are in care of ▶ ORGANIZATION Telephone No. ▶ (703)684-1800 Located at ▶ ALEXANDRIA, VA		

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

▶ _____ Signature of officer — Date — ▶ Title

Paid Preparer's Use Only

Preparer's signature ▶ J. P. Bailey — Date 6/26/85 — Check if self-employed ▶ ☐ — [redacted]

Firm's name (or yours, if self-employed) and address ▶ J. PETER BAILEY, CPA, PC
2[redacted] Vienna, VA

54 1269231 — ZIP code 22180

NATIONAL CONSERVATIVE FOUNDATION 1984 51-[illegible]7364

PART II - STATEMENT OF FUNCTIONAL EXPENSES
LINE 43 (F) - OTHER EXPENSES

	TOTAL	PROGRAM SERVICES	MGMT & GENERAL	FUND RAISING
SUBSCRIPTIONS & REFERENCE MATERIALS	$ 4,894.00	$ 804.54	$ 1,371.95	$ 2,717.51
OUTSIDE SERVICES	1,150.00	900.00		250.00
INSURANCE	1,097.74		1,097.74	
MISCELLANEOUS	2,104.22	462.66	50.01	1,591.55
FICA EXPENSE	11,843.70		11,843.70	
COUNTING & CAGING	7,632.41			7,632.41
WORD PROCESSING	4,790.59			4,790.59
DUES, FEES, & REGISTRATIONS	75.00		75.00	
ADVERTISING	55,728.72	4,354.72		51,374.00
PRODUCTION COSTS	41,188.72	39,014.90		2,173.82
MAILING SERVICES	65,472.38	52,740.40		12,731.98
MARKETING	746.06	746.06		
COMMISSIONS	16,662.21	9,629.21	7,033.00	
EDUCATIONAL TRANSCRIPTS	9.00			9.00
LIST MAINTENANCE	2,396.04			2,396.04
LIST RENTAL	21,259.75	17,007.80		4,251.95
DIRECT MAIL FEES	40,978.39	33,195.01		7,783.38
GRANTS & ALLOCATIONS	2,530.00		2,530.00	
	$280,558.93	$158,855.30	$24,001.40	$97,702.23

LINES 22 & 43 (F) - GRANTS & ALLOCATIONS

JOE STEFFEN	$ 30.00
HIGH FRONTIER	5,000.00
MAINE ERA IMPACT COALITION	3,500.00
HUGHEN CENTER FOR PHYSICALLY HANDICAPPED CHILDREN	60,000.00
	$ 68,530.00

LINE 8 (c) - GAIN (LOSS) FROM SALE OF ASSETS

	SECURITIES	OTHER
50 SHARES - NATIONAL MEDICAL CARE, INC.	$ 1,031.51	
LESS: VALUATION ALLOWANCE	(331.51)	
FAIR MARKET VALUE	$ 700.00	
LESS: RECEIVED FROM SALE	(651.22)	
LOSS ON SALE	$ 48.78	
DONATED VALUE OF TEXAS PROPERTY		$73,000.00
LESS: RECEIVED FROM SALE		(20,788.84)
LOSS ON SALE		$52,211.16

Form **4562**

Department of the Treasury
Internal Revenue Service (O)

Depreciation and Amortization

▶ See separate instructions.
▶ Attach this form to your return.

OMB No. 1545-0172

1984
67

Name(s) as shown on return

NATIONAL CONSERVATIVE FOUNDATION

Identifying number

51-0227364

Address or activity to which this form relates

Part I Depreciation For transportation equipment (e.g. autos), amusement/recreation property, and computer/peripheral equipment placed in service after June 18, 1984, and used 50% or less in a trade or business, the section 179 deduction is not allowed and depreciation must be taken only on line 2(h).

Section A.—Election to expense recovery property (Section 179)

A. Class of property	B. Cost	C. Expense deduction

1 Total (not more than $5,000). (Partnerships or S corporations—see the Schedule K and Schedule K-1 Instructions of Form 1065 or 1120S) . . . . . |

Section B.—Depreciation of recovery property

A. Class of property	B. Date placed in service	C. Cost or other basis	D. Recovery period	E. Method of figuring depreciation	F. Deduction
2 Accelerated Cost Recovery System (ACRS) (see instructions): *For assets placed in service ONLY during taxable year beginning in 1984*					
(a) 3-year property					
(b) 5-year property					
(c) 10-year property					
(d) 15-year public utility property					
(e) 15-year real property—low-income housing					
(f) 15-year real property other than low-income housing					
(g) 18-year real property					
(h) Other recovery property				S/L	
				S/L	

3 ACRS deduction for assets placed in service prior to 1984 (see instructions) . . . . . |

Section C.—Depreciation of nonrecovery property

4 Property subject to section 168(e)(2) election (see instructions)	
5 Class Life Asset Depreciation Range (CLADR) System Depreciation (see instructions)	
6 Other depreciation (see instructions)	1,645.93

Section D.—Summary

7 Total (Add deductions on lines 1 through 6). Enter here and on the Depreciation line of your return (Partnerships and S corporations—DO NOT include any amounts entered on line 1.)	1,645.93

Part II Amortization

A. Description of property	B. Date acquired	C. Cost or other basis	D. Code section	E. Amortization period or percentage	F. Amortization for this year

Total. Enter here and on Other Deductions or Other Expenses line of your return . . . . . |

U.S. GOVERNMENT PRINTING OFFICE: 1984-423-237 (31-0590032)

Part IV Reason for Non-Private Foundation Status (See instructions for definitions)

The organization is not a private foundation because it is (check applicable box; please check only ONE box):

1 ☐ A church. Section 170(b)(1)(A)(i).

2 ☐ A school. Section 170(b)(1)(A)(ii). (Also complete Part V, page 3.)

3 ☐ A hospital. Section 170(b)(1)(A)(iii).

4 ☐ A governmental unit. Section 170(b)(1)(A)(v).

5 ☐ A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter name and address of hospital ▶ .....

.....

.....

6 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete Support Schedule.)

7 ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete Support Schedule.)

8 ☐ An organization that normally receives: (a) no more than ⅓ of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975, and (b) more than ⅓ of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions. Section 509(a)(2). (Use cash receipts and disbursements method of accounting; also complete Support Schedule.)

9 ☐ An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) boxes 1 through 8 above or (2) sections 501(c)(4), (5), or (6) if they meet the test of section 509(a)(2). Section 509(a)(3).

Provide the following information about the supported organizations. (See instructions for Part IV, box 9.)

(a) Name of supported organizations	(b) Box number from above

(c) Relationship of supported organizations to your organization:

(1) Check here ▶ ☐ if the supported organizations appoint a majority of your governing board.

(2) Check here ▶ ☐ if a majority of your governing board belong to governing boards of the supported organizations.

(3) Check here ▶ ☐ if (1) or (2) above does not apply. (See Regulations 1.509(a)–4.)

(d) If applicable, enter the number of supported organizations exempt under:

(1) Section 501(c)(4) . . . . .

(2) Section 501(c)(5) . . . . .

(3) Section 501(c)(6) . . . . .

(e) Check here ▶ ☐ if your organization's main function is to provide funds to the supported organizations.

☐ An organization organized and operated to test for public safety. Section 509(a)(4). (See specific instructions.)

Support Schedule (Complete only if you checked box 6, 7, or 8 above)

Calendar year (or fiscal year beginning in) ▶	(a) 1979 83	(b) 1978 82	(c) 1977 81	(d) 1976 80	(e) Total
Gifts, grants, and contributions received. (Do not include unusual grants. See line 24 below.) . . .	713,027	819,104	821,520	242,922	2,596,573
Membership fees received . . .					
Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is not a business unrelated to the organization's exempt purpose	11,421	1,566	5,800	4,650	23,437
Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	584	4,935	15,634	857	22,010
Net income from unrelated business activities not included in line 14 . .					

Part IV Support Schedule (continued) (Complete only if you checked box 6, 7, or 8 on page 2)

Calendar year (or fiscal year beginning in) ▶	(a) 1979 83	(b) 1978 82	(c) 1977 81	(d) 1976 80	(e) Total
Tax revenues levied for your benefit and either paid to you or expended on your behalf					
The value of services or facilities furnished to you by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
Other income. Attach schedule. Do not include gain (or loss) from sale of capital assets					
Total of lines 11 through 18	725,032	825,605	842,954	248,429	2,642,020
Line 19 minus line 13	713,611	824,039	837,154	243,779	2,618,583
Enter 1% of line 19	7,250	8,256	8,430	2,484	

Organizations described in box 6 or 7, page 2:

a) Enter 2% of amount in column (e), line 20 52,372

b) Attach a list showing the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1976 through 1979 exceeded the amount shown in 22(a). Enter the sum of all excess amounts here . . . . .

Organizations described in box 8, page 2:

a) Attach a list, for amounts shown on lines 11, 12, and 13, showing the name of, and total amounts received in each year from each "disqualified person," and enter the sum of such amounts for each year:

(1979)..... (1978)..... (1977)..... (1976).....

b) Attach a list showing, for 1976 through 1979, the name and amount included in line 13 for each person (other than "disqualified persons") from whom the organization received more, during that year, than the larger of: the amount on line 21 for the year or $5,000. Include organizations described in boxes 1 through 7 as well as individuals. Enter the sum of these excess amounts for each year:

(1979) (1978) (1977) (1976)

For an organization described in boxes 6, 7, or 8, page 2, that received any unusual grants during 1976 through 1979, attach a list for each year showing the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not include these grants in line 11 above. (See specific instructions.)

Part V Private School Questionnaire To Be Completed ONLY by Schools that Checked Box 2 in Part IV N/A

	Yes	No
Do you have a racially nondiscriminatory policy toward students by statement in your charter, bylaws, other governing instrument, or in a resolution of your governing body?		
Do you include a statement of your racially nondiscriminatory policy toward students in all your brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
Have you publicized your racially nondiscriminatory policy by newspaper or broadcast media during the period of solicitation for students or during the registration period if you have no solicitation program, in a way that makes the policy known to all parts of the general community you serve?		
If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)		
Do you maintain the following:		
a) Records indicating the racial composition of the student body, faculty, and administrative staff?		
b) Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? (See instructions.)		
c) Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d) Copies of all material used by you or on your behalf to solicit contributions?		
If you answered "No," to any of the above, please explain. (If you need more space, attach a separate statement.)		

Part V Private School Questionnaire
To Be Completed ONLY by Schools that Checked Box 2 in Part IV (Continued) N/A

	Yes	No
5 Do you discriminate by race in any way with respect to:		
(a) Students' rights or privileges?		
(b) Admissions policies?		
(c) Employment of faculty or administrative staff?		
(d) Scholarships or other financial assistance (see instructions)?		
(e) Educational policies?		
(f) Use of facilities?		
(g) Athletic programs?		
(h) Other extra-curricular activities?		
If you answered "Yes," to any of the above, please explain. (If you need more space, attach a separate statement.)		
6 (a) Do you receive any financial aid or assistance from a governmental agency?		
(b) Has your right to such aid ever been revoked or suspended?		
If you answered "Yes," to either 6(a) or (b), please explain. (If you need more space, attach a separate statement.)		
7 Do you certify that you have complied with the applicable requirements of section 4.01 through 4.05 of Rev. Proc. 75–50, 1975–2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation (see instructions for Part V)		

Part VI Lobbying Expenditures By Public Charities (See instructions) (To be completed ONLY by an eligible organization that filed Form 5768.) N/A

Check here ▶ (a) ☐ If the organization belongs to an affiliated group (see instructions).
Check here ▶ (b) ☐ If you checked (a) and "limited control" provisions apply (see instructions).

Limits on Lobbying Expenses	(a) Affiliated group totals	(b) To be completed for ALL electing organizations
Total (grassroots) lobbying expenses to influence public opinion		
Total lobbying expenses to influence legislative body		
Total lobbying expenses (add lines 1 and 2)		
Other exempt purpose expenses (see Part VI instructions)		
Total exempt purpose expenses (add lines 3 and 4) (see instructions)		
Lobbying nontaxable amount. Enter the smaller of $1,000,000 or the amount determined under the following table—		
If the amount on line 5 is— / The lobbying nontaxable amount is—		
Not over $500,000 — 20% of the amount on line 5		
Over $500,000 but not over $1,000,000 — $100,000 plus 15% of the excess over $500,000		
Over $1,000,000 but not over $1,500,000 — $175,000 plus 10% of the excess over $1,000,000		
Over $1,500,000 — $225,000 plus 5% of the excess over $1,500,000		
Grassroots nontaxable amount (enter 25% of line 6)		
(Complete lines 8 and 9. File Form 4720 if either line 1 exceeds line 7 or line 3 exceeds line 6.)		
Excess of line 1 over line 7		
Excess of line 3 over line 6		

4-Year Averaging Period Under Section 501(h). (Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 10–15 for details.)

All references below are to column (b) of Part VI, Schedule A (Form 990) for the respective tax year)	Lobbying Expenses During 4-Year Averaging Period				
Calendar year (or fiscal year beginning in) ▶	(a) 1980	(b) 1979	(c) 1978	(d) 1977	(e) Total
Lobbying nontaxable amount (line 6)					
Lobbying ceiling amount (150% of line 10)					
Total lobbying expenses (line 3)					
Grassroots nontaxable amount (line 9)					
Grassroots ceiling amount (150% of line 13)					
Grassroots lobbying expenses (line 8)					

*U.S. GOVERNMENT PRINTING OFFICE: 1981—70[illegible] 986

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c) (except black lung benefit trust or private foundation) of the Internal Revenue Code or section 4947(a)(1) trust

Note: You may be required to use a copy of this return to satisfy state reporting requirements. See instruction D.

OMB No. 1545-0047

1988

For the calendar year 1988, or fiscal year beginning , 1988, and ending , 19

Use IRS label. Otherwise, please print or type.

Name of organization: National Conservative Foundation Titleholding Corporation

Address (number and street): 618 South Alfred Street

City or town, state, and ZIP code: Alexandria, VA 22314

A Employer identification number (see instruction L): 52 1206900

B State registration number (see instruction D):

C Section 4947(a)(1) trusts filing this form in lieu of Form 1041, check here ▶ ☐ (see instruction C10)

D Check type of organization—Exempt under section ▶ ☒ 501(c)(2) (insert number), OR ▶ ☐ section 4947(a)(1) trust

Check here if application for exemption is pending ▶ ☐

E Accounting method: ☐ Cash ☒ Accrual ☐ Other (specify) ▶

F Is this a group return (see instruction J) filed for affiliates? ☐ Yes ☒ No

If "Yes," enter the number of affiliates for which this return is filed ____

Is this a separate return filed by a group affiliate? ☐ Yes ☒ No

G If "Yes" to either, give four-digit group exemption number (GEN) ▶

H ☐ Check here if your gross receipts are normally not more than $25,000 (see instruction B11). You do not have to file a completed return with IRS but should file a return without financial data if you were mailed a Form 990 Package (see instruction A). Some states may require a completed return.

I ☐ Check here if gross receipts are normally more than $25,000 and line 12 is $25,000 or less. Complete Parts I (except lines 13-15), III, IV, VI, and VII and only the indicated items in Parts II and V (see instruction I). If line 12 is more than $25,000, complete the entire return.

501(c)(3) organizations and 4947(a)(1) trusts must also complete and attach Schedule A (Form 990). (See instructions.)

Part I Statement of Support, Revenue, and Expenses and Changes in Fund Balances

		(A) Total	These columns are optional—see instructions (B) Unrestricted/ Expendable	(C) Restricted/ Nonexpendable
Support and Revenue	1 Contributions, gifts, grants, and similar amounts received:			
	a Direct public support -0-			
	b Indirect public support			
	c Government grants			
	d Total (add lines 1a through 1c) (attach schedule—see instructions)			
	2 Program service revenue (from Part IV, line f)			
	3 Membership dues and assessments			
	4 Interest on savings and temporary cash investments	57		
	5 Dividends and interest from securities			
	6a Gross rents			
	b Minus: rental expenses			
	c Net rental income (loss)			
	7 Other investment income (Describe ▶)			
	8a Gross amount from sale of assets other than inventory (Securities / Other)			
	b Minus: cost or other basis and sales expenses			
	c Gain (loss) (attach schedule)			
	9 Special fundraising events and activities (**attach schedule**—see instructions)			
	a Gross revenue (not including $ ____ of contributions reported on line 1a)			
	b Minus: direct expenses			
	c Net income (line 9a minus line 9b)			
	10a Gross sales minus returns and allowances			
	b Minus: cost of goods sold (attach schedule)			
	c Gross profit (loss)			
	11 Other revenue (from Part IV, line g)			
	12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8c, 9c, 10c, and 11)	57		
Expenses	13 Program services (from line 44, column (B)) (see instructions)			
	14 Management and general (from line 44, column (C)) (see instructions)			
	15 Fundraising (from line 44, column (D)) (see instructions)			
	16 Payments to affiliates (attach schedule—see instructions)			
	17 Total expenses (add lines 16 and 44, column (A))			
Fund Balances	18 Excess (deficit) for the year (subtract line 17 from line 12)	57		
	19 Fund balances or net worth at beginning of year (from line 74, column (A))	355,574		
	20 Other changes in fund balances or net worth (attach explanation)			
	21 Fund balances or net worth at end of year (add lines 18, 19, and 20)	355,631		

9 1 5 4 0 3 7 2 6 7 9

Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for most sections 501(c)(3) and (c)(4) organizations and 4947(a)(1) trusts but optional for others. (See instructions.)

	Do not include amounts reported on lines 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
Expenses	22 Grants and allocations (attach schedule)				
	23 Specific assistance to individuals				
	24 Benefits paid to or for members				
	25 Compensation of officers, directors, etc.				
	26 Other salaries and wages				
	27 Pension plan contributions				
	28 Other employee benefits				
	29 Payroll taxes				
	30 Professional fundraising fees				
	31 Accounting fees				
	32 Legal fees				
	33 Supplies				
	34 Telephone				
	35 Postage and shipping				
	36 Occupancy				
	37 Equipment rental and maintenance				
	38 Printing and publications				
	39 Travel				
	40 Conferences, conventions, and meetings				
	41 Interest				
	42 Depreciation, depletion, etc. (attach schedule)				
	43 Other expenses (itemize): a				
	b				
	c				
	d				
	e				
	f				
	44 Total functional expenses (add lines 22 through 43) Organizations completing columns B-D, carry these totals to lines 13-15.	-0-	-0-	-0-	-0-

Part III Statement of Program Services Rendered

List each program service title on lines a through d; for each, identify the service output(s) or product(s), and report the quantity provided. Enter the total expenses attributable to each program service and the amount of grants and allocations included in that total. (See instructions for Part III.)

Expenses (Optional for some organizations—see instructions)

a ..... (Grants and allocations $)

b ..... (Grants and allocations $)

c ..... (Grants and allocations $)

d ..... (Grants and allocations $)

e Other program service activities (attach schedule) (Grants and allocations $)

f Total (add lines a through e) (should equal line 44, column (B))

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Part IV Program Service Revenue and Other Revenue (State nature.)

		Program service revenue	Other revenue
a	Fees from government agencies		
b			
c			
d			
e			
f	Total program service revenue (enter here and on line 2)		
g	Total other revenue (enter here and on line 11)		

Part V Balance Sheets If line 12 or Column (B) of line 59 is more than $25,000, complete the entire balance sheet. If line 12, Part I, and Column (B) of line 59 are $25,000 or less, you may complete only lines 59, 66, 74, and 75. See instructions.

Note: Columns (C) and (D) are optional. Columns (A) and (B) must be completed to the extent applicable. Where required, attached schedules should be for end-of-year amounts only.

		(A) Beginning of year	End of year (B) Total	End of year (C) Unrestricted/ Expendable	End of year (D) Restricted/ Nonexpendable
	Assets				
45	Cash—noninterest-bearing				
46	Savings and temporary cash investments	667	724		
47	Accounts receivable ► _____ minus allowance for doubtful accounts ► _____				
48	Pledges receivable ► _____ minus allowance for doubtful accounts ► _____				
49	Grants receivable				
50	Receivables due from officers, directors, trustees, and key employees (attach schedule)		-		
51	Other notes and loans receivable ► _____ minus allowance for doubtful accounts ► _____				
52	Inventories for sale or use				
53	Prepaid expenses and deferred charges				
54	Investments—securities (attach schedule)				
55	Investments—land, buildings, and equipment: basis ► _____ minus accumulated depreciation ► _____ (attach schedule)				
56	Investments—other (attach schedule)				
57	Land, buildings, and equipment: basis ► 69,044 minus accumulated depreciation ► 18254 (attach schedule)	54,934	50,790		
58	Other assets ► Building Purchase Option	309,300	309,300		
59	Total assets (add lines 45 through 58)	364,901	360,814		
	Liabilities				
60	Accounts payable and accrued expenses	216	216		
61	Grants payable				
62	Support and revenue designated for future periods (attach schedule)				
63	Loans from officers, directors, trustees, and key employees (attach schedule)				
64	Mortgages and other notes payable (attach schedule)	9,111	9,111		
65	Other liabilities ► _____	9,327	9,327		
66	Total liabilities (add lines 60 through 65)				
	Fund Balances or Net Worth				
	Organizations that use fund accounting, check here ► ☐ and complete lines 67 through 70 and lines 74 and 75.				
67a	Current unrestricted fund	355,574	351,487		
b	Current restricted fund				
68	Land, buildings, and equipment fund				
69	Endowment fund				
70	Other funds (Describe ► _____)				
	Organizations that do not use fund accounting, check here ► ☐ and complete lines 71 through 75.				
71	Capital stock or trust principal				
72	Paid-in or capital surplus				
73	Retained earnings or accumulated income				
74	Total fund balances or net worth (see instructions)	355,574	351,487		
75	Total liabilities and fund balances/net worth (see instructions)	364,901	360,814		

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Part VI List of Officers, Directors, and Trustees (List each one whether compensated or not. See instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter zero)	(D) Contributions to employee benefit plans	(E) Expense account and other allowances
See attached list				

Part VII Other Information

		Yes	No
76	Has the organization engaged in any activities not previously reported to the Internal Revenue Service? If "Yes," attach a detailed description of the activities.		X
77	Have any changes been made in the organizing or governing documents, but not reported to IRS? If "Yes," attach a conformed copy of the changes.		X
78	*If the organization had income from business activities, such as those reported on lines 2, 9, and 10 (among others), but NOT reported on Form 990-T, attach a statement explaining your reason for not reporting the income on Form 990-T.*		
a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?		X
b	If "Yes," have you filed a tax return on Form 990-T, Exempt Organization Business Income Tax Return, for this year?	N/A	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? (See instructions.) If "Yes," attach a statement as described in the instructions.		X
80	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization? (See instructions.)		X
	If "Yes," enter the name of the organization ▶ National Conservative Foundation and check whether it is ☐ exempt **OR** ☐ nonexempt.		
81 a	Enter amount of political expenditures, direct or indirect, as described in the instructions ▶		
b	Did you file Form 1120-POL, U.S. Income Tax Return for Certain Political Organizations, for this year?		X
82	Did your organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
	If "Yes," you may indicate the value of these items here. Do not include this amount as support in Part I or as an expense in Part II. See instructions for reporting in Part III ▶		
83	*Section 501(c)(5) or (6) organizations.*—Did the organization spend any amounts in attempts to influence public opinion about legislative matters or referendums? (See instructions and Regulations section 1.162-20(c).)		
	If "Yes," enter the total amount spent for this purpose		
84	*Section 501(c)(7) organizations.*—Enter: a Initiation fees and capital contributions included on line 12		
b	Gross receipts, included in line 12, for public use of club facilities (See instructions.)		
c	Does the club's governing instrument or any written policy statement provide for discrimination against any person because of race, color, or religion? (See instructions.)		
85	*Section 501(c)(12) organizations.*—Enter amount of:		
a	Gross income received from members or shareholders		
b	Gross income received from other sources (do not net amounts due or paid to other sources against amounts due or received from them)		
86	*Public interest law firms.*—Attach information described in the instructions.		
87	List the states with which a copy of this return is filed ▶		
88	During this tax year did you maintain any part of your accounting/tax records on a computerized system?		X
89	The books are in care of ▶ Organization Telephone no. ▶ 703/648-1800 Located at ▶ Alexandria, VA 22314		
90	*Section 4947(a)(1) trusts filing Form 990 in lieu of Form 1041.*—Enter the amount of tax-exempt interest received or accrued during the tax year ▶		

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Signature of officer | Date: 11/15/89 | Title: Chairman

Paid Preparer's Use Only

Preparer's signature ▶ | Date | Check if self-employed ▶ ☐

Firm's name (or yours, if self-employed) and address ▶ | ZIP code

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*U.S.GPO 1988-0-205-090

National Conservative Foundation
Titleholding Corporation

52-1206900

Part VI

Board of Directors

Margaret Dolan Fairfield, CT	Part-time	-0-
Cassandra Scholte Midlothian, VA	Part-time	-0-
Maiselle Dolan Shortley McLean, VA 22101	Part-time	-0-

Officers

Maiselle Dolan Shortley McLean, VA President	Part-time	-0-
Margaret Dolan Fairfield, CT Secretary	Part-time	-0-
Cassandra Scholte Midlothian, VA Treasurer	Part-time	-0-

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National Conservative Foundation 52-1206900
Titleholding Corporation

1988 Form 990

Part V

Line 64

National Conservative Political Action Committee-State Election Fund 618 South Alfred Street Alexandria, VA 22314	$ 9,111

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Form **4562**

Department of the Treasury
Internal Revenue Service (3)

Depreciation and Amortization

▶ See separate instructions.
▶ Attach this form to your return.

OMB No. 1545-0172

1988

Attachment Sequence No. **67**

Name(s) as shown on return
National Conservative Foundation Titleholding Corporation

Identifying number
52-1206900

Business or activity to which this form relates

Part I Depreciation *(Use Part III for automobiles, certain other vehicles, computers, and property used for entertainment, recreation, or amusement.)*

Section A.—Election To Expense Depreciable Assets (Section 179)

	(a) Description of property	(b) Date placed in service	(c) Cost	(d) Expense deduction
1				
2	Listed property—Enter total from Part III, Section A, column (h)			
3	Total (add lines 1 and 2, but do not enter more than $10,000)			
4	Enter the amount, if any, by which the cost of all section 179 property placed in service during this tax year is more than $200,000			
5	Subtract line 4 from line 3. If less than zero, enter zero. (See instructions for other limitations.)			

Section B.—Depreciation

	(a) Class of property	(b) Date placed in service	(c) Basis for depreciation (Business use only—see instructions)	(d) Recovery period	(e) Method of figuring depreciation	(f) Deduction
6	Modified Accelerated Cost Recovery System (MACRS) (see instructions): For assets placed in service ONLY during tax year beginning in 1988					
a	3-year property					
b	5-year property					
c	7-year property					
d	10-year property					
e	15-year property					
f	20-year property					
g	Residential rental property					
h	Nonresidential real property					
7	Alternative Depreciation System (ADS)					
8	Listed property—Enter total from Part III, Section A, column (g)					
9	MACRS deduction for assets placed in service prior to 1988 (see instructions)					

Section C.—ACRS and/or Other Depreciation

10	Property subject to section 168(f)(1) election (see instructions)	
11	ACRS and/or other depreciation (see instructions)	4,144

Section D.—Summary

12	Total (add deductions on lines 5 through 11). Enter here and on the Depreciation line of your return (Partnerships and S corporations—Do NOT include any amounts entered on line 5.)	4,144
13	For assets above placed in service during the current year, enter the portion of the basis attributable to section 263A costs. (see instructions)	

Part II Amortization

	(a) Description of property	(b) Date acquired	(c) Cost or other basis	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
1	Amortization for property placed in service only during tax year beginning in 1988					
2	Amortization for property placed in service prior to 1988					
3	Total. Enter here and on Other Deductions or Other Expenses line of your return					

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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c) (except black lung benefit trust or private foundation) of the Internal Revenue Code or section 4947(a)(1) trust

Note: You may be required to use a copy of this return to satisfy state reporting requirements. See instruction D.

OMB No. 1545-0047

1987

For the calendar year 1987, or fiscal year beginning , 1987, and ending , 19

Use IRS label. Otherwise, please print or type.

Name of organization: National Conservative Foundation Titleholding Corporation

Address (number and street): 1001 Prince Street

City or town, state, and ZIP code: Alexandria, VA 22314

A Employer identification number (see instruction L): 52 1206900

B State registration number (see instruction D):

C Section 4947(a)(1) trusts filing this form in lieu of Form 1041, check here ▶ ☐ (see instruction C10)

D Check type of organization—Exempt under section ▶ ☒ 501(c) (2) (insert number), OR ▶ ☐ section 4947(a)(1) trust

E Accounting method: ☐ Cash ☒ Accrual ☐ Other (specify) ▶

Check here if application for exemption is pending . . ▶ ☐

F Is this a group return (see instruction J) filed for affiliates? . . . . ☐ Yes ☒ No

If "Yes," enter the number of affiliates for which this return is filed ____

Is this a separate return filed by a group affiliate? . . . . . ☐ Yes ☒ No

G If "Yes" to either, give four-digit group exemption number (GEN) ▶

H ☐ Check here if your gross receipts are normally not more than $25,000 (see instruction B11). You do not have to file a completed return with IRS but should file a return without financial data if you were mailed a Form 990 Package (see instruction A). Some states may require a completed return.

I ☐ Check here if gross receipts are normally more than $25,000 and line 12 is $25,000 or less. Complete Parts I (except lines 13-15), III, IV, VI, and VII and only the indicated items in Parts II and V (see instruction I). If line 12 is more than $25,000, complete the entire return.

501(c)(3) organizations and 4947(a)(1) trusts must also complete and attach Schedule A (Form 990). (See instructions.)

Part I Statement of Support, Revenue, and Expenses and Changes in Fund Balances

			(A) Total	These columns are optional—see instructions (B) Unrestricted/Expendable	(C) Restricted/Nonexpendable
Support and Revenue	1	Contributions, gifts, grants, and similar amounts received:			
	a	Direct public support 30,000			
	b	Indirect public support			
	c	Government grants			
	d	Total (add lines 1a through 1c) (attach schedule—see instructions) . .	30,000		
	2	Program service revenue (from Part IV, line f)			
	3	Membership dues and assessments			
	4	Interest on savings and temporary cash investments	603		
	5	Dividends and interest from securities			
	6a	Gross rents 270,076			
	b	Minus: rental expenses			
	c	Net rental income (loss)	270,076		
	7	Other investment income (Describe ▶)			
	8a	Gross amount from sale of assets other than inventory (Securities / Other)			
	b	Minus: cost or other basis and sales expenses			
	c	Gain (loss) (attach schedule)			
	9	Special fundraising events and activities (attach schedule—see instructions):			
	a	Gross revenue (not including $ _____ of contributions reported on line 1a) . . .			
	b	Minus: direct expenses			
	c	Net income (line 9a minus line 9b)			
	10a	Gross sales minus returns and allowances . . .			
	b	Minus: cost of goods sold (attach schedule) . .			
	c	Gross profit (loss)			
	11	Other revenue (from Part IV, line g)	5,039		
	12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8c, 9c, 10c, and 11) . .	305,718		
Expenses	13	Program services (from line 44, column (B)) (see instructions) . .	243,153		
	14	Management and general (from line 44, column (C)) (see instructions)	4,453		
	15	Fundraising (from line 44, column (D)) (see instructions)	-0-		
	16	Payments to affiliates (attach schedule—see instructions) . . .	-0-		
	17	Total expenses (add lines 16 and 44, column (A))	247,606		
Fund Balances	18	Excess (deficit) for the year (subtract line 17 from line 12) . . .	58,112		
	19	Fund balances or net worth at beginning of year (from line 74, column (A)) .	297,462		
	20	Other changes in fund balances or net worth (attach explanation) .			
	21	Fund balances or net worth at end of year (add lines 18, 19, and 20) .	355,574		

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Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for most sections 501(c)(3) and (c)(4) organizations and 4947(a)(1) trusts but optional for others. (See instructions.)

Do not include amounts reported on lines 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
Expenses	22 Grants and allocations (attach schedule)				
	23 Specific assistance to individuals				
	24 Benefits paid to or for members				
	25 Compensation of officers, directors, etc.				
	26 Other salaries and wages	4,000	4,000		
	27 Pension plan contributions				
	28 Other employee benefits				
	29 Payroll taxes	215		215	
	30 Professional fundraising fees				
	31 Accounting fees	899		899	
	32 Legal fees				
	33 Supplies & Cleaning	14,280	14,280		
	34 Telephone				
	35 Postage and shipping				
	36 Occupancy	192,030	192,030		
	37 Equipment rental and maintenance				
	38 Printing and publications				
	39 Travel				
	40 Conferences, conventions, and meetings				
	41 Interest	856	856		
	42 Depreciation, depletion, etc. (attach schedule)	4,144	4,144		
	43 Other expenses (itemize): a				
	b Office expense	22		22	
	c Filing fees	105		105	
	d Management Fees	5,814	5,814		
	e Utilities & Trash	22,029	22,029		
	f National Conservative Foundation	3,212		3,212	
	44 Total functional expenses (add lines 22 through 43) Organizations completing columns B-D, carry these totals to lines 13-15.	247,606	243,153	4,453	-0-

Part III Statement of Program Services Rendered

List each program service title on lines a through d; for each, identify the service output(s) or product(s), and report the quantity provided. Enter the total expenses attributable to each program service and the amount of grants and allocations included in that total. (See instructions for Part III.)

		Expenses (Optional for some organizations—see instructions)
a	Management of Building (Grants and allocations $)	243,153
b	(Grants and allocations $)	
c	(Grants and allocations $)	
d	(Grants and allocations $)	
e	Other program service activities (attach schedule) (Grants and allocations $)	
f	Total (add lines a through e) (should equal line 44, column (B))	243,153

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Form **4562**

Department of the Treasury
Internal Revenue Service (3)

Depreciation and Amortization

▶ See separate instructions.
▶ Attach this form to your return.

OMB No. 1545-0172

1987

Attachment Sequence No. 67

Name(s) as shown on return

National Conservative Foundation Titleholding Corporation

Identifying number

52-1206900

Business or activity to which this form relates

Part I Depreciation (Do not use this part for automobiles, certain other vehicles, computers, and property used for entertainment, recreation, or amusement. Instead, use Part III.)

Section A.—Election To Expense Depreciable Assets Placed in Service During This Tax Year (Section 179)

(a) Description of property	(b) Date placed in service	(c) Cost	(d) Expense deduction
1			

2 Listed property—Enter total from Part III, Section A, column (h)	
3 Total (add lines 1 and 2, but do not enter more than $10,000)	
4 Enter the amount, if any, by which the cost of all section 179 property placed in service during this tax year is more than $200,000	
5 Subtract line 4 from line 3. If result is less than zero, enter zero. (See instructions for other limitations)	

Section B.—Depreciation

(a) Class of property	(b) Date placed in service	(c) Basis for depreciation (Business use only—see instructions)	(d) Recovery period	(e) Method of figuring depreciation	(f) Deduction
6 Accelerated Cost Recovery System (ACRS) (see instructions): *For assets placed in service* **ONLY** *during tax year beginning in 1987*					
a 3-year property					
b 5-year property					
c 7-year property					
d 10-year property					
e 15-year property					
f 20-year property					
g Residential rental property					
h Nonresidential real property					

7 Listed property—Enter total from Part III, Section A, column (g)	
8 ACRS deduction for assets placed in service prior to 1987 (see instructions)	

Section C.—Other Depreciation

9 Property subject to section 168(f)(1) election (see instructions)	
10 Other depreciation (see instructions)	4,144

Section D.—Summary

11 Total (add deductions on lines 5 through 10). Enter here and on the Depreciation line of your return (Partnerships and S corporations—Do NOT include any amounts entered on line 5.)		4,144
12 For assets above placed in service during the current year, enter the portion of the basis attributable to additional section 263A costs. (See instructions for who must use.)		

Part II Amortization

(a) Description of property	(b) Date acquired	(c) Cost or other basis	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
1 Amortization for property placed in service only during tax year beginning in 1987					
2 Amortization for property placed in service prior to 1987					
3 Total. Enter here and on Other Deductions or Other Expenses line of your return					

9104037226838

Part IV Program Service Revenue and Other Revenue (State nature.)	Program service revenue	Other revenue
a Fees from government agencies		
b Miscellaneous income		5,039
c		
d		
e		
f Total program service revenue (enter here and on line 2)		
g Total other revenue (enter here and on line 11)		5,039

Part V Balance Sheets If line 12 or Column (B) of line 59 is more than $25,000, complete the entire balance sheet. If line 12, Part I, and Column (B) of line 59 are $25,000 or less, you may complete only lines 59, 66, 74, and 75. See instructions.

Note: Columns (C) and (D) are optional. *Columns (A) and (B) must be completed to the extent applicable. Where required, attached schedules should be for end-of-year amounts only.*	(A) Beginning of year	End of year (B) Total	End of year (C) Unrestricted/ Expendable	End of year (D) Restricted/ Nonexpendable
Assets				
45 Cash—noninterest-bearing	1,278			
46 Savings and temporary cash investments	1,064	667		
47 Accounts receivable ► _____ minus allowance for doubtful accounts ► _____				
48 Pledges receivable ► _____ minus allowance for doubtful accounts ► _____				
49 Grants receivable				
50 Receivables due from officers, directors, trustees, and key employees (attach schedule)				
51 Other notes and loans receivable ► _____ minus allowance for doubtful accounts ► _____				
52 Inventories for sale or use				
53 Prepaid expenses and deferred charges				
54 Investments—securities (attach schedule)	-			
55 Investments—land, buildings and equipment: basis ► _____ minus accumulated depreciation ► _____ (attach schedule)				
56 Investments—other (attach schedule)				
57 Land, buildings and equipment: basis ► 69,044 minus accumulated depreciation ► 14,110 (attach schedule)	56,028	54,934		
58 Other assets ► Building purchase option	309,300	309,300		
59 Total assets (add lines 45 through 58)	367,670	364,901		
Liabilities				
60 Accounts payable and accrued expenses	472	216		
61 Grants payable				
62 Support and revenue designated for future periods (attach schedule)				
63 Loans from officers, directors, trustees, and key employees (attach schedule)				
64 Mortgages and other notes payable (attach schedule)	69,736	9,111		
65 Other liabilities ► _____				
66 Total liabilities (add lines 60 through 65)	70,208	9,327		
Fund Balances or Net Worth				
Organizations that use fund accounting, check here ► ☐ and complete lines 67 through 70 and lines 74 and 75.				
67a Current unrestricted fund	297,462	355,574		
b Current restricted fund				
68 Land, buildings and equipment fund				
69 Endowment fund				
70 Other funds (Describe ► _____)				
Organizations that do not use fund accounting, check here ► ☐ and complete lines 71 through 75.				
71 Capital stock or trust principal				
72 Paid-in or capital surplus				
73 Retained earnings or accumulated income				
74 Total fund balances or net worth (see instructions)	297,462	355,574		
75 Total liabilities and fund balances/net worth (see instructions)	367,670	364,901		

9 1 0 4 0 3 7 2 6 3 9

Part VI List of Officers, Directors, Trustees (List each one whether compensated or not. See instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if any)	(D) Contributions to employee benefit plans	(E) Expense account and other allowances
see attached list				

Part VII Other Information

		Yes	No
76	Has the organization engaged in any activities not previously reported to the Internal Revenue Service? If "Yes," attach a detailed description of the activities.		X
77	Have any changes been made in the organizing or governing documents, but not reported to IRS? If "Yes," attach a conformed copy of the changes.		X
78	*If the organization had income from business activities, such as those reported on lines 2, 9, and 10 (among others), but NOT reported on Form 990-T, attach a statement explaining your reason for not reporting the income on Form 990-T.*		
a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?		X
b	If "Yes," have you filed a tax return on Form 990-T, Exempt Organization Business Income Tax Return, for this year?	n/a	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? (See instructions.) If "Yes," attach a statement as described in the instructions.		X
80	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization? (See instructions.)	X	
	If "Yes," enter the name of the organization ▶ National Conservative Foundation and check whether it is ☐ exempt OR ☐ nonexempt.		
81 a	Enter amount of political expenditures, direct or indirect, as described in the instructions ▶		
b	Did you file Form 1120-POL, U.S. Income Tax Return for Certain Political Organizations, for this year?		X
82	Did your organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
	If "Yes," you may indicate the value of these items here. Do not include this amount as support in Part I or as an expense in Part II. See instructions for reporting in Part III ▶		
83	*Section 501(c)(5) or (6) organizations.*—Did the organization spend any amounts in attempts to influence public opinion about legislative matters or referendums? (See instructions and Regulations section 1.162-20(c).)		
	If "Yes," enter the total amount spent for this purpose		
84	*Section 501(c)(7) organizations.*—Enter: a Initiation fees and capital contributions included on line 12		
b	Gross receipts, included in line 12, for public use of club facilities (See instructions.)		
c	Does the club's governing instrument or any written policy statement provide for discrimination against any person because of race, color, or religion? (See instructions.)		
85	*Section 501(c)(12) organizations.*—Enter amount of:		
a	Gross income received from members or shareholders		
b	Gross income received from other sources (do not net amounts due or paid to other sources against amounts due or received from them)		
86	*Public interest law firms.*—Attach information described in the instructions.		
87	List the states with which a copy of this return is filed ▶		
88	During this tax year did you maintain any part of your accounting/tax records on a computerized system?	X	
89	The books are in care of ▶ Oragnization Telephone no. ▶ 703-684-1800 Located at ▶ Alexandria, VA 22314		
90	*Section 4947(a)(1) trusts filing Form 990 in lieu of Form 1041.*—Enter the amount of tax-exempt interest received or accrued during the tax year ▶		

2104037226900

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

▶ Signature of officer | Date | ▶ Title

Paid Preparer's Use Only

Preparer's signature ▶ Stephen Huckaby

Date 12/2/88 | Check if self-employed ▶ X

Firm's name (or yours, if self-employed) and address ▶ Huckaby & Associates, 228 S. Washington St., #200

ZIP code Alexandria, VA 22314

National Conservative Foundation
Titleholding Corporation

52-1206900

1987 Form 990

Part VI

Board of Directors

L. Brent Bozell Triangle, VA	1/1/87-11/6/87 part-time	$ -0-
J. Curtis Herge McLean, VA	1/1/87-11/6/87 part-time	$ -0-
Leif Noren Arlington, VA	1/1/87-11/6/87 part-time	$ -0-
Margaret Dolan Fairfield, CT	11/6/87-12/31/87 part-time	$ -0-
Cassandra Scholte Midlothian, VA	11/6/87-12/31/87 part-time	$ -0-
Maiselle Dolan Shortley McLean, VA	11/6/87-12/31/87 part-time	$ -0-

Officers

J. Curtis Herge McLean, VA Secretary	1/1/87-11/6/87 part-time	$ -0-
Leif Noren Arlington, VA Treasurer	1/1/87-11/6/87 part-time	$ 4,000.00
Maiselle Dolan Shortley McLean, VA President	11/6/87-12/31/87 part-time	$ -0-
Margaret Dolan Fairfield, CT Secretary	11/6/87-12/31/87 part-time	$ -0-
Cassandra Scholte Midlothian, VA Treasurer	11/6/87-12/31/87 part-time	$ -0-

9104037269

National Conservative Foundation
Titleholding Corporation

52-1206900

1987 Form 990

Part V

Line 64

National Conservative Political Action Committee-State Election Fund 1001 Prince Street Alexandria, VA 22314	$ 9.111.00

9104087226922

CLIENT'S COPY

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c) (except black lung benefit trust or private foundation) of the Internal Revenue Code or section 4947(a)(1) trust

Note: You may be required to use a copy of this return to satisfy state reporting requirements. See instruction D.

OMB No. 1545-0047

1986

For the calendar year 1986, or fiscal year beginning , 1986, and ending , 19

Use IRS label. Otherwise, please print or type.

Name of organization: KS 52-1206900 990 12 3 00 02
NATIONAL CONSERVATIVE FOUNDATION
Address: TITLEHOLDING CORPORATION
1001 PRINCE ST
City: ALEXANDRIA VA 22314
IA

IRS

A Employer identification number (see instruction L): 52 : 1206900

B State registration number (see instruction D):

C Section 4947(a)(1) trusts filing this form in lieu of Form 1041, check here ▶ ☐ (see instruction C10).

E Check type of organization—Exempt under section ▶ ☒ 501(c)(2) (insert number), OR ▶ ☐ section 4947(a)(1) trust

Check here if application for exemption is pending ▶ ☐

F Accounting method: ☐ Cash ☒ Accrual ☐ Other (specify) ▶

G Is this a group return (see instruction J) filed for affiliates? ☐ Yes ☐ No
If "Yes," enter the number of affiliates for which this return is filed ____
Is this a separate return filed by a group affiliate? ☐ Yes ☐ No

H If "Yes" to either, give four-digit group exemption number (GEN) ▶

I ☐ Check here if your gross receipts are normally not more than $25,000 (see instruction B11). You do not have to file a completed return with IRS but should file a return without financial data if you were mailed a Form 990 Package (see instruction A). Some states may require a completed return.

☐ Check here if gross receipts are normally more than $25,000 and line 12 is $25,000 or less. Complete Parts I (except lines 13-15), III, IV, VI, and VII and only the indicated items in Parts II and V (see instruction I). If line 12 is more than $25,000, complete the entire return.

501(c)(3) organizations and 4947(a)(1) trusts must also complete and attach Schedule A (Form 990). (See instructions.)

Part I Statement of Support, Revenue, and Expenses and Changes in Fund Balances		(A) Total	These columns are optional—see instructions (B) Unrestricted/Expendable	(C) Restricted/Nonexpendable
Support and Revenue	1 Contributions, gifts, grants, and similar amounts received:			
	a Direct public support 134,550			
	b Indirect public support			
	c Government grants			
	d Total (add lines 1a through 1c) (attach schedule—see instructions)	134,550		
	2 Program service revenue (from Part IV, line f)			
	3 Membership dues and assessments			
	4 Interest on savings and temporary cash investments	489		
	5 Dividends and interest from securities			
	6a Gross rents 350,338			
	b Minus: rental expenses			
	c Net rental income (loss)	350,338		
	7 Other investment income (Describe ▶)			
	8 a Gross amount from sale of assets other than inventory (Securities / Other)			
	b Minus: cost or other basis and sales expenses			
	c Gain (loss) (attach schedule)			
	9 Special fundraising events and activities (attach schedule—see instructions):			
	a Gross revenue (not including $ ____ of contributions reported on line 1a)			
	b Minus: direct expenses			
	c Net income (line 9a minus line 9b)			
	10 a Gross sales minus returns and allowances			
	b Minus: cost of goods sold (attach schedule)			
	c Gross profit (loss)			
	11 Other revenue (from Part IV, line g)	438		
	12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8c, 9c, 10c, and 11)	485,815		
Expenses	13 Program services (from line 44, column (B)) (see instructions)	334,939		
	14 Management and general (from line 44, column (C)) (see instructions)	1,766		
	15 Fundraising (from line 44, column (D)) (see instructions)			
	16 Payments to affiliates (attach schedule—see instructions)			
	17 Total expenses (add lines 16 and 44, column (A))	336,705		
Fund Balances	18 Excess (deficit) for the year (subtract line 17 from line 12)	149,110		
	19 Fund balances or net worth at beginning of year (from line 74, column (A))	148,352		
	20 Other changes in fund balances or net worth (attach explanation)			
	21 Fund balances or net worth at end of year (add lines 18, 19, and 20)	297,462		

9 1 0 4 0 3 7 2 6 9

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for most sections 501(c)(3) and (c)(4) organizations and 4947(a)(1) trusts but optional for others. (See instructions.)

Do not include amounts reported on lines 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule)				
23 Specific assistance to individuals				
24 Benefits paid to or for members				
25 Compensation of officers, directors, etc.	1,500	1,500		
26 Other salaries and wages				
27 Pension plan contributions				
28 Other employee benefits				
29 Payroll taxes	107		107	
30 Professional fundraising fees				
31 Accounting fees	953		953	
32 Legal fees				
33 Supplies / cleaning	21,110	21,110		
34 Telephone				
35 Postage and shipping				
36 Occupancy	266,707	266,707		
37 Equipment rental and maintenance				
38 Printing and publications				
39 Travel				
40 Conferences, conventions, and meetings				
41 Interest	4,003	4,003		
42 Depreciation, depletion, etc. (attach schedule)	4,144	4,144		
43 Other expenses (itemize): a bank charges	56		56	
b office expense	372		372	
c filing fees	278		278	
d utilities & trash	30,113	30,113		
e management fees	5,129	5,129		
f see attached schedule	2,233	2,233		
44 Total functional expenses (add lines 22 through 43) Organizations completing columns B-D, carry these totals to lines 13-15.	336,705	334,939	1,766	-0-

Part III Statement of Program Services Rendered

List each program service title on lines a through d; for each, identify the service output(s) or product(s), and report the quantity provided. Enter the total expenses attributable to each program service and the amount of grants and allocations included in that total. (See instructions for Part III.)

	Expenses (Optional for some organizations—see instructions)
management of building	
(Grants and allocations $)	334,939
(Grants and allocations $)	
(Grants and allocations $)	
(Grants and allocations $)	
Other program service activities (attach schedule) (Grants and allocations $)	
Total (add lines a through e) (should equal line 44, column (B))	334,939

Part IV Program Service Revenue and Other Revenue (State Nature)	Program service revenue	Other revenue
a Fees from government agencies		
b Commissions		438
c		
d		
e		
f Total program service revenue (enter here and on line 2)		
g Total other revenue (enter here and on line 11)		438

Part V Balance Sheets If line 12 or Column (B) of line 59 is more than $25,000, complete the entire balance sheet. If line 12, Part I, and Column (B) of line 59 are $25,000 or less, you may complete only lines 59, 66, 74, and 75. See instructions.

Note: Columns (C) and (D) are optional. Columns (A) and (B) must be completed to the extent applicable. Where required, attached schedules should be for end-of-year amounts only.	(A) Beginning of year	End of year (B) Total	(C) Unrestricted/ Expendable	(D) Restricted/ Nonexpendable
Assets				
Cash—non-interest bearing	(280)	1,278		
Savings and temporary cash investments	576	1,064		
Accounts receivable ►				
minus allowance for doubtful accounts ►				
Pledges receivable ►				
minus allowance for doubtful accounts ►				
Grants receivable				
Receivables due from officers, directors, trustees, and key employees (attach schedule)				
Other notes and loans receivable ►				
minus allowance for doubtful accounts ►	3,000			
Inventories for sale or use				
Prepaid expenses and deferred charges				
Investments—securities (attach schedule)				
Investments—land, buildings and equipment: basis ►				
minus accumulated depreciation ► (attach schedule)				
Investments—other (attach schedule)				
Land, buildings and equipment: basis ► 65,994				
minus accumulated depreciation ► 9,966 (attach schedule)	50,492	56,028		
Other assets ►	209,300	309,300		
Total assets (add lines 45 through 58)	263,088	367,670		
Liabilities				
Accounts payable and accrued expenses		472		
Grants payable				
Support and revenue designated for future periods (attach schedule)				
Loans from officers, directors, trustees, and key employees (attach schedule)				
Mortgages and other notes payable (attach schedule)	114,736	69,736		
Other liabilities ►				
Total liabilities (add lines 60 through 65)	114,736	70,208		
Fund Balances or Net Worth				
Organizations that use fund accounting, check here ► ☒ and complete lines 67 through 70 and lines 74 and 75.				
a Current unrestricted fund	148,352	297,462		
b Current restricted fund				
Land, buildings and equipment fund				
Endowment fund				
Other funds (Describe ►)				
Organizations that do not use fund accounting, check here ► ☐ and complete lines 71 through 75.				
Capital stock or trust principal				
Paid-in or capital surplus				
Retained earnings or accumulated income				
Total fund balances or net worth (see instructions)	148,352	297,462		

Part VI List of Officers, Directors, and Trustees (List each officer, director, and trustee whether compensated or not.) (See instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if any)	(D) Contributions to employee benefit plans	(E) Expense account and other allowances
John T. Dolan Arlington, VA	President/10	n/a	n/a	n/a
Leif Noreen Arlington, VA	Treasurer/10	1,500	n/a	n/a
J. Curtis Herge McLean, VA	Secretary/5	n/a	n/a	n/a

Part VII Other Information

	Yes	No
Has the organization engaged in any activities not previously reported to the Internal Revenue Service?		X
If "Yes," attach a detailed description of the activities.		
Have any changes been made in the organizing or governing documents, but not reported to IRS?		X
If "Yes," attach a conformed copy of the changes.		
a Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?		X
b If "Yes," have you filed a tax return on Form 990-T, Exempt Organization Business Income Tax Return, for this year?		X
If the organization has gross sales or receipts from business activities not reported on Form 990-T, attach a statement explaining your reason for not reporting them on Form 990-T.		
Was there a liquidation, dissolution, termination, or substantial contraction during the year? (See instructions.)		X
If "Yes," attach a statement as described in the instructions.		
Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization? (See instructions.)	X	
If "Yes," enter the name of the organization ▶ National Conservative Foundation and check whether it is ☒ exempt OR ☐ nonexempt.		
a Enter amount of political expenditures, direct or indirect, as described in the instructions ▶		
b Did you file Form 1120-POL, U.S. Income Tax Return for Certain Political Organizations, for this year?		X
Did your organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
If "Yes," you may indicate the value of these items here. Do not include this amount as support in Part I or as an expense in Part II. See instructions for reporting in Part III ▶		
Section 501(c)(5) or (6) organizations.—Did the organization spend any amounts in attempts to influence public opinion about legislative matters or referendums? (See instructions and Regulations section 1.162-20(c).)		
If "Yes," enter the total amount spent for this purpose		
Section 501(c)(7) organizations.—Enter amount of:		
a Initiation fees and capital contributions included on line 12		
b Gross receipts, included in line 12, for public use of club facilities (see instructions)		
Does the club's governing instrument or any written policy statement provide for discrimination against any person because of race, color, or religion? (See instructions.)		
Section 501(c)(12) organizations.—Enter amount of:		
a Gross income received from members or shareholders		
b Gross income received from other sources (do not net amounts due or paid to other sources against amounts due or received from them)		
Public interest law firms.—Attach information described in the instructions.		
List the states with which a copy of this return is filed ▶		
During this tax year did you maintain any part of your accounting/tax records on a computerized system?		X
The books are in care of ▶ Organization Telephone no. ▶ 684-1800		
Located at ▶ Arlington, VA		

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature of officer ▶ _____ Date ▶ _____ Title ▶ [redacted]

Preparer's signature ▶ J P Bo[illegible] Date ▶ 3/23/87 Check if self-employed ▶ ☐

Firm's name (or yours, if self-employed) and address ▶ J. PA[illegible] BAILEY, CPA, PC [illegible] Rd., Vienna, VA ZIP code ▶ 22180 [redacted]

Form **4562**

Department of the Treasury
Internal Revenue Service

Depreciation and Amortization

▶ See separate instructions.
▶ Attach this form to your return.

OMB No. 1545-0172

1986

Attachment Sequence No. **67**

Name(s) as shown on return
NATIONAL CONSERVATIVE FOUNDATION - TITLEHOLDING CORP.

Identifying number
52-1206900

Business or activity to which this form relates

Part I **Depreciation** (Do not use this part for automobiles, certain other vehicles, computers, and property used for entertainment, recreation, or amusement. Instead, use Part III.)
See instructions under Items You Should Note for new rules for certain assets placed in service after July 31, 1986.

Section A.—Election To Expense Recovery Property (Section 179)

	(a) Class of property	(b) Cost	(c) Expense deduction
1			
2	Listed property—Enter total from Part III, Section A, column (h)		
3	Total (see instructions for limitations). (Partnerships or S corporations—see the Schedule K and Schedule K-1 Instructions of Form 1065 or 1120S)		

Section B.—Depreciation of Recovery Property

	(a) Class of property	(b) Date placed in service	(c) Basis for depreciation (Business use only—see instructions)	(d) Recovery period	(e) Method of figuring depreciation	(f) Deduction
4	Accelerated Cost Recovery System (ACRS) (see instructions): *For assets placed in service* **ONLY** *during tax year beginning in 1986*					
	a 3-year property					
	b 5-year property					
	c 10-year property					
	d 15-year public utility property					
	e Low-income housing					
	f 15-year real property					
	g 18-year real property					
	h 19-year real property					
5	Listed property—Enter total from Part III, Section A, column (g)					
6	ACRS deduction for assets placed in service prior to 1986 (see instructions)					

Section C.—Depreciation of Nonrecovery Property

7	Property subject to section 168(e)(2) election (see instructions)	
8	Other depreciation (see instructions)	4,144

Section D.—Summary

9	Depreciation from Form 4562A (see instructions)	
10	Total (add deductions on lines 3 through 9). Enter here and on the Depreciation line of your return (Partnerships and S corporations—Do NOT include any amounts entered on line 3.)	4,144

Part II **Amortization**

	(a) Description of property	(b) Date acquired	(c) Cost or other basis	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
1	Amortization for property placed in service **only** during tax year beginning in 1986					
2	Amortization for property placed in service prior to 1986					
3	Total. Enter here and on Other Deductions or Other Expenses line of your return					

NATIONAL CONSERVATIVE FOUNDATION - TITLEHOLDING CORPORATION 52-1206900

1986

PART II, LINE 43 (f) - OTHER EXPENSES

	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGMT & GEN	(D) FUNDRAISING
Repairs & maintenance	$ 597	$ 597		
Commissions	1,636	1,636		
	$ 2,233	$ 2,233	-0-	-0-

PART V, LINE 58 - OTHER ASSETS

Deposits	$ 5,800
Building purchase option	303,500
	$ 309,300

PART V, LINE 64 - MORTGAGES & OTHER NOTES PAYABLE

National Conservative Foundation	$ 2,625
National Conservative Political Action Committee - State Election Fund	37,111
Sovran Bank	30,000
	$ 69,736

9104087226988

CLIENT'S COPY

Form **990**

Department of the Treasury
Internal Revenue Service (99)

Return of Organization Exempt from Income Tax

Under section 501(c) (except black lung benefit trust or private foundation) of the Internal Revenue Code or section 4947(a)(1) trust

Note: You may be required to use a copy of this return to satisfy State reporting requirements. See instruction D.

OMB No. 1545-0047

1985

For the calendar year 1985, or fiscal year beginning , 1985, and ending , 19

Use IRS label. Otherwise, please print or type.

Name of organization: NATIONAL CONSERVATIVE FOUNDATION- TITLEHOLDING CORPORATION

Address (number and street): 1001 PRINCE STREET

City or town, state, and ZIP code: ALEXANDRIA, VA 22314

A Employer identification number (see instruction L): 52 : 1206900

B State registration number (see instruction D):

C If address changed, check here . . . . ▶ ☐

D Check type of organization—Exempt under section ▶ ☒ 501(c) (2) (insert number), OR ▶ ☐ section 4947(a)(1) trust

Check here if application for exemption is pending . . ▶ ☐

E Accounting method: ☐ Cash ☒ Accrual ☐ Other (specify) ▶

F Section 4947(a)(1) trusts filing this form in lieu of Form 1041, check here ▶ ☐ (see instruction C10).

G Is this a group return (see instruction J) filed for affiliates? . . . . . ☐ Yes ☒ No

Is this a separate return filed by a group affiliate? . . . . . ☐ Yes ☒ No

If "Yes" to either, give four-digit group exemption number (GEN) ▶

☐ Check here if your gross receipts are normally not more than $25,000 (see instruction B11). You do not have to file a completed return with IRS but should file a return without financial data if you were mailed a Form 990 Package (see instruction A). Some States may require a completed return.

☐ Check here if gross receipts are normally more than $25,000 and line 12 is $25,000 or less. Complete Parts I (except lines 13-15), III, IV, VI, and VII and only the indicated items in Parts II and V (see instruction I). If line 12 is more than $25,000, complete the entire return.

501(c)(3) organizations and 4947(a)(1) trusts must also complete and attach Schedule A (Form 990). (See instructions.)

Part I Statement of Support, Revenue, and Expenses and Changes in Fund Balances

		(A) Total	These columns are optional—see instructions (B) Unrestricted/ Expendable	(C) Restricted/ Nonexpendable
Support and Revenue	1 Contributions, gifts, grants, and similar amounts received:			
	a Direct public support 32,682			
	b Indirect public support			
	c Government grants			
	d Total (add lines 1a through 1c) (attach schedule—see instructions)	32,682		
	2 Program service revenue (from Part IV, line f)			
	3 Membership dues and assessments			
	4 Interest on savings and temporary cash investments	205		
	5 Dividends and interest from securities			
	6a Gross rents 291,167			
	b Minus: rental expenses			
	c Net rental income (loss)	291,167		
	7 Other investment income (Describe ▶)			
	8a Gross amount from sale of assets other than inventory (Securities / Other)			
	b Minus: cost or other basis and sales expenses			
	c Gain (loss) (attach schedule)			
	9 Special fundraising events and activities (attach schedule—see instructions):			
	a Gross revenue (not including $ ____ of contributions reported on line 1a)			
	b Minus: direct expenses			
	c Net income (line 9a minus line 9b)			
	10a Gross sales minus returns and allowances			
	b Minus: cost of goods sold (attach schedule)			
	c Gross profit (loss)			
	11 Other revenue (from Part IV, line g) COMMISSIONS	49		
	12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8c, 9c, 10c, and 11)	324,103		
Expenses	13 Program services (from line 44, column (B)) (see instructions)	304,870		
	14 Management and general (from line 44, column (C)) (see instructions)	752		
	15 Fundraising (from line 44, column (D)) (see instructions)			
	16 Payments to affiliates (attach schedule—see instructions)			
	17 Total expenses (add lines 16 and 44, column (A))	305,622		
Fund Balances	18 Excess (deficit) for the year (subtract line 17 from line 12)	18,481		
	19 Fund balances or net worth at beginning of year (from line 74, column (A))	129,871		
	20 Other changes in fund balances or net worth (attach explanation)			
	21 Fund balances or net worth at end of year (add lines 18, 19, and 20)	148,352		

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Part IV Program Service Revenue and Other Revenue (State Nature)	Program service revenue	Other revenue
a Fees from government agencies		
b		
c		
d		
e		
f Total program service revenue (enter here and on line 2)		
g Total other revenue (enter here and on line 11)		

Part V Balance Sheets If line 12 or line 59 is more than $25,000, complete the entire balance sheet. If line 12, Part I, and line 59 are $25,000 or less, you may complete only lines 59, 66, 74 and 75. See instructions.

Note: Columns (C) and (D) are optional. *Columns (A) and (B) must be completed to the extent applicable. Where required, attached schedules should be for end-of-year amounts only.*	(A) Beginning of year	End of year (B) Total	End of year (C) Unrestricted/ Expendable	End of year (D) Restricted/ Nonexpendable
Assets				
45 Cash—non-interest bearing	1,784	(280)		
46 Savings and temporary cash investments	703	576		
47 Accounts receivable ▶ _____ minus allowance for doubtful accounts ▶ _____				
48 Pledges receivable ▶ _____ minus allowance for doubtful accounts ▶ _____				
49 Grants receivable				
50 Receivables due from officers, directors, trustees, and key employees (attach schedule)				
51 Other notes and loans receivable ▶ _____ minus allowance for doubtful accounts ▶ _____	10,000	3,000		
52 Inventories for sale or use				
53 Prepaid expenses and deferred charges				
54 Investments—securities (attach schedule)				
55 Investments—land, buildings and equipment: basis ▶ _____ minus accumulated depreciation ▶ _____ (attach schedule)				
56 Investments—other (attach schedule)				
57 Land, buildings and equipment: basis ▶ 56,313 minus accumulated depreciation ▶ 5,821 (attach schedule)	47,820	50,492		
58 Other assets ▶ _____	109,300	209,300		
59 Total assets (add lines 45 through 58)	169,607	263,088		
Liabilities				
60 Accounts payable and accrued expenses				
61 Grants payable				
62 Support and revenue designated for future periods (attach schedule)				
63 Loans from officers, directors, trustees and key employees (attach schedule)				
64 Mortgages and other notes payable (attach schedule)	39,736	114,736		
65 Other liabilities ▶ _____				
66 Total liabilities (add lines 60 through 65)	39,736	114,736		
Fund Balances or Net Worth				
Organizations that use fund accounting, check here ▶ ☐ and complete lines 67 through 70 and lines 74 and 75.				
67 a Current unrestricted fund				
b Current restricted fund				
68 Land, buildings and equipment fund				
69 Endowment fund				
70 Other funds (Describe ▶ _____)				
Organizations that do not use fund accounting, check here ▶ ☐ and complete lines 71 through 75.				
71 Capital stock or trust principal				
72 Paid-in or capital surplus				
73 Retained earnings or accumulated income	129,871	148,352		
74 Total fund balances or net worth (see instructions)	129,871	148,352		
75 Total liabilities and fund balances/net worth (see instructions)	169,607	263,088		

0 0 2 7 3 0 4 0 9 1 0

Form **4562**

Department of the Treasury
Internal Revenue Service (2)

Depreciation and Amortization

▶ See separate instructions.
▶ Attach this form to your return.

OMB No. 1545-0172

1985

67

Name(s) as shown on return
NATIONAL CONSERVATIVE FOUNDATION-TITLEHOLDING CORPORATION

Identifying number
52-1206900

Business or activity to which this form relates
BUILDING MANAGEMENT

Part I Depreciation

Use Part III, Specific Information Concerning Automobiles and other Listed Property, for certain transportation equipment (e.g. autos), amusement/recreation property, and computer/peripheral equipment.

Section A.—Election to Expense Recovery Property (Section 179)

	(a) Class of property	(b) Cost	(c) Expense deduction
1	5 YEAR PROPERTY	112	112
2	Listed property—Enter total from Part III, Section A, column (h)		
3	Total (see instructions for limitations). (Partnerships or S corporations—see the Schedule K and Schedule K-1 Instructions of Form 1065 or 1120S)		112

Section B.—Depreciation of Recovery Property

	(a) Class of property	(b) Date placed in service	(c) Cost or other basis	(d) Recovery period	(e) Method of figuring depreciation	(f) Deduction
4	Accelerated Cost Recovery System (ACRS) (see instructions): *For assets other than automobiles and other listed property placed in service* **ONLY** *during tax year beginning in 1985*					
	a 3-year property					
	b 5-year property					
	c 10-year property					
	d 15-year public utility property					
	e Low-income housing					
	f 15-year real property					
	g 18-year real property					
	(See "Items You Should Note")					
5	Listed property—Enter total from Part III, Section A, column (g)					
6	ACRS deduction for assets other than automobiles and other listed property placed in service prior to 1985 (see instructions)					

Section C.—Depreciation of Nonrecovery Property

7	Property subject to section 168(e)(2) election (see instructions)	
8	Other depreciation (see instructions)	2,386

Section D.—Summary

9	Total (Add deductions on lines 3 through 8). Enter here and on the Depreciation line of your return (Partnerships and S corporations—Do NOT include any amounts entered on line 3.)	2,498

Part II Amortization

(a) Description of property	(b) Date acquired	(c) Cost or other basis	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year

Total. Enter here and on Other Deductions or Other Expenses line of your return

9 10 04 0 8 7 2 7 0 1

NATIONAL CONSERVATIVE FOUNDATION - TITLEHOLDING CORPORATION 1985 52-1206900

PART V, LINE 58 - OTHER ASSETS

DEPOSITS	$ 5,800
BUILDING PURCHASE OPTION	203,500
	$ 209,300

PART V, LINE 64 - MORTGAGES AND OTHER NOTES PAYABLE

DC NATIONAL BANK	$ 75,000
NATIONAL CONSERVATIVE POLITICAL ACTION COMMITTEE	37,111
NATIONAL CONSERVATIVE FOUNDATION	2,625
	$ 114,736

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FILE COPY

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt from Income Tax

Under section 501(c) (except black lung benefit trust or private foundation), of the Internal Revenue Code or section 4947(a)(1) trust

OMB No. 1545-0047

1984

For the calendar year 1984, or fiscal year beginning , 1983, and ending , 19

Use IRS label. Otherwise, please print or type.	Name of organization	A Employer identification number (see instruction L)
	NATIONAL CONSERVATIVE FOUNDATION- TITLEHOLDING CORPORATION	52 : 1206900
	Address (number and street)	B State registration number (see instruction D)
	1001 PRINCE STREET	
	City or town, State, and ZIP code	C If address changed, check here ▶
	ALEXANDRIA, VA 22314	

D Check applicable box—Exempt under section ▶ ☒ 501(c) (2) (insert number), OR ▶ ☐ section 4947(a)(1) trust

E Accounting method: ☐ Cash ☒ Accrual ☐ Other (specify) ▶

F Section 4947(a)(1) trusts filing this form in lieu of Form 1041, check here ▶ ☐ (see instruction C10).

G Is this a group return (see instruction J) filed for affiliates? . . . . ☐ Yes ☒ No
Is this a separate return filed by a group affiliate? . . . . . ☐ Yes ☒ No
If "Yes" to either, give four-digit group exemption number (GEN) ▶

Note: You may be required to use a copy of this return to satisfy State reporting requirements. See instruction D.

H ☐ Check here if gross receipts are normally not more than $25,000. (See instruction B11.) You are not required to complete and file this return with IRS but may have to file it with one or more States.

I ☐ Check here if gross receipts are normally more than $25,000 and line 12 is $25,000 or less. Complete Parts I (except lines 13-15), III, IV, VI, and VII and only the indicated items in Parts II and V (see instruction I). If line 12 is more than $25,000, complete the entire return.

501(c)(3) organizations and 4947(a)(1) trusts must also complete and attach Schedule A (Form 990). (See instructions.)

PART I.—Statement of Support, Revenue, and Expenses and Changes in Fund Balances

		(A) Total	These columns are optional—see instructions (B) Unrestricted/ Expendable	(C) Restricted/ Nonexpendable
Support and Revenue	1 Contributions, gifts, grants, and similar amounts received:			
	(a) Direct public support 233548.61			
	(b) Indirect public support			
	(c) Government grants			
	(d) Total (add lines 1(a) through 1(c)) (attach schedule—see instructions)	233,548.61		
	2 Program service revenue (from Part IV, line (f))			
	3 Membership dues and assessments			
	4 Interest on savings and temporary cash investments	65.24		
	5 Dividends and interest from securities			
	6 (a) Gross rents 270595.35			
	(b) Minus: Rental expenses			
	(c) Net rental income (loss)	270,595.35		
	7 Other investment income (Describe ▶)			
	8 (a) Gross amount from sale of assets other than inventory (Securities / Other)			
	(b) Minus: cost or other basis and sales expenses			
	(c) Gain (loss) (attach schedule)			
	9 Special fundraising events and activities (attach schedule—see instructions):			
	(a) Gross revenue (not including $ of contributions reported on line 1(a))			
	(b) Minus: direct expenses			
	(c) Net income (line 9(a) minus line 9(b))			
	10 (a) Gross sales minus returns and allowances			
	(b) Minus: Cost of goods sold (attach schedule)			
	(c) Gross profit (loss)			
	11 Other revenue (from Part IV, line (g))			
	12 Total revenue (add lines 1(d), 2, 3, 4, 5, 6(c), 7, 8(c), 9(c), 10(c), and 11)	504,209.20		
Expenses	13 Program services (from line 44(B)) (see instructions)	307,872.07		
	14 Management and general (from line 44(C)) (see instructions)	1,018.16		
	15 Fundraising (from line 44(D)) (see instructions)			
	16 Payments to affiliates (attach schedule—see instructions)	110,000.00		
	17 Total expenses (add lines 16 and 44(A))	418,890.23		
Fund Balances	18 Excess (deficit) for the year (subtract line 17 from line 12)	85,318.97		
	19 Fund balances or net worth at beginning of year (from line 74(A))	44,552.15		
	20 Other changes in fund balances or net worth (attach explanation)			
	21 Fund balances or net worth at end of year (add lines 18, 19, and 20)	129,871.12		

For Paperwork Reduction Act Notice, see page 1 of the instructions.

Form 990 (1984)

PART II.—Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for most section 501(c)(3) and (c)(4) organizations and 4947(a)(1) trusts but optional for others. (See instructions.)

Do not include amounts reported on line 6(b), 8(b), 9(b), 10(b), or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule)				
23 Specific assistance to individuals				
24 Benefits paid to or for members				
25 Compensation of officers, directors, etc.				
26 Other salaries and wages				
27 Pension plan contributions				
28 Other employee benefits				
29 Payroll taxes				
30 Professional fundraising fees				
31 Accounting fees	962.50		962.50	
32 Legal fees				
33 Supplies	205.99	205.99		
34 Telephone & UTILITIES	21,880.91	21,880.91		
35 Postage and shipping				
36 Occupancy	251,594.04	251,594.04		
37 Equipment rental and maintenance	954.62	954.62		
38 Printing and publications				
39 Travel				
40 Conferences, conventions and meetings				
41 Interest	1,430.08	1,430.08		
42 Depreciation, depletion, etc. (attach schedule)	2,459.60	2,459.60		
43 Other expenses (itemize): (a)				
(b) COMMISSION	14,942.07	14,942.07		
(c) CLEANING SERVICE	13,510.50	13,510.50		
(d) PROPERTY TAXES	894.26	894.26		
(e) BANK CHARGES	55.66		55.66	
(f)				
44 Total functional expenses (add lines 22 through 43)	308,890.23	307,872.07	1,018.16	

Expenses

PART III.—Statement of Program Services Rendered

List each program service title on lines (a) through (d); for each, identify the service output(s) or product(s) and report the quantity provided. Enter the total expenses attributable to each program service and the amount of grants and allocations included in that total. (See instructions for Part III.)	Expenses (Optional for some organizations—see instructions)
(a) MANAGEMENT OF BUILDING (Grants and allocations $)	307,872.07
(b) (Grants and allocations $)	
(c) (Grants and allocations $)	
(d) (Grants and allocations $)	
(e) Other program service activities (attach schedule) (Grants and allocations $)	
(f) Total (add lines (a) through (e)) (should equal line 44(B))	307,872.07

9 1 0 4 0 3 7 2 7 0 4

PART V.—Program Service Revenue and Other Revenue (State Nature)

	Program service revenue	Other revenue
1) Fees from government agencies		
2)		
3)		
4)		
5)		
6) Total program service revenue (enter here and on line 2)		
11) Total other revenue (enter here and on line 11)		

PART V.—Balance Sheets If line 12, Part I, and line 59 are $25,000 or less, you should complete only lines 59, 66, and 74 and, if you do not use fund accounting, line 73. If line 12 or line 59 is more than $25,000, complete the entire balance sheet. See instructions.

Note: Columns (C) and (D) are optional. *Columns (A) and (B) must be completed to the extent applicable. Where required, attached schedules should be for end-of-year amounts only.*	(A) Beginning of year	End of year (B) Total	(C) Unrestricted/ Expendable	(D) Restricted/ Nonexpendable
Assets				
45 Cash—non-interest bearing	1,200.94	1,783.73		
46 Savings and temporary cash investments	637.56	702.80		
47 Accounts receivable ▶ _____ minus allowance for doubtful accounts ▶ _____				
48 Pledges receivable ▶ _____ minus allowance for doubtful accounts ▶ _____				
49 Grants receivable				
50 Receivables due from officers, directors, trustees and key employees (attach schedule)				
51 Other notes and loans receivable ▶ _____ minus allowance for doubtful accounts ▶ _____	12,500.00	10,000.00		
52 Inventories for sale or use				
53 Prepaid expenses and deferred charges				
54 Investments—securities (attach schedule)				
55 Investments—land, buildings and equipment: basis ▶ _____ minus accumulated depreciation ▶ _____ (attach schedule)				
56 Investments—other (attach schedule)				
57 Land, buildings and equipment: basis ▶ 51,143.56				
58 minus accumulated depreciation ▶ 3322.91 (attach schedule)	42,595.49	47,820.65		
59 Other assets: _____	1,800.00	109,300.00		
60 Total assets (add lines 45 through 58)	58,733.99	169,607.18		
Liabilities				
60 Accounts payable and accrued expenses				
61 Grants payable				
62 Support and revenue designated for future periods (attach schedule)				
63 Loans from officers, directors, trustees and key employees (attach schedule)				
64 Mortgages and other notes payable (attach schedule)	14,150.00	39,736.06		
65 Other liabilities: _____	31.84			
66 Total liabilities (add lines 60 through 65)	14,181.84	39,736.06		
Fund Balances or Net Worth				
Organizations that use fund accounting, check here ▶ ☐ and complete lines 67 through 70 and lines 74 and 75.				
67 Current funds				
68 Land, buildings and equipment fund				
69 Endowment fund				
70 Other funds (Describe ▶ _____)				
Organizations that do not use fund accounting, check here ▶ ☐ and complete lines 71 through 75.				
71 Capital stock or trust principal				
72 Paid-in or capital surplus				
73 Retained earnings or accumulated income	44,552.15	129,871.12		
74 Total fund balances or net worth (see instructions)	44,552.15	129,871.12		
75 Total liabilities and fund balances/net worth (see instructions)	58,733.99	169,607.18		

PART VI.—List of officers, directors, and trustees (List each officer, director, and trustee whether compensated or not.) (See instructions)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if any)	(D) Contributions to employee benefit plans	(E) Expense account and other allowances
JOHN T. DOLAN ARLINGTON, VA	PRESIDENT 10			
LEIF NOREEN ARLINGTON, VA	TREASURER 10			
J. CURTIS HERGE ALEXANDRIA, VA	SECRETARY 5			

PART VII.—Other Information

		Yes	No
16	Has the organization engaged in any activities not previously reported to the Internal Revenue Service? If "Yes," attach a detailed description of the activities.		X
17	Have any changes been made in the organizing or governing documents, but not reported to IRS? If "Yes," attach a conformed copy of the changes.		X
18	(a) Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?		X
	(b) If "Yes," have you filed a tax return on Form 990-T, Exempt Organization Business Income Tax Return, for this year?		
	(c) If the organization has gross sales or receipts from business activities not reported on Form 990-T, attach a statement explaining your reason for not reporting them on Form 990-T.		
19	Was there a liquidation, dissolution, termination, or substantial contraction during the year (see instructions)? If "Yes," attach a statement as described in the instructions.		X
20	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization (see instructions)?	X	
	If "Yes," enter the name of organization ▶ NATIONAL CONSERVATIVE FOUNDATION and check whether it is ☒ exempt OR ☐ nonexempt.		
21	(a) Enter amount of political expenditures, direct or indirect, as described in the instructions ▶		
	(b) Did you file Form 1120-POL, U.S. Income Tax Return for Certain Political Organizations, for this year?		X
22	Did your organization receive donated services or the use of materials, equipment or facilities at no charge or at substantially less than fair rental value?		X
	If "Yes," you may indicate the value of these items here. Do not include this amount as support in Part I or as an expense in Part II. See instructions for reporting in Part III ▶		
23	*Section 501(c)(5) or (6) organizations.*—Did the organization spend any amounts in attempts to influence public opinion about legislative matters or referendums (see instructions and Regulations section 1.162-20(c))?		
	If "Yes," enter the total amount spent for this purpose		
24	*Section 501(c)(7) organizations.*—Enter amount of:		
	(a) Initiation fees and capital contributions included on line 12		
	(b) Gross receipts, included in line 12, for public use of club facilities (see instructions)		
	(c) Does the club's governing instrument or any written policy statement provide for discrimination against any person because of race, color, or religion (see instructions)?		
25	*Section 501(c)(12) organizations.*—Enter amount of:		
	(a) Gross income received from members or shareholders		
	(b) Gross income received from other sources (do not net amounts due or paid to other sources against amounts due or received from them)		
26	*Public interest law firms.*—Attach information described in instructions.		
27	List the States with which a copy of this return is filed ▶		
28	During this tax year did you maintain any part of your accounting/tax records on a computerized system?		X
29	The books are in care of ▶ ORGANIZATION Telephone No. ▶ 684-1800 Located at ▶ ALEXANDRIA, VA		

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer ▶ Date ▶ Title

Paid Preparer's Use Only

Preparer's signature ▶ [signature] Date 1/30/87 Check if self-employed ▶ ☐

Firm's name (or yours, if self-employed) and address ▶ PARKER BAILEY, CPA, PC ...llows Rd., Vienna, VA 54 1269231 ZIP code 22180

★U.S.GPO:1983-0-380-055 ★E.I.#430814328

Form **4562**

Department of the Treasury
Internal Revenue Service (0)

Depreciation and Amortizatio

▶ See separate instructions.
▶ Attach this form to your return.

OMB No. 1545-0172

1984

67

Name(s) as shown on return

NATIONAL CONSERVATIVE FOUNDATION-TITLEHOLDING CORPORATION

Identifying number

52-1206900

Business or activity to which this form relates

BUILDING MANAGEMENT

Part I Depreciation For transportation equipment (e.g. autos), amusement/recreation property, and computer/peripheral equipment placed in service after June 18, 1984, and used 50% or less in a trade or business, the section 179 deduction is not allowed and depreciation must be taken only on line 2(h).

Section A.—Election to expense recovery property (Section 179)

A. Class of property	B. Cost	C. Expense deduction
5 YEAR PROPERTY	242.56	242.56

1 Total (not more than $5,000). (Partnerships or S corporations—see the Schedule K and Schedule K-1 Instructions of Form 1065 or 1120S) 242.56

Section B.—Depreciation of recovery property

A. Class of property	B. Date placed in service	C. Cost or other basis	D. Recovery period	E. Method of figuring depreciation	F. Deduction
2 Accelerated Cost Recovery System (ACRS) (see instructions): *For assets placed in service* **ONLY** *during taxable year beginning in 1984*					
(a) 3-year property					
(b) 5-year property					
(c) 10-year property					
(d) 15-year public utility property					
(e) 15-year real property—low-income housing					
(f) 15-year real property other than low-income housing					
(g) 18-year real property					
(h) Other recovery property				S/L	
				S/L	

3 ACRS deduction for assets placed in service prior to 1984 (see instructions) . . . . .

Section C.—Depreciation of nonrecovery property

4 Property subject to section 168(e)(2) election (see instructions) . . . . .

5 Class Life Asset Depreciation Range (CLADR) System Depreciation (see instructions) . . . . .

6 Other depreciation (see instructions) 2,217.04

Section D.—Summary

7 Total (Add deductions on lines 1 through 6). Enter here and on the Depreciation line of your return (Partnerships and S corporations—DO NOT include any amounts entered on line 1.) 2,459.60

Part II Amortization

A. Description of property	B. Date acquired	C. Cost or other basis	D. Code section	E. Amortization period or percentage	F. Amortization for this year

Total. Enter here and on Other Deductions or Other Expenses line of your return . . . . .

For Paperwork Reduction Act Notice on page 1 of the separate instructions.

Form **4562** (1984)

U.S. GOVERNMENT PRINTING OFFICE: 1984-423-237 (31-0590032)

NATIONAL CONSERVATIVE FOUNDATION-TITLEHOLDING CORPORATION 52-1206900

1984

FORM 990

PART I, LINE 16 PAYMENTS TO AFFILIATE

DURING THE YEAR NCF TITLEHOLDING CONTRIBUTED $110,000.00 TO NATIONAL CONSERVATIVE FOUNDATION FOR NCF'S PROGRAM ACTIVITY.

THERE WERE NO CONTRIBUTIONS GIVING, DIRECTLY OR INDIRECTLY, MONEY, SECURITIES, OR OTHER PROPERTY WORTH $5,000 OR MORE.

PART V, LINE 58 - OTHER ASSETS

DEPOSITS	$ 5,800
BUILDING PURCHASE OPTION	103,500
	$ 109,300

9104037270 8

EXHIBIT "G"

OPTION TO PURCHASE

1001 PRINCE STREET
ALEXANDRIA, VIRGINIA

DATED: FEBRUARY 23, 1983

9104037270 9

EXHIBIT 1

OPTION TO PURCHASE
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA

TABLE OF CONTENTS

Paragraph		Page
1.	Grant of Option to Purchase	1
2.	Exercise Price	2
3.	Exercise Period	3
4.	Option As Exclusive and Irrevocable	3
5.	Option As Covenant Running With the Property	4
6.	Option Payments by NCF	4
7.	Condition of Title at Closing	5
8.	Escrow Account	6
9.	Possession and Risk of Loss	7
10.	Notices	7
11.	Bankruptcy of O'Connell	8
12.	Property Damaged or Destroyed by Fire or Other Casualty	8
13.	Right to Cancel in the Event of Condemnation	9
14.	Property to be Conveyed in Good Repair, Free of all Complaints or Defects	9
15.	Arbitration	10
16.	Right to Specific Performance	10
17.	Documents	10
18.	Invalidity	11
19.	Amendment	11
20.	Benefit	11
21.	Entire Agreement	11
22.	Applicable Law	11
23.	Captions	11
24.	Counterparts	11

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OPTION TO PURCHASE REAL PROPERTY

THIS AGREEMENT made this 23 day of FEBRUARY, 1983, by and between NATIONAL CONSERVATIVE FOUNDATION ("NCF"), a nonstock Virginia Corporation with principal offices located at 1500 Wilson Boulevard, Arlington, Virginia 22209, and WALTER F. O'CONNELL ("O'Connell"), of 460 Park Avenue, New York, New York 10022. In consideration of the mutual promises of the parties hereto, and the mutual promises of the parties as set forth in a certain Deed of Lease executed this date between the parties, it is agreed as follows:

1. Grant of Option to Purchase. O'Connell hereby grants to NCF, pursuant to the terms and conditions set forth herein, an exclusive and irrevocable Option to purchase property known as the "Prince Street School," identified as 1001 Prince Street, City of Alexandria, Virginia ("the Property"), more particularly described as follows:

> LOT 2 of the Subdivision of Prince Street School as the same is duly dedicated, platted and recorded in Deed Book 1024 at page 143, among the land records of the City of Alexandria, Virginia.
>
> TOGETHER WITH an easement for ingress and egress for the benefit of Lot 2 over that portion of Lot 1 of the Subdivision of Prince Street School within the boundary of an easement shown on the subdivision plat labeled "22' Emergency Access and Ingress and Egress Easement" and
>
> SUBJECT, however, to an easement for ingress and egress for the benefit of Lot 1 over that

9104037271 1

portion of Lot 2 of the Subdivision of Prince Street School within the boundary of the easement shown on the Subdivision plat labeled "22' Ingress-Egress Easement."

TOGETHER WITH all improvements existing or to be erected thereon, including but not limited to those improvements set forth in the Plans and Specifications dated November 12, 1981, which are to be made to the Property.

2. Exercise Price. The exercise price of this Option to purchase the Property shall be One Million Seven Hundred Fifty Thousand Dollars ($1,750,000.00), which shall be paid, by NCF, at closing. NCF may, at its option, and if acceptable to the holder(s) of any Deed of Trust Note(s) affecting the Property, assume any existing Deed of Trust Note(s) at closing, the assumed balance of which shall be applied against the exercise price.

The exercise price to be paid to O'Connell, as herein provided, shall be a net amount due to O'Connell at closing, and all expenses in connection with the transfer of the Property, including, but not limited to, title insurance, recording fees, documentary stamps, and other closing costs customarily the responsibility of the buyer shall be borne by NCF; provided, however, that the parties shall share the expenses of the escrow agent and closing attorney(s) on an equal basis. O'Connell shall pay the Additional Tax imposed upon grantors of real property under §58-54.1 of the Code of Virginia and any points required of a seller or transferor and imposed by any Deed of Trust Note holder(s). All costs associated with the delivery of satisfactory title pursuant to paragraph 7, shall be borne by O'Connell.

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3. Exercise Period. Except as otherwise provided in paragraphs 4 and 11, this Option may be exercised between January 1,, 1988 and March 31, 1988 by NCF giving written notice to O'Connell of its intent to exercise said Option.

4. Option As Exclusive and Irrevocable. The Option herein granted by O'Connell to NCF is an exclusive, irrevocable, and absolute option, enabling NCF to purchase absolutely, the entire interest of O'Connell in the Property, provided that the terms and conditions specified herein are met. The rights of NCF hereunder shall not be subordinate to the rights of any third party, excepting such rights as may be granted to the holder(s) of the deed of trust note(s) affecting the Property which provide for its construction and/or permanent financing. This subordination shall be self-operative and no further instrument of subordination shall be required. O'Connell will cause any such deed(s) of trust to contain provisions requiring the holder of the indebtedness secured by such deed(s) of trust to mail to NCF, by registered mail, at the address indicated pursuant to paragraph 10, a copy of each notice of breach of covenant, default, or foreclosure given by the holder or trustee under such deed of trust to O'Connell. Any such breach of covenant, default, or foreclosure which is not cured by O'Connell within fifteen (15) days, shall entitle NCF to immediately exercise this Option, by payment of any then-outstanding option payments as provided for in paragraph 6 to O'Connell or to his permissive assigns or successors in interest.

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5. Option As Covenant Running With the Property. This Option shall be a covenant running with the Property, and no covenant, transfer, easement, or encumbrance shall defeat or adversely affect this Option. A copy of this Option shall be recorded by NCF, at its expense, in the land records of the Circuit Court for the City of Alexandria, Virginia.

6. Option Payments by NCF. In order for NCF to be entitled to exercise this Option, NCF must pay, by check, payable to the order of O'Connell, and mailed to O'Connell by certified or registered mail, return receipt requested, the following successive payments at the dates specified below:

Schedule of Option Payments

Payment No.	Option Payment	Due Date
1.	$ 100,000.00	November 15, 1984
2.	$ 100,000.00	November 15, 1985
3.	$ 100,000.00	November 15, 1986
4.	$ 100,000.00	November 15, 1987
5.	$ 100,000.00	November 15, 1988
Total	$ 500,000.00	

Failure to deliver any payment due within thirty (30) days of the Due Date shall result in the cancellation of this Option and neither party shall have any further or additional rights or claims against the other hereunder. If NCF does not exercise the Option, the consideration paid for the Option is retained by O'Connell, except as provided in paragraphs 7, 11, 12, and 13.

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7. Condition of Title at Closing. In the event NCF exercises the Option, O'Connell shall, within thirty (30) days after the receipt of notice of exercise, secure and submit to NCF, for examination by its attorneys, evidence by a qualified title insurance company doing business in the Commonwealth of Virginia that title in the Property is good, marketable and insurable at regular rates. Within thirty (30) days thereafter, NCF shall give notice in writing to O'Connell of any defects in or objections to the title as so evidenced, and O'Connell shall take immediate steps to clear the title of the defects and objections so specified.

If O'Connell fails to clear title to the extent herein required within ninety (90) days after the date of exercise of the Option, NCF may either clear title to the extent so required and charge the cost of clearing to O'Connell; or, at its option, terminate the Option by giving notice to O'Connell. Within ten (10) days of the receipt of the notice to terminate, O'Connell shall refund to NCF the payments made to O'Connell as provided in paragraph 6, together with interest thereon calculated from the date of each such payment, in accordance with the method of computing interest as set forth in Section 6621 of the Internal Revenue Code, and the rules and pronouncements promulgated thereunder; to the date of the refund.

Title to be conveyed as herein provided shall be good, marketable and insurable at regular rates. Title shall be free and clear of all liens, encumbrances, restrictions, and

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easements, except for the deed of trust note(s) affecting the property which evidence the permanent financing of the Property, if assumed, and those easements included in paragraph 1 of this Option.

8. Escrow Account; Closing. In the event that NCF shall deliver to O'Connell notice of intent to exercise the Option, Sedam & Herge, P.C., 8300 Greensboro Drive, McLean, Virginia 22102, being the attorneys for NCF, shall act as the escrow agent until the transaction is closed. All necessary documents, together with the Exercise Price, shall be delivered to the escrow agent. NCF and O'Connell shall execute such escrow instructions, consistent with the terms of this Option, as may be requested by the escrow agent, from time to time.

Taxes and assessments for the exercise year, water rents due but not delinquent, rentals under existing leases and tenancies shall be prorated among the parties as of the closing date.

The purchase of the property by NCF pursuant to this Option shall close when the escrow agent is able to comply with the provisions hereof. NCF and O'Connell shall make full settlement hereunder in the offices of the escrow agent by January 1, 1989 or as soon thereafter as financing can be arranged. It is expressly understood and agreed that if a longer time is necessary to correct any defects in title or to finance or process the loan, then the date of settlement shall be extended for a sufficient time to effect these conditions.

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9. Possession and Risk of Loss. O'Connell shall maintain the same consistent with the Plans and Specifications dated November 12, 1981, in its present condition, reasonable wear from ordinary use excepted.

Risk of loss from fire or other casualty to the Property shall be borne by O'Connell until the executed Deed of Conveyance is recorded. O'Connell shall maintain adequate insurance against loss, including extended coverage, during such period sufficient in amount to compensate for loss equal to the exercise price, together with any payments made by NCF to O'Connell pursuant to paragraph 6.

10. Notices. All notices and other instruments hereunder shall be in writing and mailed by certified mail, return receipt requested, postage prepaid, with respect of NCF to:

National Conservative Foundation
1500 Wilson Boulevard
Arlington, Virginia 22209

and, effective December 1, 1983, to:

National Conservative Foundation
1001 Prince Street
Alexandria, Virginia

and, with respect to O'Connell, at:

Mr. Walter F. O'Connell
460 Park Avenue
New York, New York 10022

or to such other address as the parties may designate in writing.

9104037271 7

11. Bankruptcy of O'Connell. If O'Connell shall be adjudicated a bankrupt, make a general assignment for the benefit of creditors, or take the benefit of any insolvency act, or if a permanent receiver or trustee in bankruptcy be appointed for O'Connell's property, NCF shall have the immediate right to exercise this Option as stated herein. In such event, NCF may, at its option, continue to make the remaining option payments at the dates set forth in paragraph 6 to O'Connell or his permissive assigns, or to immediately exercise its option by payment of any of the then-outstanding option payments. If in the event of the bankruptcy of O'Connell the foregoing two sentences are invalid or unenforceable under the bankruptcy laws then in effect, any payments which have been made by NCF to O'Connell pursuant to paragraph 6, shall be considered to be deposits made by NCF to O'Connell or NCF shall be considered a secured creditor with respect to said payments.

12. Property Damaged or Destroyed by Fire or Other Casualty. O'Connell represents that he shall secure and maintain in force and existence fire and casualty insurance (including lightning, tornado, water and wind storms) on the Property in the amount equal to the exercise price of the Option, together with the amount of any Option payments made by NCF and agrees that such insurance shall be kept in full force and effect until the expiration of this Option. Any loss or damage by fire or other casualty to the Property prior to the expiration of this Option shall not constitute ground for the rejection of the title to the

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Property. In the event NCF should exercise the Option and there shall be a fire or other casualty, O'Connell shall assign to NCF all policies of insurance held by him on the Property, together with all rights and claims thereunder.

Notwithstanding the above, in the event prior to closing, the Property is partially destroyed by fire or other casualty, NCF may require O'Connell to rebuild to the extent of any money received on any policy or policies of insurance hereinafter in force covering the Property. O'Connell shall not, however, be required to expend in such rebuilding, any sum of money in excess of the amount so received from such insurance policies.

13. Right to Cancel in the Event of Condemnation. In the event that the Property, or any portion thereof, is legally condemned prior to closing, NCF may at any time after the commencement of such condemnation proceedings, but not later than 30 days after receipt of notification thereof from O'Connell, cancel this Option, and thereupon O'Connell shall return to NCF any Option payments made by NCF to O'Connell pursuant to paragraph 6, and neither party shall thereafter have any right or claim against the other hereunder.

14. Property To Be Conveyed In Good Repair, Free of All Complaints or Defects. O'Connell covenants to convey the Property in a state of repair and free and clear from all

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violations and complaints filed by any of the municipal departments of the City of Alexandria, Virginia and to comply with the applicable laws of the Commonwealth of Virginia.

15. Arbitration. Any controversy arising under, out of, in connection with, or relating to, this Option, and any amendment threof, or the breach thereof, shall be determined and settled by arbitration in the City of Alexandria, Virginia, in accordance with the rules of the American Arbitration Association. Any award rendered therein shall be final and binding on each and all of the parties thereto and their personal representatives, and judgment may be entered thereon in any court having jurisdiction thereon.

16. Right to Secure Specific Performance. Inasmuch as the Property is unique in character, and an equivalent property cannot be readily purchased by NCF in the open market, irreparable damage would result in the event this Option is not specifically enforced. Therefore, the rights to, or obligations of NCF to purchase the Property hereunder, shall be enforceable in a court of equity by a decree of specific performance, and appropriate injunctive relief may be applied for and granted in connection therewith. Such remedies, and all other remedies provided for in this Option shall, however, be cumulative and not exclusive and shall be in addition to any other remedies which NCF or O'Connell may have under this Option or otherwise.

17. Documents. Each party hereto agrees to do all things and execute and deliver all documents and papers necessary

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to consummate the transactions contemplated hereunder.

18. Invalidity. The invalidity or unenforceability of any provision of this Option shall not affect the other provisions, and the Option shall be construed in all respects as if any invalid or unenforceable provisions were omitted.

19. Amendment. No change or modification of this Option shall be valid unless the same be in writing and signed by all the parties hereto.

20. Benefit. This Option shall be binding upon the parties, their heirs, legal representatives, successors, and permissive assigns.

21. Entire Agreement. This Option contains the entire understanding of the parties respecting the right of NCF to purchase the Property, and may not be changed, modified, or terminated except as provided in paragraph 15, above.

22. Applicable Law. This Option shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

23. Captions. The titles and captions contained herein are for convenience only and shall not be deemed to be a part of the content of this Option.

24. Counterparts. This Option may be executed in counterparts, each of which shall be deemed to be an original and shall be binding upon the party or parties who executed the same, but all such counterparts shall constitute one and the same agreement.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

NATIONAL CONSERVATIVE FOUNDATION

By: Maiselle D. Shortely

Maiselle D. Shortely M.D.S.
Vice President

Walter F. O'Connell

WALTER F. O'CONNELL

DISTRICT OF COLUMBIA
~~COMMONWEALTH OF VIRGINIA~~)
~~COUNTY OF ARLINGTON~~) to-wit:

I, the undersigned, a Notary Public in and for the ~~County~~ DISTRICT aforesaid, ~~in the Commonwealth of Virginia,~~ do hereby certify that Maiselle Shortely who is the Vice Pres. of NATIONAL CONSERVATIVE FOUNDATION, and whose name is signed to the foregoing writing bearing date the 23rd day of February, 1983, has acknowledged the same before me in my ~~County and State~~ DISTRICT aforesaid as and for the act of the Corporation.

GIVEN under my hand and seal this 3rd day of March, 1983.

Notary Public

My commission expires: 5-31-83

STATE New York)
COUNTY OF New York) to-wit:

I, the undersigned, a Notary Public in and for the County aforesaid, in the State of New York, do hereby certify that WALTER F. O'CONNELL, whose name is signed to the foregoing writing bearing date the 23 day of January, 1983, has acknowledged the same before me in my ~~County and State~~ DISTRICT aforesaid.

GIVEN under my hand and seal this 23 day of February, 1983.

Notary Public

My commission expires:

3/30/83

ELLEN JANE MAUCHER
Notary Public, State of New York
No. 24-4525340
Qualified in Kings County
Certificate filed in New York County
Commission Expires March 30, 1984

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EXHIBIT "N"

DEED OF LEASE

THIS DEED OF LEASE is made and entered into this 23 day of February, 1983, by and between Walter F. O'Connell, or assigns, hereinafter referred to as Lessor, and National Conservative Foundation hereinafter referred to as Lessee.

W I T N E S S E T H:

1. Premises. In consideration of the rent to be paid, the covenants and agreements to be performed, and the sum of One Dollar ($1.00) the receipt of which is hereby acknowledged, the Lessor hereby leases to the Lessee and the Lessee hereby leases from the Lessor those certain premises in the City of Alexandria, Virginia known as follows:

LOT 2 of the Subdivision of Prince Street School as the same is duly dedicated, platted and recorded in Deed Book 1024 at page 143, among the land records of the City of Alexandria, Virginia.

TOGETHER WITH an easement for ingress and egress for the benefit of Lot 2 over that portion of Lot 1 of the Subdivision of Prince Street School within the boundary of an easement shown on the subdivision plat labeled "22' Emergency Access and Ingress and Egress Easement" and

SUBJECT, however, to an easement for ingress and egress for the benefit of Lot 1 over that portion of Lot 2 of the Subdivision of Prince Street School within the boundary of the easement shown on the Subdivision plat labeled "22' Ingress-Egress Easement".

2. Improvements. The building now erected on the leased premises shall be renovated in accordance with the plans and specifications prepared by Rust, Orling and Neale dated November 12, 1981, prior to the commencement of the terms of this lease, Lessee may review the plans and specifications relating to interior finishing, and may request changes in the interior finishing. If such alterations do not affect the overall costs of renovating the premises such alterations shall be made; however, if such alterations increase the overall cost of renovating the premises, Lessee shall be billed and shall pay the actual costs incurred in such alterations. By its occupancy of the premises, Lessee shall be deemed to accept the premises as built.

3. Term. The term of this lease shall be for five (5) years. The term shall commence on December 1, 1983, the date the premises are available for occupancy by Lessee and shall terminate on midnight November 30, 1988. Lessor shall give Lessee sixty (60) days written notice of the date on which the premises will be available for occupancy.

4. Rent. All rent and other charges which Lessee is obligated to pay Lessor under any provision of the Lease shall be paid timely to Lessor at Lessor's address without any set-off, counterclaim, or deduction whatsoever.

(a) Base Rent. The Lessee agrees to pay a rental in the sum of $ 225,750.00, payable in equal monthly installments of $ 18,812.50 per month, (or a pro rata portion thereof for any part of a month). The rent for each month shall be paid in advance on the first day of each calendar month during the term hereof.

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(b) Additional Rent. As additional rent, during the term of this Lease or any extension or renewal the Lessee shall pay all the operational expenses of the premises, including, but not limited to all real property taxes, insurance premiums, maintenance costs and assessments or charges incurred by Lessor or assessed against the property. It being the intent of the Lessor and Lessee that the Lessee shall be responsible for the payment of all the expenses incurred by Lessor by virtue of or in attributable to its ownership of the premises.

5. Use of Premises. The Lessee agrees that the demised premises shall be used and occupied only for general office uses.

6. Alterations and Repairs. The Lessee shall not make, or suffer to be made, any improvements to or alterations of the real property in excess of $2,000.00 in value without the written consent of the Lessor first had and obtained, and any additions to, or alterations of, the real property improvements shall become at once a part of the realty and belong to the Lessor. If written consent of the Lessor to any proposed alterations by the Lessee shall have been obtained, the Lessee agrees to advise Lessor in writing of the date upon which such alterations will commence in order to permit the Lessor to post notice of nonresponsibility. The Lessee shall keep the demised premises free from any and all liens arising out of any work performed, materials furnished, or obligations incurred by Lessee. The Lessee during the term of this lease shall, at its expense, perform any and all repairs necessary to maintain the premises, and all fixtures and equipment located thereon in as good as condition as at the date this lease commenced.

7. Assignment and Subletting. The Lessee may sublet the premises or any part thereof by written lease.

8. Lessee's Defaults; Remedies. (a) If Lessee shall fail (i) to pay when due any monthly installment of rent and such default is not remedied within five days thereafter, or (ii) to perform any of the other covenants, conditions or agreements herein contained on Lessee's part to be kept or performed and such failure shall continue for thirty days after notice thereof given by or on behalf of Lessor, or (iii) in the case of a default that cannot be completely cured within such thirty-day period, to commence within such period the curing of such default and thereafter to prosecute with due diligence and dispatch to conclusion the curing of such default, any such failure shall constitute a "default" hereunder. Similarly, if Lessee shall at any time abandon the premises, or if the interest of Lessee in the premises shall be offered for sale or sold under execution or other legal process, any such sale, offer or abandonment shall constitute a "default" hereunder. Upon any such default Lessor may serve notice on Lessee that the term and estate hereby vested in Lessee and any and all other rights of Lessee hereunder shall cease on the date specified in such notice (such date to be not less than ten days after the date of the notice) and on the specified date this Lease shall cease and expire as fully and with like effect as if the term of this Lease had expired for passage of time.

(b) Without terminating this Lease in case of a default, or if this Lease shall be terminated otherwise, Lessor may re-enter, remove Lessee, or cause Lessee to be removed from the premises in such manner as Lessor may deem advisable, with or without legal process, and using such force as may be necessary. Lessor shall have all the remedies permitted by law for failure to pay an item of rent or any other default. In addition, Lessee shall be obligated

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to pay hereunder interest upon any delinquent rent or other payment due from Lessee under this Lease, computed from the first day on which such payment was due, at the lower of: (i) ten percent per annum or (ii) the highest non-usurious rate that may lawfully be charged by a bank to Lessee.

(c) In the event of a breach or threatened breach by Lessee of any of the covenants or provisions hereof, Lessor shall have the right to an injunction and the right to invoke any remedy allowed at law or in equity. In such event Lessor shall be entitled to recover from Lessee, payable as rent hereunder, any and all reasonable expenses Lessor may incur in connection with its efforts to secure such injunctive relief or other remedy at law or in equity, such as court costs, printing costs and attorneys' fees. The words "re-enter" and "re-entry" as used in this Lease are not restricted to their technical meanings.

(d) No waiver, express or implied, by Lessor of any breach of a covenant, condition or duty of Lessee shall be construed as a consent or waiver to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified therein. The receipt and acceptance by Lessor of any rent with knowledge of any breach by Lessee shall not be deemed a waiver of such breach. One or more waivers of any breach by Lessor of any covenant, term or condition of this Lease by Lessee shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. Lessor's consent to or approval of any act by Lessee requiring Lessor's consent or approval shall not be deemed to waive or render unnecessary Lessor's consent to or approval of any subsequent similar acts by Lessee.

9. Lessor's Right to Cure Defaults. Lessor may, but shall not be obligated to, at any time and without notice, cure any default by Lessee under this Lease. Whenever Lessor does so, all costs and expenses incurred by Lessor in curing a default, including without limitation reasonable attorneys' fees, together with interest, computed from the date such costs and expenses were incurred at the lower of (i) ten percent per annum or (ii) the highest non-usurious rate that may lawfully be charged by a bank to Lessee. The amount of costs and expenses so incurred shall be paid by Lessee to Lessor on demand and shall be recoverable as rent.

10. Liability. (a) Lessor shall not be liable (i) except in the case of willful misconduct for any loss or damage whatsoever to Lessee's business or property or (ii) except in the case of negligence or willful misconduct, for any damage or loss resulting from any accident or occurrence in or upon the premises sustained by any person claiming through the Lessee.

(b) In no event shall Lessor, including any successor or assignee of all or any portion of Lessor's interest in the premises, be personally liable or accountable with respect to any provision of this Lease. If Lessor shall be in breach or default with respect to any obligation hereunder or otherwise, Lessee agrees to look for satisfaction solely to the equity of Lessor in the premises. The liability of Lessor hereunder shall in no event exceed the amount of such equity and no other assets of Lessor shall be subject to levy, execution or other procedures for the satisfaction of Lessee's remedies. In the event Lessor transfers this Lease, other than as security for a mortgage, the Lessor (and, in case of any subsequent transfers or conveyances, the then grantor) shall, upon such transfer, be relieved from all liability and obligations hereunder arising after such transfer.

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11. General Performance. (a) Lessee shall perform promptly all of Lessee's obligations set forth in this Lease and in the Exhibits attached hereto, such performance to be in conformity with: (i) all laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, certificates of occupancy, authorizations, directions and requirements of all government departments, commissions, boards, courts, authorities, agencies, officials and officers, foreseen or unforeseen, ordinary or extraordinary, which now or at any time hereafter may be applicable to the premises or any part thereof, or any of the adjoining sidewalks, streets, alleys or ways, or any use or condition of the premises or any part thereof; and (ii) all provisions of any insurance policy covering or applicable to the premises or any part thereof, all requirements of the issuer of any such policy, and all orders, rules, regulations and other requirements of the National Board of Fire Underwriters (or any other body exercising similar functions) applicable to or affecting the premises or any part thereof, or any use or condition of the premises or any part thereof.

(b) The Lessee, at his own cost and expense, shall comply promptly with all laws, rules, and orders of all federal, state and municipal governments, or departments, which may be applicable to the leased premises, and shall likewise promptly comply with the requirements of the Board of Fire Underwriters concerning the premises.

12. Bankruptcy. If at any time (i) Lessee shall file in any court pursuant to any statute a petition in bankruptcy or insolvency or for reorganization or arrangement, or (ii) Lessee shall make an assignment for the benefit of creditors or (iii) any such petition shall be filed against Lessee and a receiver or trustee of all or any portion of Lessee's property shall be appointed and such proceeding shall not be dismissed or trusteeship discontinued within thirty days after such appointment, then in any of such events this Lease may, pursuant to the procedure set forth in section 8, be cancelled and terminated, and Lessor shall be entitled to avail itself of all rights and remedies available to Lessor in the event of a default by Lessee. If this Lease shall be so cancelled and terminated, neither Lessee nor any person claiming through or under Lessee by virtue of any statute or order of any court shall be entitled to possession or to remain in possession of the premises but shall forthwith quit and surrender the premises, and Lessor, in addition to all other rights and remedies Lessor may have by virtue of any other provisions of this Lease or of any statute or rule of law, may retain as liquidated damages any rent or monies received by Lessor from Lessee or from others in behalf of Lessee. In no event, without the express approval of Lessor, which approval may be granted or withheld at its sole option and discretion, shall this Lease be considered an asset of Lessee's estate in bankruptcy or insolvency, or of any receiver or trustee with respect thereto.

13. Indemnity and Insurance. The Lessee shall indemnify the Lessor against and hold the Lessor harmless from any and all claims or demands for loss of or damage to property or for injury or death to any person from any cause whatsoever while in, upon, or about the demised premises or the sidewalks adjacent thereto during the term of this Lease or any extension hereof. The Lessee shall take out and maintain with a reputable insurance company, at its sole cost and expense, public liability insurance against property damage or personal injury growing out of the use of or occurring on or about the premises, in an amount not less than One Million Dollars.

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14. Utilities and Services. Lessee shall pay for any water, fuel, gas, oil, heat, electricity, power, telephone, materials and services which Lessee may cause to be furnished to or used in or about the demised premises and shall keep the demised premises free and clear of any lien or encumbrance of any kind whatsoever created by Lessee's act or omission.

15. Entry and Inspection. The Lessee shall permit Lessor and his agents to enter the demised premises at all reasonable times for any reasonable purposes, including without limitation the following: to inspect the same, to show the premises to any prospective tenant or purchaser and to cure any default by Lessee hereunder. The Lessor shall have such right of entry and the right to fulfill the purpose thereof without any rebate of rent to the Lessee for any loss of occupancy or quiet enjoyment of the demised premises thereby occasioned.

16. Destruction of Premises. (a) In the event of a total or partial destruction of the premises during the term from any cause, the Lessee shall forthwith notify Lessor, but such destruction shall in no wise annul or void this Lease and no item of rent shall abate.

(b) Lessee hereby expressly waives the provisions of any rule of law or statute now or hereafter in force giving Lessee any right to terminate this Lease or abate the rent hereunder or claim partial or total (constructive or actual) eviction because of fire or other casualty or any other peril.

17. Condemnation. (a) If the whole of the premises shall be taken or condemned by any competent authority for any public use or purpose, then the term hereby granted shall cease on the day prior to the taking of possession by such authority or on the day prior to the vesting of title in such authority, whichever first occurs, and rent hereunder shall be paid to and adjusted as of that day; provided, however, that if such taking is for a temporary period not exceeding eighteen months, neither party may terminate this Lease but all rent shall abate during such period.

(b) If a portion of the demised premises shall be condemned or taken and, as a result thereof, there shall be such a major change in the character of the premises as to prevent Lessee from using the same for substantially the same purposes as theretofore used, then and in that event, either party may either cancel and terminate this Lease, as of the date when the part of the premises so taken or condemned shall be required for such public purpose, or the Lessee may continue to occupy the remaining portion, provided, however, that each party shall give written notice of its election to the other within fifteen days after the date of any taking or vesting of title. In the event the Lessee shall remain in possession and occupation of the remaining portion, all the terms and conditions of this Lease shall remain in full force and effect with respect to such remaining portion except that the minimum rent reserved to be paid hereunder shall be equitably adjusted according to the amount and value of such remaining area; and this Lease shall continue for the balance of its term, subject to the terms and conditions herein stated.

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(c) The entire award of damages or compensation for the premises taken (including a temporary taking), or the amount paid pursuant to private purchase in lieu thereof, whether such condemnation or sale be total or partial, shall belong to and be the property of the Lessor, whether such damages be awarded as compensation for diminution in the value of the leasehold or the fee of the premises, and the Lessee hereby assigns to the Lessor all of Lessee's right, title and interest in and to any and all such award or purchase price.

18. Notices. All notices to be given hereunder shall be in writing, deposited in the United States mail, certified or registered, with postage prepaid, and addressed to the Lessee at 1500 Wilson Blvd., Suite 513, Arlington, Virginia 22209 and to the Lessor at 460 Park Avenue, 16th Floor, New York New York 10022. Notices shall be deemed delivered when deposited in the United States mail, as above provided. Change of address by either party must be by notice given to the other in the same manner as above specified and shall be effective when received.

19. Surrender of Premises. Upon any termination of the term of this Lease, Lessee shall quit and surrender to Lessor the premises. All installations or improvements made by either party shall be and become upon installation the property of Lessor and shall be surrendered with the premises as a part thereof at the termination of this Lease, unless Lessor notifies Lessee to the contrary in which event Lessee shall remove the same at its expense; provided, however,that any paving and/or blacktopping will not be removed.

20. Holdover by Lessee. If Lessee shall not immediately surrender possession of the premises upon any termination of this Lease, Lessee, at the option of the Lessor shall thereafter become a tenant from month-to-month at a monthly rental equal to twice the sum of (i) the monthly minimum rent, and (ii) the average monthly amount of all other items of rent payable hereunder during the then most recent year, subject to all other conditions, provisions and obligations of this Lease insofar as the same are applicable to a month-to-month tenancy and Lessee shall indemnify Lessor against loss or liability resulting from Lessee's delay in so surrendering the premises, including without limitation any claims made by any succeeding tenant founded on such delay.

21. Subordination. (a) Lessee agrees that Lessor will not be required to subordinate his fee interest in the premises.

(b) Lessee agrees that this Lease shall be subordinate to any mortgages or deeds of trust that may hereafter be placed upon the premises, to any and all advances made or to be made under them, to the interest and all obligations secured by them, and to all renewals, replacements and extensions of them. If any mortgagee or beneficiary elects to have this Lease superior in its mortgage or deed of trust and gives notice of its election to Lessee, then this Lease shall be superior to the lien of any mortgage or trust deed whether this Lease is dated or recorded before or after the mortgage or trust deed. In addition, if requested by any mortgagee, beneficiary of a deed of trust or purchaser at a foreclosure proceeding, Lessee shall by execution of an agreement in recordable form attorn to such mortgagee, beneficiary or purchaser acquiring Lessor's title to the premises.

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22. Taxes and Liens. Lessee shall pay, before delinquency, all municipal, regional, state or federal taxes levied, assessed or unpaid on any leasehold interest, any investment of Lessee in the premises or any personal property of any kind owned, installed or used by Lessee or on Lessee's right to occupancy of the premises. Lessee shall also pay promptly when due the entire cost of any work affecting the premises done by or for the account of Lessee, so that the premises shall at all times be free of liens for labor and materials, all such work to be done in accordance with all laws, orders and regulations of all government authorities applicable to the premises and the requirements of any insurance policies affecting the premises and the requirements of the issuers of such policies and in a good and workmanlike manner acceptable to Lessor. Lessee shall cause forthwith to be discharged or record (by payment, bond, order of a court of competent jurisdiction or otherwise) any lien (of mechanics or others) which may at any time be filed against the premises or any part thereof arising out of work done by or for the account of the Lessee.

23. Indemnification. Lessee shall indemnify and hold harmless Lessor and Lessor's agents, successors and assigns, from and against all injury, loss, claims or damage (including attorneys' fees and disbursements) to any person or property arising from, related to, or in connection with the use, occupancy, construction or repair of the premises. All property of Lessee in or about the premises shall be kept and stored at Lessee's sole risk and Lessee shall hold Lessor harmless from any claims arising out of damage to the same.

24. Miscellaneous. (a) The captions and headings in this Lease are for convenience of reference only and in no way limit the scope or content of this Lease or in any way affect its provisions.

(b) Time is of the essence of this Lease and of all provisions hereof, except in respect to the delivery of possession of the demised premises at the commencement of the term hereof.

(c) This Lease shall be construed and enforced in accordance with the laws of the State of Virginia. The invalidity or unenforceability of any provision of this Lease shall not affect or impair any other provision. Each covenant or other provision of this Lease shall be deemed and construed as a separate and independent covenant of the party bound by, undertaking or making the same, not dependent on any other provision of this Lease unless otherwise expressly provided.

(d) This Lease embodies the entire agreement and understanding between the parties, and supersedes all prior negotiations, agreements and understandings. Any provision of this Lease may be modified, waived or discharged only by an instrument in writing signed by the party against which enforcement of such modification, waiver or discharge is sought.

(e) This Lease may be executed in any number of counterparts, each of which shall be an original but all of which shall together constitute one and the same instrument.

(f) The Lessor and Lessee shall execute a Short Form Lease for recordation purposes upon request of the other party at the expense of the requesting party.

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(g) Each party represents that it is duly authorized to do business in Virginia and will remain so during the term hereof, and that it has been in all respects duly authorized to enter into and perform this Lease.

(h) Neither Lessor nor any agent of Lessor has made any representations, warranties or promises with respect to the premises except as herein expressly set forth.

25. Successors. All the terms, covenants, and conditions hereof shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors, and assigns of the parties hereto, provided that nothing in this paragraph shall be deemed to permit any assignment, subletting, occupancy, or use contrary to the provisions of section 7.

IN WITNESS WHEREOF, the Lessor and Lessee have executed this Lease as of the date first above written.

LESSEE:

National Conservative Foundation

By: Maiselle D. Shortely
Maiselle D. Shortely, Vice President
NDS

LESSOR:

Walter F. O'Connell

By: Walter F. O'Connell

~~COMMONWEALTH OF VIRGINIA~~ District of Columbia)
~~COUNTY OF ARLINGTON~~) to-wit:

I, the undersigned, a Notary Public in and for the ~~County~~ aforesaid, ~~in the Commonwealth of Virginia,~~ do hereby certify that Maiselle Shortely, who is the Vice Pres. of NATIONAL CONSERVATIVE FOUNDATION, and whose name is signed to the foregoing writing bearing date the 23rd day of February, 1983, has acknowledged the same before me in my ~~County and State~~ District aforesaid as and for the act of the Corporation.

GIVEN under my hand and seal this 3rd day of March, 1983.

Notary Public

My commission expires: 5-31-83

STATE New York)
COUNTY OF New York) to-wit:

I, the undersigned, a Notary Public in and for the County aforesaid, in the State of New York, do hereby certify that WALTER F. O'CONNELL, whose name is signed to the foregoing writing bearing date the 23 day of February, 1983, has acknowledged the same before me in my County and State aforesaid.

GIVEN under my hand and seal this 23 day of February, 1983.

Notary Public

My commission expires: 3/30/83

Notary Public, State of New York
No. 24-2500340
Qualified in Kings County

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EXHIBIT "I"

PHONE BANK MEETING

May 4, 1984

1. Reduce Phone Bank Space ($350 Savings)

2. Lockoff Phone Bank telephone access codes or lines.

3. Must recreate exact calculations for labor expenses for:

   December
   January
   February
   March

4. Exactly how is space (cost) allocated?

5. Directech costs must be verified.

6. How can we stabilize cost allocation costs? ie. Ads, Directech costs, Xerox costs.

7. Under the Insurance category, exactly who are the people being insured?

8. For December Expense/Income analysis, under equipment, what is the $516.00 for?

9. Need to see invoices for all printing expenses for all reports (Dec.-Mar.)

10. Need to see all DirecTech invoices for all reports.

11. Review of general operation:

    a. Phone Bank - performance stats to be picked up daily with phone bank cards.

    b. Postage - pick up check daily due to financial crisis.

    c. Mail - now going out by 12:00 next day.

    d. Service versus buy new phones. Costs.

    e. Post bills must be paid so we can advertise for personnel.

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Things to do TODAY

Phone Bank Questions 19

PAY on time always

1. How is space (cost) allocated? Based on cost to NCMC (approx. $14/ft²) Additionally, a portion of common areas is assigned just as the case would be with a normal lease. Phone Bank is charged w/ 1500 ft² of space.
2.
3. People currently on insurance policy:
4.
5. December "equipment other" charge is for moving the Xerox machine and maintenance and meter charge for the month
6.
7. Stabalize Costs? Xerox costs - may be more effective to get rid of this machine (any replacement must be a high volume copier since up to 10,000 copies per month are made)
8. Directech Costs? Directech will no longer be sending new contributor cards to us unless we prepay. This is going to be difficult in light of the other financial committments we have.
9. Ads? I believe our PB Recruitment/training to be one of the weakest links of the PB dept. Need to come up w/ new recruiting methods. (Colleges, Senior citizens, etc)
10.

Colortone Press
CREATIVE GRAPHICS INC. 2400 17th Street, N.W. Washington, D.C. 20009 • (202) 387-6800

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National Conservative
Political Action Committee
1001 Prince Street • Alexandria, Va. 22314 • (703) 684-1800

November 9, 1984

TO: Bob Conover, Brad Zerbe, Cheryl Altmire

FROM: Leif Noren

SUBJECT: Office move

In about one week, we will be shifting some of our offices around.

First, the communications office will be taken over by direct mail. Political department will occupy the current political and research offices. It will be Brad's responsibility to reassign space as he sees fit.

Second, the current direct mail offices will be occupied by the Dolan Report (a rent paying tenant).

My primary concern is to complete this move as close to Friday, November 16, as possible. This will alleviate some of NCPAC's rent responsibilities. (i.e. save money)

This timing coincides with the departure of some interns and as such, there should be a minimum of problems as several desks will be freed up.

I'm specifically not interested in catering to anyone's ego problems if they don't share my opinion regarding this shift.

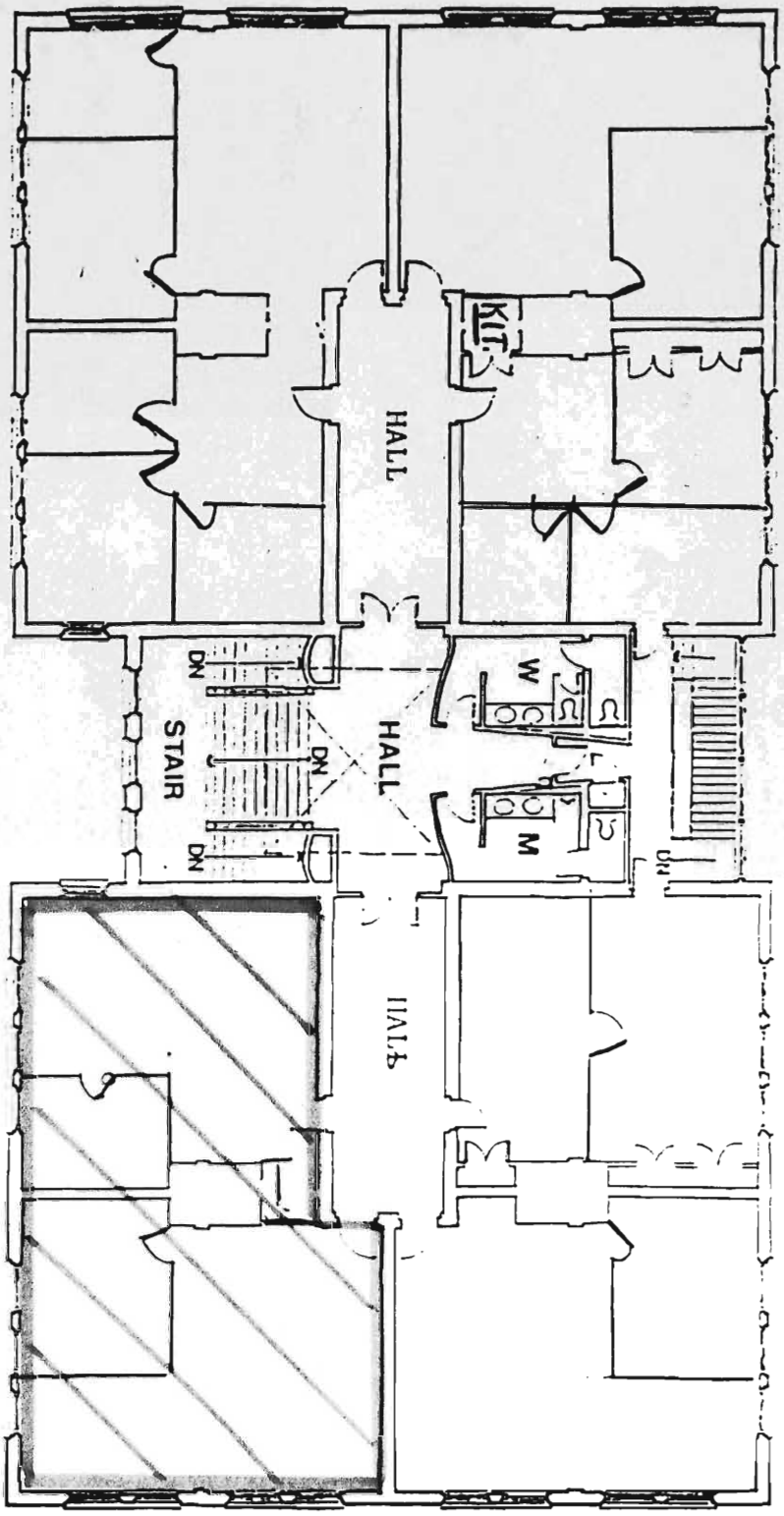
Each of you needs to plan to box up materials (many boxes exist in direct mail) and coordinate amongst yourselves. I will make myself available to help once the packing is completed.

Let me know if you have questions etc.

LEN:dab

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EXHIBIT "J"



SECOND FLOOR

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SUBLEASE AGREEMENT

SUBLEASE AGREEMENT, dated December 21, 1987, between NATIONAL CONSERVATIVE FOUNDATION ("Lessor"), a Virginia nonstock corporation with its principal offices located at 1001 Prince Street, Alexandria, Virginia 22314 and A+ Personnel ("Sublessee"), with its principal offices to be located at 1001 Prince Street, Suite 116, Alexandria, Virginia 22314.

WITNESSETH:

WHEREAS, on February 23, 1983, Lessor entered into a Deed of Lease with Walter F. O'Connell in respect to the leasing of 1001 Prince Street, Alexandria, Virginia 22314, to be effective on December 1, 1983, being the date then projected that the premises would be available for occupancy by Lessor, containing approximately 21,500 gross rentable square feet; and

WHEREAS, Walter F. O'Connell has granted Lessor permission pursuant to the terms of the Deed of Lease to enter into a Sublease Agreement to sublet the premises or any part thereof; and

WHEREAS, the Deed of Lease between Walter F. O'Connell and Lessor is now effective.

NOW, THEREFORE, in consideration of the following mutual covenants and other good and valuable consideration, the parties hereto agree as follows:

1. Sublease. The Lessor hereby sublets to the Sublessee and Sublessee hires from the Lessor the following described premises: Approximately 1611 net rentable square feet of office space located on the upper level, East side, front suite of 1001 Prince Street, Alexandria, Virginia 22314, to be used only for a business office, for the term and at the rental hereinafter stated. Such square footage includes allocated share of the common areas.

2. Master Lease. It is understood and agreed that this instrument is a Sublease Agreement by which Lessor is subleasing to Sublessee for the term and at the rental hereinafter stated the premises which are part of the same premises leased to Lessor in the aforesaid Deed of Lease dated February 23, 1983, which is hereinafter referred to as the "Master Lease." Said Master Lease is attached hereto and incorporated herein as Exhibit A. Except as otherwise specifically stated herein, Sublessee does hereby assume and agree to

perform all of the duties and obligations imposed upon Lessor by the Master Lease for the term of this Sublease and it is agreed that Lessor shall have all the rights and powers, and assume all the obligations with respect to the subleased premises that are conferred and imposed upon the Lessor as identified in the Master Lease.

3. Parking. During the term of this Sublease, Lessor shall provide for Sublessee's use three (3) parking spaces at $50.00 per month during the first year and at market rates subsequently.

4. Rent. All rent and other charges which Sublessee is obligated to pay Lessor under any provision of the Sublease shall be paid timely to Lessor at Lessor's address without any set-off, counterclaim, or deduction whatsoever. A late fee of ten percent (10%) shall be charged for any rent payment not received within ten (10) days of the due date.

(a) Rent - 1st Year. The Sublessee agrees to pay a rent in the sum of ~~Eighteen Thousand and Six Hundred and Forty-seven Dollars ($18,647.00)~~ Eighteen Thousand and Seven Hundred and Twenty-seven and ninety-two cents ($18,727.92) for the first year payable in nine equal monthly installments of Two Thousand and Eighty Dollars and Eighty-eight Cents ($2,080.88) per month (or pro-rata portion thereof for any part of a month). The rent for each month shall be paid in advance on the first day of each calendar month except the 2nd, 6th and 12th month of the first year during their term hereof.

(b) Subsequent Years. On each subsequent year of the lease beginning on the first day of January the monthly rent shall be raised by the sum of five percent to Two Thousand and One Hundred and Eighty-four Dollars and Ninety-two Cents ($2,184.92) in 1989 and to Two Thousand and Two Hundred and Ninety-four Dollars and Seventeen Cents ($2,294.17) in 1990

5. Security Deposit. Sublessee has deposited with the Lessor, via their agent, WJD & Associates, the sum of Two Thousand and Eighty Dollars and Eighty-eight Cents ($2,080.88) as security for the performance of the Sublessee of the terms of this Sublease. The Lessor may use, apply, or retain the whole or any part of the security so deposited to the extent required for the payment of any rent and additional rent or other sum as to which the Sublessee is in default or for any sum which the Lessor may expend or may be required to expend by reason of the Sublessee's default in respect of any of the terms of this Sublease, including, but not limited to, any damages or deficiency in the

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relatting of the subleased premises, whether such damages or deficiency accrued before or after summary proceedings or other re-entry by Lessor. In the event that the Sublessee shall comply with all of the terms of this Sublease, the security deposit shall be returned to the Sublessee, with interest accruing at 7.5%, within Thirty (30) days of the following two conditions: (1) after the date fixed as the end of the Sublease and (2) after delivery of possession of the subleased premises to the Lessor. If these conditions are met on two different dates, then the later date will prevail. The Sublessee shall not assign or encumber the money deposited as security, and neither the Lessor nor its successors or assigns shall be bound by any such assignment or encumbrance.

6. Term. The term of this Sublease shall be for three (3) years, commencing on the 1st day of January, 1988, and expiring on the 31st day of December, 1991.

7. Taxes. Sublessee will pay all taxes of every kind and description levied against its business, appliances, equipment and personal property.

8. Inspection. Lessor or the Lessor in the Master Lease shall have the right to enter the subleased premises at any reasonable time to inspect the condition of the premises.

9. Surrender. Upon termination of this Sublease, Sublessee will surrender the premises to Lessor in as good condition as received at commencement of this Sublease, except for ordinary wear and tear, and damage by fire or casualty, and will indemnify Lessor from any and all claims made by the Lessor in the Master Lease due to any alterations of the premises made by Sublessee, except such changes made by Lessor for Sublessee.

10. Liability insurance. Sublessee will indemnify and save harmless Lessor and the Lessor in the Master Lease, their successors and assigns, from any and all claims, demands, actions, causes of action, and judgments, whether for personal injury or property damage, asserted by any person arising out of Sublessee's possession and use of the premises. Sublessee shall maintain liability insurance throughout the term of this Sublease, with an insurance company authorized to do business in the Commonwealth of Virginia, such policy to have liability limits of at least $500,000 for personal injury for one person, aggregate liability for all persons in any one action of at least One

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Million Dollars ($1,000,000.00) for property damage. The terms of such policy shall also conform to those terms set forth in paragraph of the Master Lease with respect to the scope of coverage to be provided. Lessor and Lessor in the Master Lease shall be named co-insured in such insurance policy or policies. Such policies shall contain provision for ten days' notice to Lessor and Lessor in the Master Lease prior to cancellation.

11. Default. Sublessee shall, without any previous demand therefor, pay to Lessor the said rent at the times and in the manner above provided. In the event of nonpayment of said rent, or any installment thereof, and if the same shall remain in default for ten days after becoming due, or if the subleased premises shall be deserted or vacated, Lessor or its agent shall without further notice have the right to and may enter the said premises as agents of Sublessee, and may re-let the premises and receive the rent therefor upon such terms as shall be satisfactory to Lessor and all the rights of Sublessee to repossess the premises under this Sublease shall be forfeited. Such re-entry by Lessor shall not operate to release Sublessee from any rent to be paid or covenants to be performed hereunder during the full term of the Sublease. In the case of violation by Sublessee of any of the covenants, agreements and conditions of this Sublease, other than the payment of the rent, and upon failure to discontinue such violation within ten days after written notice thereof to Sublessee this Sublease shall henceforth, at the option of Lessor, become null and void and Sublessor may re-enter without further notice or demand. Upon violation by Sublessee of any of the agreements, covenants, and conditions of this Sublease, all future installments of rent unpaid and all other monies due and payable to Lessor shall at once become due and payable.

12. Use of Premises. As an inducement for Lessor to enter into this Sublease, Sublessee has represented and warranted that the sole and exclusive purpose of Lessee's leasing the premises is for the purpose of operating general business offices.

13. Acceptance of Premises. Sublessee does unconditionally and irrevocably warrant that it has inspected the premises and that Sublessee is satisfied with the present condition of the premises, except for remodeling to be done at Lessor's expense as agreed: specifically, cleaning the carpet, painting the walls, adding a wall with a door, adding a door, and opening a

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Due to delays in Lessor receiving contract and check, Sublessee will be allowed to move in before any renovations are begun, providing Sublessee will guarantee to do everything possible to aid contractors in renovation, in order that more cost will not be incurred by Lessor due to premises being occupied prior to renovations.

doorway as requested by Sublessee. Otherwise, Sublessee accepts the premises on an as-is where-is basis and accepts full responsibility for all costs that may be incurred in any further remodeling. Further remodeling must be approved by the Lessor prior to commencement.

14. Subleasing. Sublessee may assign this Sublease or sublease the premises in whole or in part with the written permission of Lessor which will not be unreasonably withheld.

15. Notice. Any notice required or permitted under this Sublease shall be given in writing by first class certified mail, return receipt requested, as follows:

To: A+ Personnel
1001 Prince Street
Alexandria, Virginia 22314

in the case of Sublessee; and

NATIONAL CONSERVATIVE FOUNDATION
1001 Prince Street
Alexandria, Virginia 22314
ATTN: Mr. Leif Noren

in the case of the Lessor.

16. Hold Harmless. Sublessee agrees it will hold Lessor harmless and it will pay to Lessor any losses which Lessor may incur from any default of Sublessee under the terms and conditions of the Master Lease and/or this Sublease and from or as a result of Lessee's possession and use of the subleased premises.

17. Arbitration. Any controversy arising under, out of, in connection with, or relating to, this Sublease, and any consequent amendment thereof, or the breach thereof, shall be determined by arbitration in the City of Alexandria, Virginia, in accordance with the rules of the American Arbitration Association. Any award rendered therein shall be final and binding on each and all of the parties thereto and their representatives, and judgment may be entered thereon in any court having jurisdiction thereon.

18. Severability. If any provision or provisions of this Sublease shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not, in any way, be affected or impaired thereby.

19. Counterparts. The Sublease may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of

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which together shall constitute one and the same instrument.

20. Incorporation. All Exhibits and other documents referred to herein are incorporated in this Sublease by reference and shall become a part of this Sublease, except as otherwise conflicting with the provision hereof.

21. Waiver of Breach. The waiver by either Party of a breach of any provision of this Sublease by the other Party shall not operate or be construed as a waiver of any subsequent breach by the then breaching Party.

22. Modification. This Sublease may only be modified in writing, executed on behalf of Lessor and Sublessee. The term "Sublease" as used herein includes any future written amendments, modifications, or supplements made in accordance herewith.

23. Entire Agreement. This instrument contains the entire agreement between the parties hereto with respect to the transactions contemplated herein.

24. All parties recognize that the only Brokers involved in the transaction are WJD & Associates and CRE, Commercial Real Estate, Inc. Commissions to be paid per separate listing agreement based on the total rent.

IN WITNESS WHEREOF, the Lessor and the Sublessee have executed this Lease as of the date first above written.

SUBLESSEE:	LESSOR:
A+ Personnel	NATIONAL CONSERVATIVE FOUNDATION
BY:	BY:
Date: 12/30/87	Date:

WJD & ASSOCIATES	CRE
BY:	BY: Secretary/Treasurer
Date: 12-30-87	Date: 12/30/87

SEEN AND AGREED: _____
Walter F. O'Connell

91040837740

12/19/87

PATRICK STREET

1. SMITH
2. NAVY
3. NAVY
4. NCF Laurie
5. NCF Shirley
6. ARMY
7. ARMY
8. ARMY
9. AIR FORCE
10. MARINES
11. MARINES
12. SPEC. OLYMPICS
13. SPEC. OLYMPICS
14. KINDNESS ASSOC.
15. KINDNESS ASSOC.
16. SPEC. OLYMPICS
17. NCF Karen
18. ZAGAME
19. MERICH
20. MERICH
21. MERICH

22. ZAGAME
23. ZAGAME
24. NCF MARIELLE
25. NCF Terry F.
26. NCF MONA
27. NCF STEVE
28. NCF SANDY

29.
30.
31.
32.
33. A+ PERSONNEL
34. A+ PERSONNEL
35. A+ PERSONNEL
36. NCF Pat B.
37. NCF EDNA
38. NCF CLARK

39.
40. AM. RESUME
41. YATRAS
42. NCF Ned
43.
44. VA. TAX OFF.
45. NCF Carolyn

THE NATIONAL CONSERVATIVE CENTER
1001 Prince Street

IF SOMEONE IS PARKED IN YOUR ASSIGNED SPACE, PLEASE CALL 684-1800 AND LET EDNA OR MARK KNOW. THEY WILL TAKE CARE OF IT. PLEASE, DO NOT CALL THE TOW TRUCK YOURSELF.

(Also, as more of the building is rented, all guest parking will ultimately be gone. Please, pass this on to your employees and visitors.)

The signs on the front and back doors will inform you about guest-parking changes.

PRINCE STREET

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NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

Maiselle Dolan Shortley
Chairman

(703) 548-0900

9104037742

January 5, 1988

To: Barbara Anderson

From: Mark Ortmeier MO

Subject: Office Keys and Security Control System

In giving you the four new sets of office keys for your employees, I must also up-date you on how this will affect our security system.

For our security system to be effective each person authorized to have entry keys is required to have a security system access number. This can be easily provided for however consideration needs to be given to the necessity of each employee actually having a set of office keys. This is for your determination. All that is required is that I be told who is to have the keys in advance of their distribution so that provisions can be made for security access numbers.

I have had seven sets of keys in total made for your use at our expense. Any future sets of keys requested beyond this number will be available at the cost of $1.50 in advance.

To provide for the maintenance of our security system it is imperative that I receive the keys of all individuals leaving your employment in advance of their final day of employment along with their system access card which will be provided for each employee by the Sonitrol Company. Failure to make these provisions can obviously lead to unauthroized access to our system and the need to have locks changed, etc. If it was ever the case that a former employee of yours was guilty of using the system in an unauthorized manner, A+ Personnel may be responsible for lock replacement charges, etc.

Please contract me at any time if you have questions about our security control system, its operation, additions, deletions, etc.

Thanks for your help.

Receipt
for Keep
1/5/88 Mark Ashmen

9104087227433

Commercial Real Estate, Inc.

December 7, 1987

Mr. Wendell Cox
WJD Associates
111 N. Alfred Street
Alexandria, Virginia 22314

Dear Wendell:

We hereby submit this Letter of Intent to lease the front half of the east wing of the second floor of 1001 Prince Street, Alexandria, Virginia consisting of approximately ~~1,500~~ 1611 net rentable square feet.

TENANT

A+ Personnel

LANDLORD

National Conservative ~~Political Action~~ Foundation

LEASE RATE

$15.50 per square foot, full service.

INCREASES

~~Tenant will pay 30% of CPI.~~ The increase will be limited to ~~no more than three~~ percent ~~(3%)~~ (5%) increase per year. Landlord will send Tenant a statement one month prior to each yearly anniversary of the lease, establishing the rental increase for the coming year.

LEASE TERM

Three (3) years.

RENTAL ABATEMENT

Tenant will receive from Landlord three (3) months free rent as an incentive to lease this office space. Such rent to be abated in month two, six and twelve of the lease

Commercial Real Estate, Inc.

December 7, 1987

Mr. Wendell Cox
WJD Associates
111 N. Alfred Street
Alexandria, Virginia 22314

Dear Wendell:

We hereby submit this Letter of Intent to lease the front half of the east wing of the second floor of 1001 Prince Street, Alexandria, Virginia consisting of approximately ~~1,500~~ 1,611 net rentable square feet.

TENANT

A+ Personnel

LANDLORD

National Conservative ~~Political Action~~ Foundation

LEASE RATE

$15.50 per square foot, full service.

INCREASES

~~Tenant will pay 30% of CPI~~. The increase will be limited to ~~no more than three~~ percent ~~(3%)~~ (5%) increase per year. Landlord will send Tenant a statement one month prior to each yearly anniversary of the lease, establishing the rental increase for the coming year.

LEASE TERM

Three (3) years.

RENTAL ABATEMENT

Tenant will receive from Landlord three (3) months free rent as an incentive to lease this office space. Such rent to be abated in month two, six and twelve of the lease

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Mark

POSSESSION AND LEASE COMMENCEMENT

January 1, 1988.

OTHER CONDITIONS

Landlord will build out, at Landlord's expense one additional office and one finished opening and two finished doors. Build-out is contingent upon Tenant's and Landlord's approval of a space plan.

Tenant has the right to a sign on his suite entry door, with a style and design to be approved by Landlord prior to Tenant occupancy.

DEPOSIT

Tenant will deposit the equivalent of one month's rent upon signature of the lease by both parties.

*Tenant shall have the right to sublet any portion or all of the demised premises with the consent of the Landlord whose consent shall not be unreasonably withheld.

PARKING

Landlord will provide Tenant with three (3) parking spaces in the lot adjacent to the building at a lease rate of $50.00 per month, per space.

Kindly acknowledge your acceptance of this Letter of Intent with your signature below. If you have any questions or need further information, please feel free to contact me.

Sincerely,

COMMERCIAL REAL ESTATE, INC.

Candice G. Fazakerley
Principal

AGREED AND ACCEPTED

A+ Personnel (Tenant)

BY: Anthony C. Fallarido

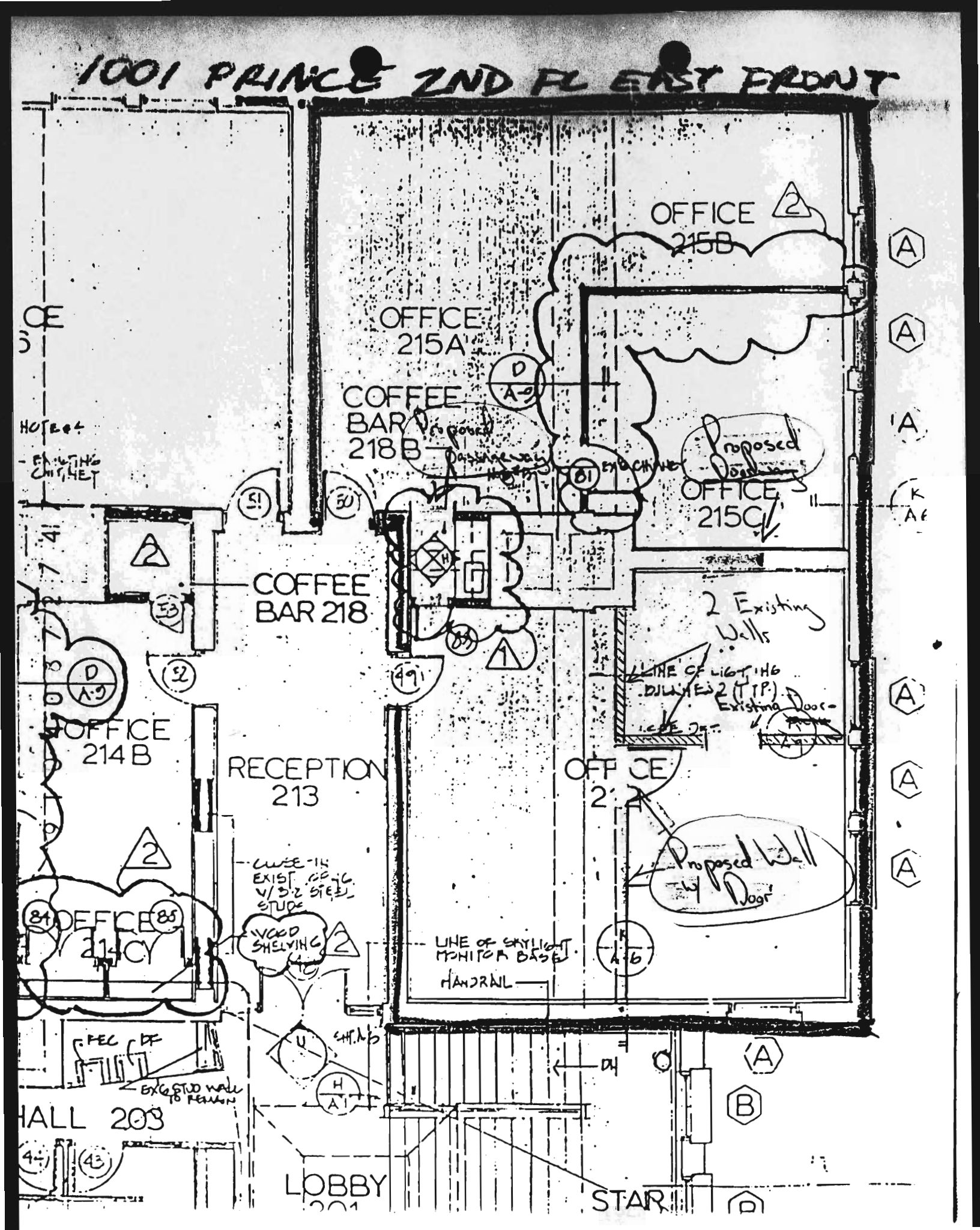
DATE: 12/14/87

National Conservative ~~Political Action~~ Foundation

BY: Marcelle Dolan Shanley

DATE: Dec 10, 1987

9104037746


1001 PRINCE 2ND FL EAST FRONT
OFFICE 215B
OFFICE 215A
COFFEE BAR 218B
proposed
OFFICE 215C
COFFEE BAR 218
2 Existing Walls
LINE OF LIGHTING
Existing Door
OFFICE 214B
RECEPTION 213
OFFICE 212
Proposed Wall w/ Door
OFFICE 214C
WOOD SHELVING
LINE OF SKYLIGHT
HANDRAIL
EXISTING WALL TO REMAIN
HALL 203
LOBBY 201
STAIR

NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

Maiselle Dolan Shortley
Chairman

(703) 548-0900

January 20, 1988

Mr. Tony Tallarido
A+ Personnel
1001 Prince St.
Alexandria, VA 22314

Dear Tony:

I am writing to confirm the details of our several conversations yesterday afternoon regarding your tenancy.

As we discussed, because NCF has been given no financial consideration in terms of your lease with us or for the parking spaces reserved for your use, NCF can allow A+ Personnel to remain as tenants only given that the following conditions are met.

1.) If A+ can provide NCF with a cashiers check or like consideration for the full amount of the deposit, rent and parking payments for January, A+ may continue its tenancy with us as long as future rent payments are made in a timely fashion.

2.) If A+ Personnel is unable to provide full financial consideration at this time but is able to provide NCF with some financial show of good faith or intention in helping us meet the cost of utilities for your space (these funds would not be refundable) by Friday January 22, then A+ may remain as tenants until Tuesday January 26, 1988.

3.) If A+ Personnel is unable to provide NCF with either full payment of all fees for January or the smaller good faith amount by Friday January 22, 1988, then NCF must regretably request that A+ Personnel relinquish its tenancy by 5:30 PM January 22.

I am very sorry to have to impose these conditions on A+ Personnel. I sincerely hope that the necessary adjustments can be made by this Friday.

Please let me know if I can be of further help.

Sincerely,

Mark Ortmeier
Building Manager

Grace Phillips Mancuso
1/20/88 11:37

9104087748

NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

Maiselle Dolan Shortley
Chairman

(703) 548-0900

9104037749

January 22, 1988

Mr. Tony Tallarido
A+ Personnel
1001 Prince St.
Alexandria, VA 22314

Dear Tony:

I received your letter earlier today. I discussed the possibility of extending your tenancy with my superiors as you requested. Unfortunately, however, their decision is that I must ask you to relinquish your tenancy by the end of the day today, 1/22/88. I must as a result request the return of the five sets of office keys which you have been provided and let you know that I must cancel your security codes which provide access to our security system as of 5:30 pm today.

I regret having to take these actions. It is an unfortunate event that we are in very similar circumstances to your own and our need for the rental income provided by the space you now occupy forces us to seek other tenants as soon as possible.

I realize that you will not be able to move all of your office furnishings out of your offices by 5:30 pm today. Please give me a call regarding these arrangements as it has been requested that we have this taken care of by next Tuesday by 5:30 pm at the latest.

Sincerely,

Mark Ortmeier
Building Manager

1/22/38

Dear Wade,

Unfortunately I am unable to pay you any monies today as you requested in your letter. Please believe that there is no reason other than I don't have it. None of my receivable loans come due.

I hope that you + your superiors can extend me some more time until I can pay you. I am fully aware that W.C.T. has incurred expenses during our stay here & I personally fully intend to pay upon return but that you allow me to stay on any longer

I do understand your concern with [illegible] but being able to [illegible] I can assure you that no attempt to decline your [illegible] on board [illegible] duty or piece of unforseen + unfortunate circumstances allowed me to longer than we are [illegible] case of changing all of this

[illegible] for your consideration [illegible]

Sincerely
Tony Talbot

9104087227 50

NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

Maiselle Dolan Shortley
Chairman

(703) 548-0900

February 1, 1988 11:24 am

Memo for Record

From: Mark Ortmeier

Tony Tallarido moved all of A+ Personnel's furnishings out of their two offices today. All of NCPAC's loaned furnishings have been left. In addition, A+ Personnel has left a large ficus plant with pot and a drinking cup dispenser which they no longer wanted.

Mr. Tallarido requested that we hold his mail for his retrieval in one weeks time and that we not give his home phone number out to anyone requesting their forwarding statistics.

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NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

Maiselle Dolan Shortley
Chairman

(703) 548-0900

January 6, 1988

To: Shirley Bailey

From: Mark Ortmeier

Subject: A+ Personnel Office Remodelling

Mr. Steve Vincent provided NCF with the lowest estimate for the construction of a wall and installation of two doors in the A+ Personnel suites of offices. His bid was $2,125.00.

Mr. Vincent's payment terms are $1,062.50 up front and the remaining $1,062.50 upon completion of the work.

Mr. Vincent can begin work this Friday. To do so he will require the first check for $1,062.50 by C.O.B. January 7 so that he can purchase the required materials.

This check should be made payable to Mr. Steve Vincent with the notation "1/2 payment for NCF remodelling--wall construction."

Please let me know if this is possible---problems---etc.

Thanks.

cc: Maiselle Shortley
Sandy Scholte

9104087752

National Conservative
Political Action Committee
1001 Prince Street • Alexandria, Va. 22314 • (703) 684-1800

9104037275 3

VARIOUS ESTIMATES ON OFFICE REMODELING:

Wall/Door Construction:

1.)	Steve Vincent 548-8956	$2125.00 + $100.00 if extra electrical work is needed.
2.)	George Hutchenson 922-0860	$2332.00
3.)	John Culhane 356-2411	$1650.00---initial estimate only. He has not provided a revised estimate yet.
4.)	Bruce Padget (703) 680-9827	$2,325.00---this is his initial estimate. I did not request a second estimate because his first bid was considerably higher than the three others.

Recommendation: I would suggest using Steve Vincent for this work. He has done all of the other remodeling for our offices, has WJD's recommendation and can finish the work in four days from start-up.

Painting:

1.)	Davis Painting & Contractor, Inc. (703) 354-9892	$450.00 ($50.00 extra if furnished)
2.)	George Hutchenson 922-0860	$640.00
3.)	Bruce Padget	$855.00

Recommendation: I would suggest using Davis Painting & Contractor, Inc. They can do the work in one day and have WJD's recommendation. Further, they have done some of the painting for NCPAC before I believe.

Floor Cleaning:

1.)	Virginia Cleaning Profssnls 768-6657	$150.00
2.)	Certified Carpet Care 255-2212 Service Master 323-6100 Robin Servic 678-0313	$130.00 + $20 to Scotchguard
3.)	Sears 736-8000	$156.00 + $65.00 to SG.

Paid for by NCPAC Not authorized by any candidate or candidate's committee.

Remodeling Estimates:

Recommendation: This is a toss-up really. I would suggest using whomever can do the job to meet our time schedule. I would further recommend that we use VA Cleaning Professionals if they would consent to meet the $150.00 with Scotchguarding as they have done the work for NCPAC before and done a good job.

ETC:

As far as timeframe goes the following estimates apply:

Wall Construction:	4 to 5 days
Painting	1 day per fastest estimate
Floor Cleaning	½ day
Total	5½ days assuming that all of the parties can match up on their schedules.

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National Conservative
Political Action Committee
1001 Prince Street • Alexandria, Va. 22314 • (703) 684-1800

YAF Source
Wandal WJD

Painting? $1,000.+?

December 9, 1987

To: Carolyn Shiben

From: Mark Ortmeier

Subject: New Wall Estimate

I spoke with Mr. Steve Vincent regarding construction of the walls in the office at the other end of our floor. He was recommended by Mr. Tom Alred and has done the previous "wall work" done on this floor. Tom said he was very reasonable pricewise. He gave me the following estimate.

WORK TO BE DONE:

-construction of one wall 15' high and 10' high, finished to paint readiness
-installation of plexiglass "window at top of wall to reach to ceiling
-installation of two doors to match the other interior in the office, oak finish, painted to match the other doors in the office suite, to include all related door hardward

TIME TO COMPLETION:

-Mr. Vincent is an independent contractor who has other ongoing commitments. As such his estimate of time is based upon time required from initiation of work to completion. He would have to work our job into his schedule once we gave the go-ahead.
-Mr. Vincent estimated that to complete the work mentioned above it would take four days of work time from the date of initiation to completion.

ESTIMATED COST FOR WORK:

-(I know this is what you have been waiting for but I thought I would build the suspense!)
-Cost to complete work itemized above = $1,875.00 (labor and materials included)

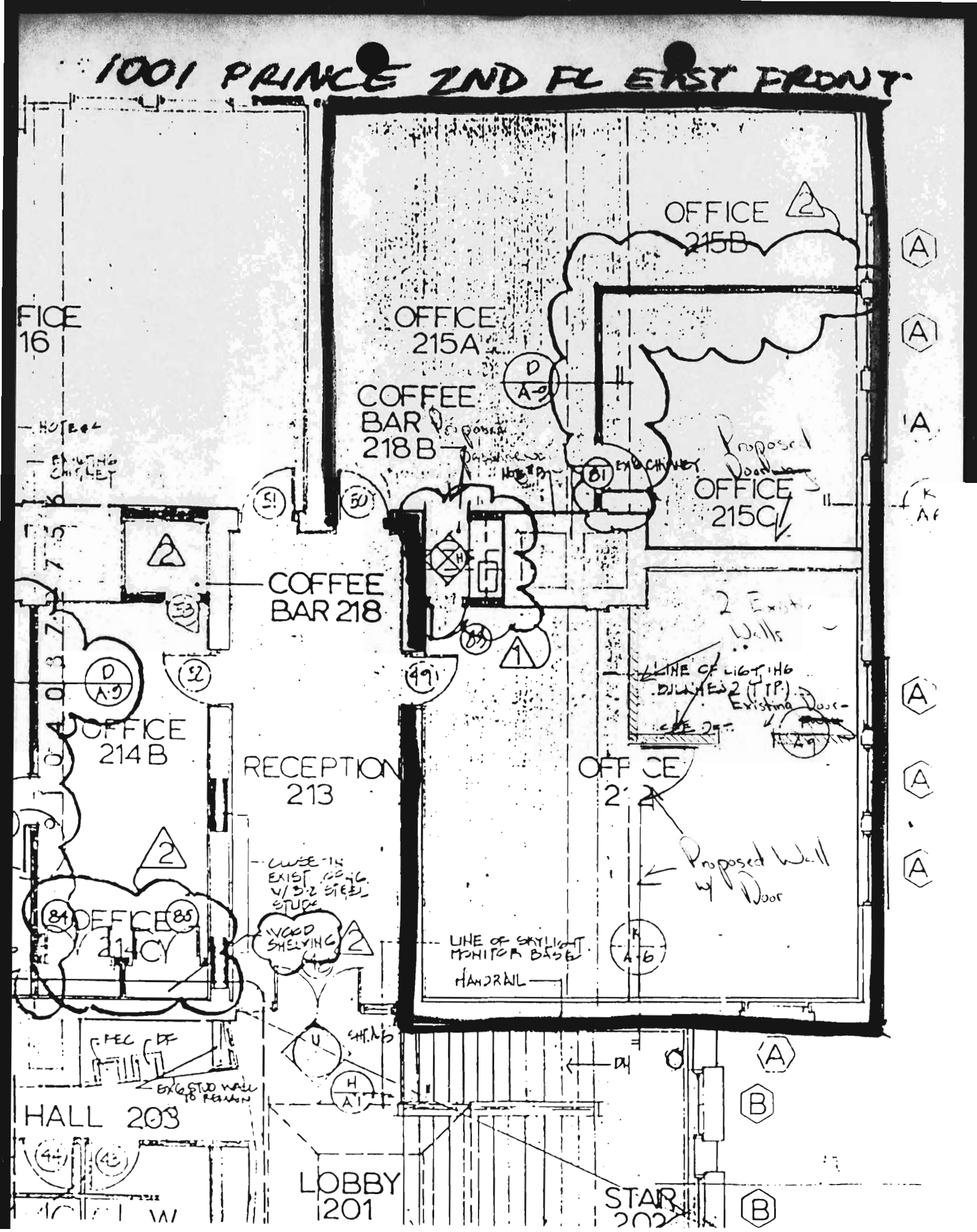
Extra 2 doors = 500.00 + 100 - 50 for Electrical as needed 12/17/87 -450 - 200

**Mr. Vincent suggested that we could save money by checking into peel-and-stick corner guards available at Hechingers. I will check on these as soon as I have a chance to give them a call.

**I will be talking to the paint man tomorrow so will update you on this at that time.

Any wall ~~based upon~~ wood could run 250.00 Total cost $2125.00 + Electric 100 if necessary

9104037275S


1001 PRINCE 2ND FL EAST FRONT
OFFICE 215B
OFFICE 215A
COFFEE BAR 218B
OFFICE 215C
COFFEE BAR 218
OFFICE 214B
RECEPTION 213
OFFICE 214C
OFFICE 212
HALL 203
LOBBY 201
STAIR 202
Proposed Door
Proposed Wall w Door
LINE OF LIGHTING DIFFUSER (TYP.)
LINE OF SKYLIGHT MONITOR BASE
HANDRAIL
WOOD SHELVING
EXIST. STUD WALL TO REMAIN

DAVIS PAINTING
& CONTRACTOR, INC.
5221 Ravensworth Road
SPRINGFIELD, VIRGINIA 22151

(703) 354-9892

JOB ESTIMATE

PHONE

DATE 12-11-87

JOB NAME/LOCATION

TO

JOB DESCRIPTION: Paint Two office walls only, Paint entrance office complete (walls only) Paint Two walls in hallway. Furnish Paint & Material

$ 425.00

if Furnished — $ 50.00 extra

9v10403727757

party only Not Turnaround

THIS ESTIMATE IS FOR COMPLETING THE JOB AS DESCRIBED ABOVE. IT IS BASED ON OUR EVALUATION AND DOES NOT INCLUDE MATERIAL PRICE INCREASES OR ADDITIONAL LABOR AND MATERIALS WHICH MAY BE REQUIRED SHOULD UNFORESEEN PROBLEMS OR ADVERSE WEATHER CONDITIONS ARISE AFTER THE WORK HAS STARTED

ESTIMATED JOB COST

ESTIMATED BY Jon Davis

22 gal. x 15.99 per gal.

330.00

35 Lin. x 15 per Lin.

525.00

& Dry wall + Mud. 80.00 per 280

2 doors at 125.00 — 250

$500

finish work 300.00 —

1	00
330	00
5 25	00
3 60	00
250	00
5 00	00
3 00	

32 45.00

2500.00

Total 3,000.00

Emmanuel Paul

9 4 0 4 0 6 7 2 7 5 8

walls
floors.
paint all walls

paint trim color
and also

we choose paint
and quality -
you can choose -
our Busy.

Price Lt

Additions

2 pcs drywall @ 35 ea.	70.00
1 8 ft. doors, bi-fold	140.00
2 wall cut @ 225.00	450.00
	$680.00

15' 9'

1 door - 6'8"
1¾" Oak veneer
Solid core

door cut
8' door jamb
steel
match ex.

door cut
door + jamb
6'8"
1¾ oak veneer
Solid core

George Hutchenson
Revised bid
Includes new doors
Minus plexiglass. = $2972.00

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5420

Gary Hutchison
922-0860

Wall
15' x 9'
2 doors 6'8" 1 3/8"
6 hinges 4 screws 4½" Butt
2 latch sets

130.00
130.00
260.00

130.00
130.00
39.00
2 double 32" 39.00
2 door knobs
312.00

Install Plywood panels - 160 sq ft
760.00
1532.

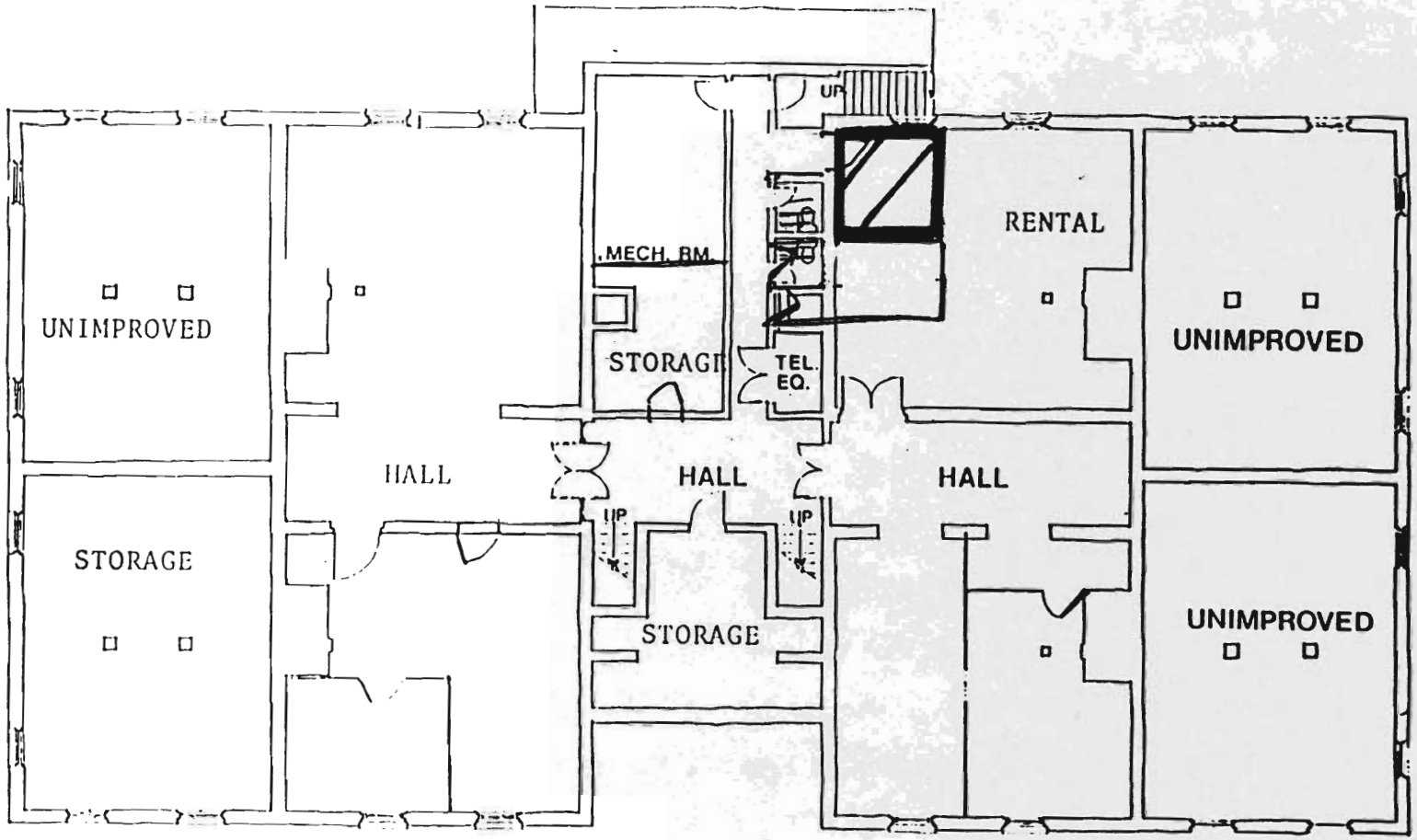
Wall 1532.00
Paint 640.00
Base 160.00
2332.00
120.00
2452.00

Walls Painting
out 5/16

Painters
paint 10 gal 12.00
640.00
120.00

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LOWER LEVEL

EXHIBIT "K"

9104037276 2

SUBLEASE AGREEMENT

SUBLEASE AGREEMENT, dated July 2, 1986 between **NATIONAL CONSERVATIVE FOUNDATION** ("Lessor"), a Virginia nonstock corporation with principal offices located at 1001 Prince Street, Alexandria, Virginia 22314, and American Resume Service (Sublessee) with its principal offices located at 1001 Prince Street, Alexandria, Virginia 22314.

W I T N E S S E T H:

WHEREAS, on February 23, 1983, Lessor entered into a Deed of Lease with Walter F. O'Connell in respect to the leasing of 1001 Prince Street, Alexandria, Virginia 22314, to be effective on December 1, 1983, being the date then projected that the premises would be available for occupancy by Lessor, containing approximately 21,500 gross rentable square feet; and

WHEREAS, Walter F. O'Connelll has granted Lessor permission pursuant to the terms of the Deed of Lease to enter into a Sublease Agreement to sublet the premises or any part thereof; and

WHEREAS, the Deed of Lease betwen Walter F. O'Connell and Lessor is now effective.

NOW, THEREFORE, in consideration of the following mutual covenants and other good and valuable consideration, the parties hereto agree as follows:

1. Sublease. The Lessor hereby sublets to the Sublessee and Sublesseehires from the Lessor the following described premises: approximately 192 square feet of office space located on the East Side Basement Floor , of 1001 Prince Street, Alexandria, Virginia 22314, to be used only for a business office, for the term and at the rental hereinafter stated. A floor plan of said office space is attached hereto and

incorporated herein as Exhibit A. Such square footage includes allocated share of the common areas and operating expenses.

2. Master Lease. It is understood and agreed that this instrument is a Sublease Agreement by which lessor is subleasing to Sublessee for the term and at the rental hereinafter stated the premises which are part of the same premises leased to lessor in the aforesaid Deed of Lease dated February 23, 1983, which is hereinafter referred to as the "Master Lease." Said Master Lease is attached hereto and incorporated herein as Exhibit B. Except as otherwise specifically stated herein, Sublessee does hereby assume and agree to perform all of the duties and obligations imposed upon Lessor by the Master Lease for the term of this Sublease and it is agreed that Lessor shall have all the rights and powers, and assume all the obligations with respect to the subleased premises that are conferred and imposed upon the Lessor as identified in the Master Lease.

3. Parking. During the term of this Sublease, Lessor shall provide for Sublessee's use one(1) parking space at $40 per month.

4. Rent. All rent and other charges which Sublessee is obligated to pay Lessor under any provision of the Sublease shall be paid timely to Lessor at Lessor's address without any set-off, counterclaim, or deduction whatsoever.

(a) Base Rent. The Sublessee agrees to pay a rental in the sum of $3,000.00 payable in equal monthly installments of $ 250.00 per month (or pro rata portion thereof for any part of a month). The rent for each month shall be paid in advance on the first day of each calendar month during their term hereof. On each subsequent year of the lease beginning on the first anniversary of lease commencement the base rent shall be raised by the sum of five percent.

9104087276 3

5. Security Deposit. The Sublessee has deposited with the Lessor the sum of $ 250.00 as security for the performance of the Sublessee of the terms of this Sublease. The Lessor may use, apply, or retain the whole or any part of the security so deposited to the extent required for the payment of any rent and additional rent or other sum as to which the Sublessee is in default or for any sum which the Lessor may expend or may be required to expend by reason of the Sublessee's default in respect of any of the terms of this Sublease, including, but not limited to, any damages or deficiency in the reletting of the subleased premises, whether such damages or deficiency accrued before or after summary proceedings or other reentry by Lessor. In the event that the Sublessee shall comply with all of the terms of this Sublease, the security deposit shall be returned to the Sublessee, without interest, after the date fixed as the end of the Sublease and after delivery of possession of the subleased premises to the Lessor. The Sublessee shall not assign or encumber the money deposited as security, and neither the Lessor nor its successors or assigns shall be bound by any such assignment or encumbrance.

6. Term. The term of this Sublease shall be for three (3) years, commencing on the 25th day of July , 1986 and expiring on the 25th day of July 1989

7. Taxes. Sublessee will pay all taxes of every kind and description levied against its business, appliances, equipment and personal property.

8. Inspection. Lessor or the Lessor in the Master Lease shall have the right to enter the subleased premises at any reasonable time to inspect the condition of the premises.

9. Surrender. Upon termination of this Sublease, Sublessee will surrender the premises to Lessor in as good

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condition as received at commencement of this Sublease, except for ordinary wear and tear, and damage by fire or casualty, and will indemnify Lessor from any and all claims made by the Lessor in the Master Lease due to any alterations of the premises made by Sublessee.

10. Liability Insurance. Sublessee will indemnify and save harmless Lessor and the Lessor in the Master Lease, their successors and assigns, from any and all claims, demands, actions, causes of action, and judgments, whether for personal injury or property damage, asserted by any person arising out of Sublessee's possession and use of the premises. Sublessee shall maintain liability insurance throughout the term of this Sublease, with an insurance company authorized to do business in the Commonwealth of Virginia, such policy to have liability limits of at least $300,000 for personal injury for one person, aggregate liability for all persons in any one action of at least ~~One Million Dollars ($1,000,000.00)~~ $100,000.00 for property damage. The terms of such policy shall also conform to those terms set forth in paragraph 13 of the Master Lease with respect to the scope of coverage to be provided. Lessor and Lessor in the Master Lease shall be named co-insured in such insurance policy or policies. Such policies shall contain provision for ten days' notice to Lessor and Lessor in the Master Lease prior to cancellation.

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11. Default. Sublessee shall, without any previous demand therefor, pay to Lessor the said rent at the times and in the manner above provided. In the event of nonpayment of said rent, or any installment thereof, and if the same shall remain in default for ten days after becoming due, or if the subleased premises shall be deserted or vacated, Lessor or its agent shall with notice have the right to and may enter the said premises as agents of Sublessee, and may relet the premises and receive the rent therefor upon such terms as shall be satisfactory to Lessor and all the rights of Sublessee to repossess the premises under this Sublease shall be forfeited. Such reentry by Lessor shall not operate to release Sublessee from any rent to be paid or covenants to be performed hereunder during the full term of this Sublease. In the case of violation by Sublessee of any of the covenants, agreements and conditions of this Sublease, other than the payment of the rent, and upon failure to discontinue such violation within ten days after written notice thereof to Sublessee this Sublease shall henceforth, at the option of Lessor, become null and void and Lessor may reenter with further notice or demand. Upon violation by Sublessee of any of the agreements, covenants, and conditions of this Sublease, all future installments of rent unpaid and all other monies due to and payable by Lessee shall at once become due and payable.

12. Use of Premises. As an inducement for Lessor to enter into this Sublease, Sublessee has represented and warranted that the sole and exclusive purpose of Lessee's leasing the premises is for the purpose of operating general business offices. Lessor warrants that during the term of this lease it will not lease space to any like or competing services. Lessor also authorizes the placement of signage subject to final approval of lessor.

13. Lessor agrees to provide all utilities except parking and telephone.

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13. Acceptance of Premises. Sublessee does hereby unconditionally and irrevocably warrant that authorized agents have inspected the premises and that Sublessee is satisfied with the present condition of the premises. Sublessee further accepts the premises on an as-is where-is basis and accepts full responsibility for all costs that may be incurred in remodeling to a condition satisfactory to meet their specifications. Remodeling must be approved by the Lessor prior to commencement.

14. Subleasing. Sublessee may not assign this Sublease or sublease the premises in whole or in part without the written permission of Lessor which will not be unreasonably withheld.

15. Notice. Any notice required or permitted under this Sublease shall be given in writing by first class certified mail, return receipt requested, as follows:

To:

1800 Victory Blvd. Suite A
Glendale, California 91201

in the case of Sublessee; and

National Conservative Foundation
1001 Prince Street
Alexandria, Virginia 22314
ATTN: Mr. Leif Noren

in the case of the Lessor.

16. Hold Harmless: Sublessee agrees it will hold Lessor harmless and it will pay to Lessor any losses which Lessor may incur from any default of Sublessee under the terms and conditions of the Master Lease and/or this Sublease and from or as a result of Lessee's possession and use of the subleased premises.

17. Arbitration. Any controversy arising under, out of, in connection with, or relating to, this Sublease, and any consequent amendment thereof, or the breach thereof, shall be determined by arbitration in the City of Alexandria, Virginia, in accordance with the rules of the American Arbitration Association. Any award rendered therein shall be final and binding on each and all of the parties thereto and their representatives,

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and judgment may be entered thereon in any court having jurisdiction thereon.

18. Severability. If any provision or provisions of this Sublease shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not, in any way, be affected or impaired thereby.

19. Counterparts. This Sublease may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

20. Incorporation. All Exhibits and other documents referred to herein are incorporated in this Sublease by reference and shall become a part of this Sublease, except as otherwise conflicting with the provision hereof.

21. Waiver of Breach. The waiver by either Party of a breach of any provision of this Sublease by the other Party shall not operate or be construed as a waiver of any subsequent breach by the then breaching Party.

22. Modification. This Sublease may only be modified in writing, executed on behalf of Lessor and Sublessee. The term "Sublease" as used herein includes any future written amendments, modifications, or supplements made in accordance herewith.

23. Entire Agreement. This instrument contains the entire agreement between the parties hereto with respect to the transactions contemplated herein.

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IN WITNESS WHEREOF, the Lessor and lessee have executed this lease as of the date first above written.

SUBLESSEE

American Resume Service

By: _____

LESSOR

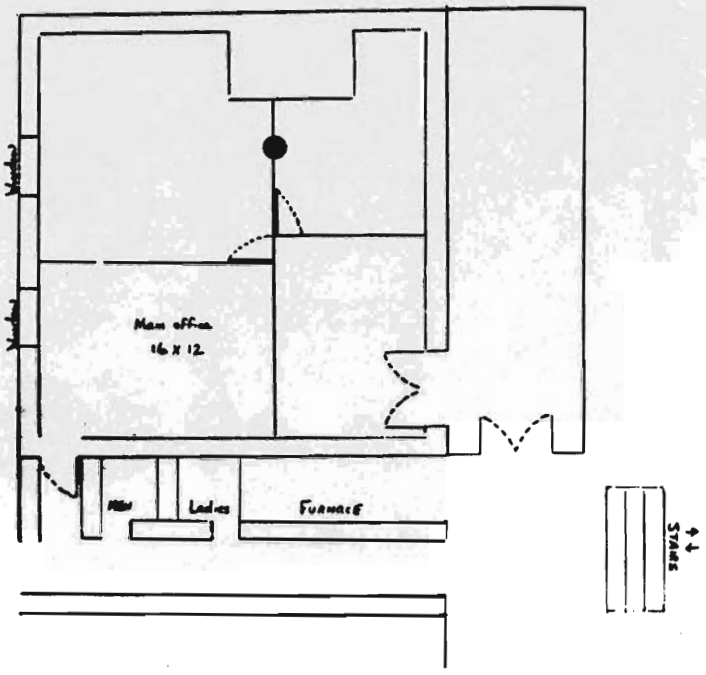
NATIONAL CONSERVATIVE FOUNDATION

By: _____ Treasurer

9104037269

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Exhibit A



NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

Maiselle Dolan Shortley
Chairman

(703) 548-0900

September 28, 1988

To: Jerry Harris

From: Mark Ortmeier

Subject: Keys and Lease

Per our conversations earlier today, I am enclosing for you two sets of office and entrance door keys. Also, I am enclosing for your files a copy of your lease.

As we discussed this morning, and after reviewing your lease, your parking space rents for $40.00 per month. As I mentioned, since your employee Karen left earlier this year, the monthly rental fee for this space has not been provided for. The monthly rent for the office is up to date I believe. If you could check on this we would appreciate it.

If I can be of further help, please let me know.

Thanks.

Enclosures: (3 -- two sets of office and entrance keys and copy of lease

9104037271

NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

Maiselle Dolan Shortley
Chairman

(703) 548-0900

October 3, 1988

To: Miss Harris

From: Mark Ortmeier

Subject: New Keys for Office

I have had the lock on your door changed as you requested. I have one key for this lock now and I will be having another made most likely tomorrow morning. Please see me when you come in to the office and I will make them available to you.

Thanks.

9104037272

NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

Maiselle Dolan Shortley
Chairman

(703) 548-0900

January 19, 1988

Ms. Julie Begab
American Resume Service
Suite 219
7720 Wisconsin Avenue
Bethesda, MD 20874

Dear Ms. Begab:

I have been informed by Ms. Karen Showers that you are the person that I should be contacting regarding American Resume Service's lease at 1001 Prince Street, Alexandria, Virginia.

Paragraph 4(a) of your lease on the above mentioned office states that on each subsequent year of the lease beginning on the first anniversary of lease commencement the base rent shall be raised by the sum of five percent.

Your first anniversary of lease commencement was on July 25, 1987. Therefore, beginning August 1, 1987, your rent payment increased to $262.50 per month. Our records show that you are still paying the original amount of $250.00 per month. Please remit your check for $75.00, representing your five percent raise in base rent for the months of August 1987 through January 1988.

If you have any questions regarding your lease or this letter, please do not hesitate to call me.

Sincerely,

Shirley J. Bailey
Comptroller

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NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

John T. Dolan
Chairman

(703) 548-0900

July 21, 1986

TO: American Resume' Service

FROM: Leif Noren, Nat'l Conservative Foundation

SUBJECT: Lease

I have received the signed lease agreements from your main office in California.

I have noted that you have made changes to section 10, page 4 and section 11, page 5.

I have no problem with your section 11 changes. However, I must insist that the liability amounts that we established in section 10 remain. Our attorneys tell me that these amounts are standard and strongly recommend we maintain them. (Incidentally, all other tenants have signed leases with the higher liability limits.)

I must have your acknowledgement to accept our original insurance terms. Also, at your earliest convenience, I must receive a copy of the policy naming NCF as the co-insured.

LEN:dk

personal injury liability: $500,000 for one person
property damage: $1,000,000

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NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

July 1, 1986

(703) 548-0900

TO: Paula Seward, American Resume Service

FROM: Leif Noren

SUBJECT: Proposed lease: 1001 Prince Street

I have enclosed a diagram of what we feel would be suitable to us and the other prospective tenant.

The size of the proposed office would be 16 x 12 (12 x 12 office with 4 x 12 waiting area) Dimensions may vary to accommodate existing lighting.

The monthly rent would be $250. If you need a permanent parking space, there would be an additional charge of ~~$35~~ 40 per month. (For a total cost of ~~$285~~ 290 per month.)

We would also require an additional upfront amount of $350 to cover the cost to build the wall between your office and the waiting room. We will assume the other construction costs.

The earliest the space can be made available would be during the week of July 21 - 25.

If this is agreeable to you, please let me know as soon as possible. I do have another prospective tenant who is interested in the space and is awaiting your decision.

I will be out of my office, on vacation, from 7/3 - 7/11. If possible, please let me know before then.

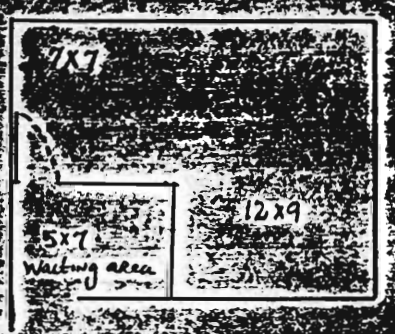
LEN:dk

Enclosure

9103087277 5

Cadillac Cadillac Cadillac Cadillac Cadillac Cadillac Cadillac Cadillac Cadillac Cadillac Cadillac

Patent Pending



FRIENDLY CHEVROLET

(214) 526-8811 WATTS: 800-527-6046

5601 Lemmon Ave. at Inwood Rd. / Box 7066 / Dallas, Tx. 7520

EXHIBIT "L"

9104087277

9104037277 8

SUBLEASE AGREEMENT

SUBLEASE AGREEMENT, dated October 28, 1985, between NATIONAL CONSERVATIVE FOUNDATION ("Lessor"), a Virginia nonstock corporation with principal offices located at 1001 Prince Street, Alexandria, Virginia 22314, and Bond & Company ("Sublessee"), with its principal offices to be located at 1001 Prince Street, Alexandria, Virginia 22314.

W I T N E S S E T H:

WHEREAS, on February 23, 1983, Lessor entered into a Deed of Lease with Walter F. O'Connell in respect to the leasing of 1001 Prince Street, Alexandria, Virginia 22314, to be effective on December 1, 1983, being the date then projected that the premises would be available for occupancy by Lessor, containing approximately 21,500 gross rentable square feet; and

WHEREAS, Walter F. O'Connelll has granted Lessor permission pursuant to the terms of the Deed of Lease to enter into a Sublease Agreement to sublet the premises or any part thereof; and

WHEREAS, the Deed of Lease betwen Walter F. O'Connell and Lessor is now effective.

NOW, THEREFORE, in consideration of the following mutual covenants and other good and valuable consideration, the parties hereto agree as follows:

1. Sublease. The Lessor hereby sublets to the Sublessee and Sublesseehires from the Lessor the following described premises: approximately 880 square feet of office space located on the first floor, known as Suite 116, of 1001 Prince Street, Alexandria, Virginia 22314, to be used only for a business office, for the term and at the rental hereinafter stated. A floor plan of said office space is attached hereto and

5. Security Deposit. By December 1, 1985 the Sublessee will deposit with the Lessor the sum of $1,100.00 as security for the performance of the Sublessee of the terms of this Sublease. The Lessor may use, apply, or retain the whole or any part of the security so deposited to the extent required for the payment of any rent and additional rent or other sum as to which the Sublessee is in default or for any sum which the Lessor may expend or may be required to expend by reason of the Sublessee's default in respect of any of the terms of this Sublease, including, but not limited to, any damages or deficiency in the reletting of the subleased premises, whether such damages or deficiency accrued before or after summary proceedings or other reentry by Lessor. In the event that the Sublessee shall comply with all of the terms of this Sublease, the security deposit shall be returned to the Sublessee, without interest, after the date fixed as the end of the Sublease and after delivery of possession of the subleased premises to the Lessor. The Sublessee shall not assign or encumber the money deposited as security, and neither the Lessor nor its successors or assigns shall be bound by any such assignment or encumbrance.

6. Term. The term of this Sublease shall be for two (2) years, commencing on the 1st day of January, 1986 and expiring on the 31st day of December, 1987.*

7. Taxes. Sublessee will pay all taxes of every kind and description levied against its business, appliances, equipment and personal property.

8. Inspection. Lessor or the Lessor in the Master Lease shall have the right to enter the subleased premises at any reasonable time to inspect the condition of the premises.

9. Surrender. Upon termination of this Sublease, Sublessee will surrender the premises to Lessor in as good

*Sublessee shall have the right to terminate this lease with sixty (60) days written notice to lessor after October 31, 1986.

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11. Default. Sublessee shall, without any previous demand therefor, pay to Lessor the said rent at the times and in the manner above provided. In the event of nonpayment of said rent, or any installment thereof, and if the same shall remain in default for ten days after becoming due, or if the subleased premises shall be deserted or vacated, Lessor or its agent shall without further notice have the right to and may enter the said premises as agents of Sublessee, and may relet the premises and receive the rent therefor upon such terms as shall be satisfactory to Lessor and all the rights of Sublessee to repossess the premises under this Sublease shall be forfeited. Such reentry by Lessor shall not operate to release Sublessee from any rent to be paid or covenants to be performed hereunder during the full term of this Sublease. In the case of violation by Sublessee of any of the covenants, agreements and conditions of this Sublease, other than the payment of the rent, and upon failure to discontinue such violation within ten days after written notice thereof to Sublessee this Sublease shall henceforth, at the option of Lessor, become null and void and Lessor may reenter without further notice or demand. Upon violation by Sublessee of any of the agreements, covenants, and conditions of this Sublease, all future installments of rent unpaid and all other monies due to and payable by Lessee shall at once become due and payable.

12. Use of Premises. As an inducement for Lessor to enter into this Sublease, Sublessee has represented and warranted that the sole and exclusive purpose of Lessee's leasing the premises is for the purpose of operating general business offices.

9104037280

IN WITNESS WHEREOF, the Lessor and Sublessee have executed this Lease as of the date first above written.

SUBLESSEE

BOND AND COMPANY

By: _____

LESSOR

NATIONAL CONSERVATIVE FOUNDATION

By: _____

9104037281

IN WITNESS WHEREOF, the Lessor and Sublessee have executed this Lease as of the date first above written.

SUBLESSEE

BOND AND COMPANY

By: _____

LESSOR

NATIONAL CONSERVATIVE FOUNDATION

By: _____

9105408727782

Rich Bond & Co

WJD

ASSOCIATES

October 22, 1985

Mr. Leif Norren
National Conservative Foundation
1001 Prince Street
Alexandria, VA 22314

Dear Leif:

This is a letter of intent to enter into a lease for the space located in Suite 116 of 1001 Prince Street, Alexandria, Virginia 22314 by and between National Conservative Foundation and Bond and Company.

Following terms and conditions:

1. Square footage of 880 feet which includes space in the common areas attributable to tenant at a rate of fifteen dollars per foot. Rate shall include all utilities and char service.

2. The term of the lease shall be one year with two one year options at tenants request.

3. Two parking spaces will be provided for tenants use at a cost of $40 per month per space.

4. Lease commencement will begin on January 1, 1986 however, tenant will be granted full access to the space on December 15, 1985 for installation of furniture, phones, etc.

5. Landlord agrees to paint and shampoo carpets, provide acceptable lobby signage and erect closet area per attached plan with two double electrical sockets if not presently existing. Landlord agrees to change locks on suite doors.

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This letter of intent shall be binding on the parties until December 1, 1985. If no lease has been ratified by that date then this letter of intent is voidable by either party.

If this letter is acceptable please signifiy below.

R. Rebecca Donatelli

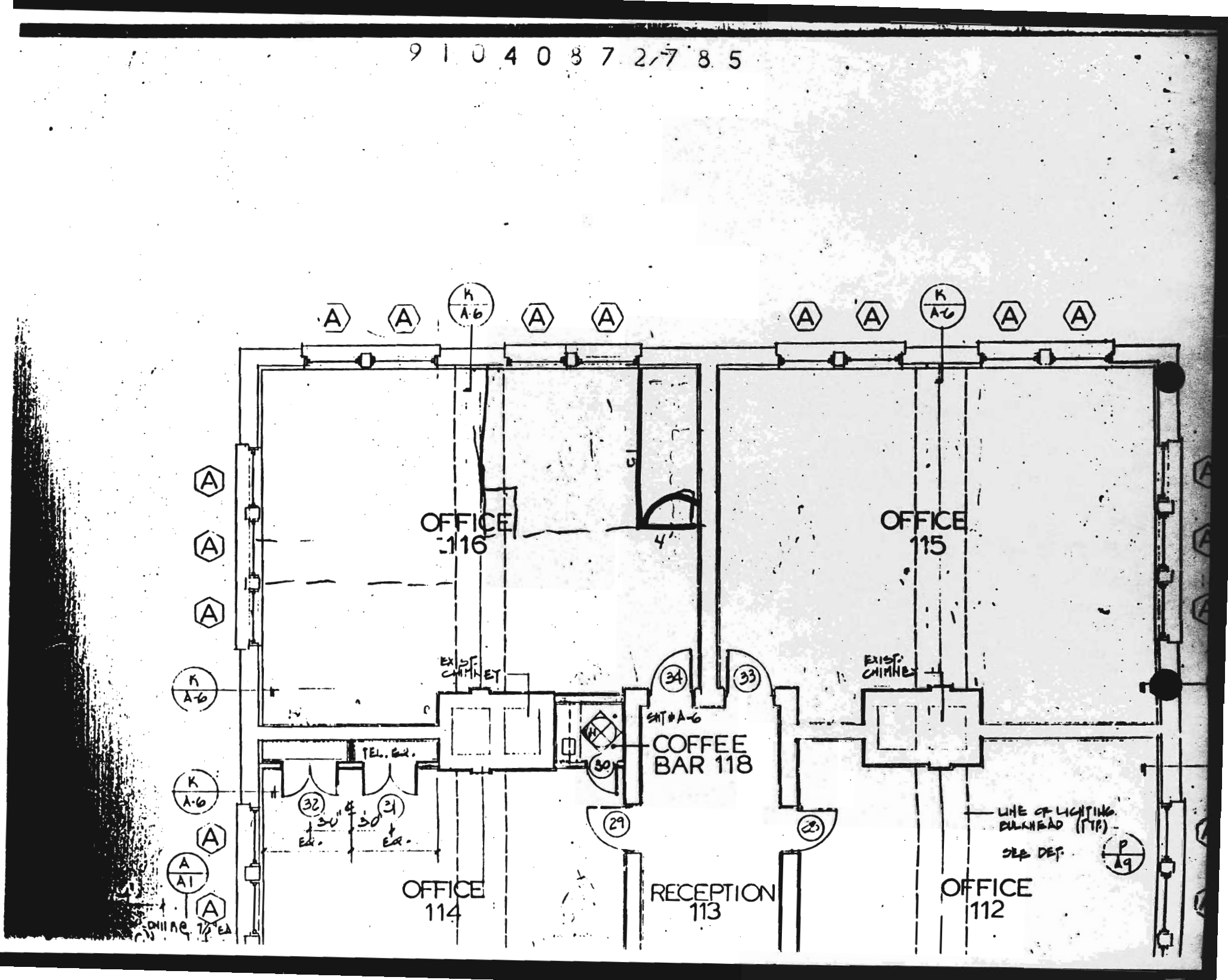
Richard Bond
Bond & Company
Lessee

10/24/85

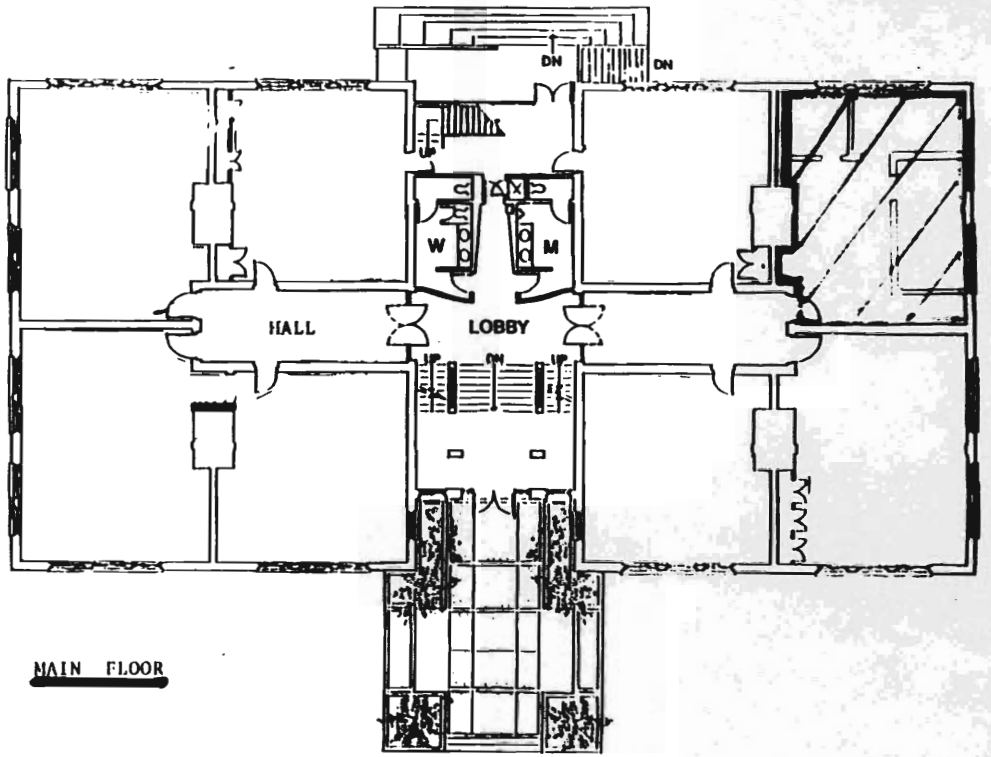
Lief Norren
National Conservative Foundation
Lessor

9 1 0 4 0 8 7 2 7 8 4

9104087285


OFFICE 116
OFFICE 115
COFFEE BAR 118
OFFICE 114
RECEPTION 113
OFFICE 112
EXIST. CHIMNEY
TEL. EQ.
LINE OF LIGHTING BULKHEAD (TYP.)
SEE DET.
SHT. A-6

9 1 0 4 0 8 7 2 7 8 6



MAIN FLOOR

LEASE AGREEMENT

This is a LEASE AGREEMENT, dated September , 1988, between the NATIONAL CONSERVATIVE FOUNDATION ("Lessor"), a Virginia nonstock corporation with its principal offices located at 1001 Prince Street, Alexandria, Virginia 22314 and The Borden Group, with its principle offices located at 1001 Prince Street, Alexandria, VA 22314. ("Lessee").

1. Term: The term of this Lease shall be for month to month , commencing on the 1st day of September , 1988, and expiring on the XXXXXXXXXX upon written termination , 198X. After this date, the Lease will be on a month-to-month basis, with thirty (30) days written notice of termination of Lease, by either the Lessor or the Lessee to one another.

2. Rent: Lessee agrees to pay rent in the sum of $ 967.63 per month (or pro-rata portion thereof for any part of a month), for premises described as: Approximately 737 Sq. Ft. in SE corner of second level known as suite 202 of 1001 Prince Street, Alexandria, VA , 1001 Prince Street, Alexandria, Virginia 22314. Such square footage includes the allocated share of the common areas and operating expenses.

Rent is due and payable by the first of each month that it is due. All rent, and other charges which Lessee is obligated to pay Lessor under any provision of this Lease, is due by the first of any month, paid to Lessor at Lessor's address without any set-off, counterclaim, or deduction whatsoever. A Ten Percent (10%) surcharge shall be charged should rent be more than ten (10) days late.

3. Parking: During the term of this Lease, Lessor shall provide for Lessee's use 2 parking space(s) at $50 per month per space: a total of $100. per month.

4. Security Deposit: Lessee has deposited with the Lessor the sum of $ 0.00 . The Lessor may use, apply, or retain the whole or any part of the security so deposited to the extent required for the payment of any rent and additional rent or other sum as to which the Lessee is in default or for any sum which the Lessor may expend or may be required to expend by reason of the Lessee's default in respect of any of the terms of this Lease, including, but not limited to, any damages or deficiency in the reletting of the leased premises, whether such damages or deficiency accrued before or after summary proceedings or other re-entry by Lessor. In the event that the Lessee shall comply with all of the terms of this Lease, the Security Deposit shall be returned to the Lessee, without interest, after the date fixed as the end of the Lease and after delivery of possession of leased premises to the Lessor. The Lessee shall not assign or encumber the money deposited as security, and neither the Lessor nor its successors or assigns shall be bound by any such assignment or encumbrance.

5. Taxes: Lessee will pay all taxes of every kind and description levied against its business, appliances, equipment and personal property.

6. Inspection: Lessor shall have the right to enter the leased premises at any reasonable time to inspect the condition of the premises.

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7. Surrender: Upon termination of this Lease, Lessee will surrender the premises to Lessor in as good condition as received at commencement of this Lease, except for ordinary wear and tear, and damage by fire or casualty.

8. Liability Insurance: Lessee will indemnify and save harmless Lessor, its successors and assigns, from any and all claims, demands, actions, causes of action, and judgments, whether for personal injury or property damage, asserted by any person arising out of Lessee's possession and use of the premises. Lessee shall maintain liability insurance throughout the term of this Lease, with an insurance company authorized to do business in the Commonwealth of Virginia, such policy to have liability limits of at least five hundred thousand ($500,000) for personal injury for one person, aggregate liability for all persons in any one action of at least one million dollars ($1,000,000) for property damage. Lessor shall be named co-insured in such insurance policy or policies. Such policies shall contain provision for ten days' notice to Lessor prior to cancellation.

9. Default: Lessee shall, without any previous demand therefor, pay to Lessor the said rent at the times and in the manner above provided. In the event of non-payment of said rent, and if the same shall remain in default for ten days after becoming due, or if the leased premises shall be deserted or vacated, Lessor or its agent shall without further notice have the right to and may enter the said premises and may re-let the premises and receive the rent therefor upon such terms as shall be satisfactory to Lessor, and all rights of Lessee to repossess the premises under this Lease shall be forfeited. Such re-entry by Lessor shall not operate to release Lessee from any rent to be paid or covenants to be performed hereunder during the full term of the Lease. In the case of violation by Lessee of any of the covenants, agreements and conditions of this Lease, other than the payment of the rent, and upon failure to discontinue such violation within ten days after written notice thereof to Lessee, this Lease shall henceforth, at the option of the Lessor, become null and void and Lessor may re-enter without further notice or demand. Upon violation by Lessee of any of the agreements, covenants, and conditions of this Lease, all future installments of rent unpaid and all other monies due to and payable to Lessee shall at once become due and payable.

10. Use of Premises: As an inducement for Lessor to enter into this Lease, Lessee has represented and warranted that the sole and exclusive purpose of Lessee's leasing the premises is for the purpose of operating general business offices.

11. Acceptance of Premises: Lessee does hereby unconditionally and irrevocably warrant that authorized agents have inspected the premises and that Lessee is satisfied with the present condition of the premises. Lessee further accepts the premises on an as-is and where-is basis and accepts full responsibility for all costs that may be incurred in remodeling to a condition satisfactory to meet their specifications. Remodeling must be approved by the Lessor prior to commencement.

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12. **Subleasing:** Lessee may not assign this Lease or sublease the premises in whole or in part without the written permission of Lessor which will not be unreasonably withheld.

13. **Hold Harmless:** Lessee agrees it will hold Lessor harmless and it will pay to Lessor any losses which Lessor may incur from any default of Lessee under the terms and conditions of this Lease and from or as a result of Lessee's possession and use of the leased premises.

14. **Arbitration:** Any controversy arising under, out of, in connection with, or relating to, this Lease, and any consequent amendment thereof, or the breach thereof, shall be determined by arbitration in the City of Alexandria, Virginia, in accordance with the rules of the American Arbitration Association. Any award rendered therein shall be final and binding on each and all of the parties thereto and their representatives, and judgment may be entered thereon in any court having jurisdiction thereon.

15. **Modification:** This Lease may only be modified in writing, executed on behalf of Lessor and Lessee. The term "Lease" as used herein includes any future written amendments, modifications, or supplements made in accordance herewith.

16. **Addenda:** There (are, are not) addenda attached to this Lease. As with any written-in changes, the addenda shall be initialed by both Lessee and Lessor.

IN WITNESS WHEREOF, the Lessor and the Lessee have executed this Lease as of the date first above written.

LESSOR:	LESSEE:
NATIONAL CONSERVATIVE FOUNDATION	THE BORDEN GROUP
Maiselle Dolan Shortley, Chairman	Enid A. Borden
date 9/1/83	date 9/1/83

91340372789

NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22313
(703) 548-9500

John T. (Terry) Dolan
Founder

Maiselle Dolan Shortley
Chairman

February 15, 1989

Ms. Enid Borden
The Borden Group
1001 Prince Street
Alexandria, VA 22314

Dear Ms. Borden:

In reviewing your lease recently, we noticed that the monthly rental figure specified of $967.63 was listed in error. This letter will confirm the fact that your correct monthly rental rate is $500.00 per month for the rental of your office space.

I apologize for this oversight and would appreciate having you attach a copy of this letter to your lease for future reference.

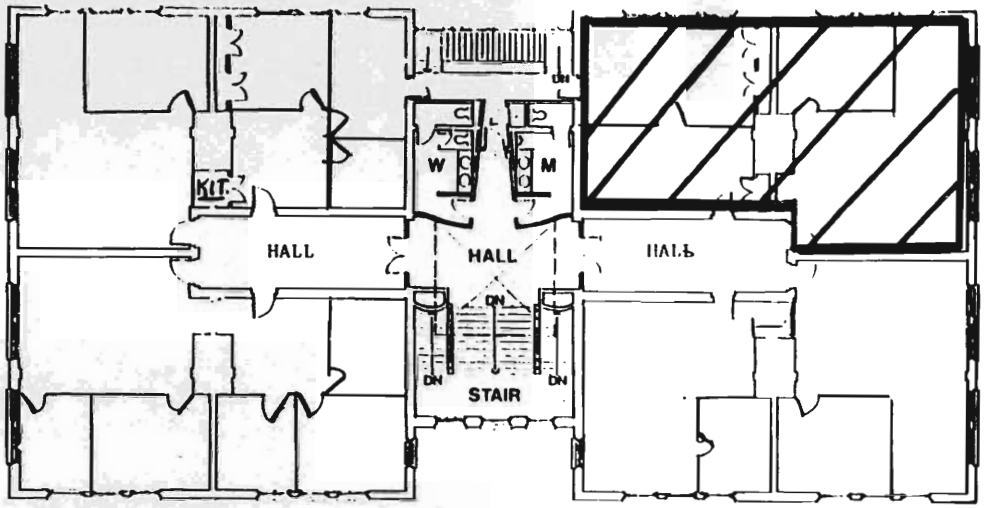
Thank you very much.

Sincerely,

Maiselle Dolan Shortley 6/1-/89

The National Conservative Foundation Date
1001 Prince Street
Alexandria, VA 22314
By: Maiselle Dolan Shortley
Chairman

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SECOND FLOOR

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SUBLEASE AGREEMENT

SUBLEASE AGREEMENT, dated 7/8/88, between NATIONAL CONSERVATIVE FOUNDATION ("Lessor"), a Virginia nonstock corporation with its principal offices located at 1001 Prince Street, Alexandria, Virginia 22314 and The Committee to Elect Maurice Dawkins to the U.S. Senate ("Sublessee"), with its principal offices to be located at 1001 Prince Street, Suite #203, Alexandria, Virginia 22314.

WITNESSETH:

WHEREAS, on February 23, 1983, Lessor entered into a Deed of Lease with Walter F. O'Connell in respect to the leasing of 1001 Prince Street, Alexandria, Virginia 22314, to be effective on December 1, 1983, being the date then projected that the premises would be available for occupancy by Lessor, containing approximately 21,500 gross rentable square feet; and

WHEREAS, Walter F. O'Connell has granted Lessor permission pursuant to the terms of the Deed of Lease to enter into a Sublease Agreement to sublet the premises or any part thereof; and

WHEREAS, the Deed of Lease between Walter F. O'Connell and Lessor is now effective.

NOW, THEREFORE, in consideration of the following mutual covenants and other good and valuable consideration, the parties hereto agree as follows:

1. Sublease. The Lessor hereby sublets to the Sublessee and Sublessee hires from the Lessor the following described premises: Approximately 807 sq. ft. of office space known as Suite 203 of 1001 Prince Street, Alexandria, Virginia 22314, to be used only for a business office, for the term and at the rental hereinafter stated. Such square footage includes allocated share of the common areas and operating expenses.

2. Master Lease. It is understood and agreed that this instrument is a Sublease Agreement by which Lessor is subleasing to Sublessee for the term and at the rental hereinafter stated the premises which are part of the same

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premises leased to Lessor in the aforesaid Deed of Lease dated February 23, 1983, which is hereinafter referred to as the "Master Lease." Said Master Lease is attached hereto and incorporated herein as Exhibit 4. Except as otherwise specifically stated herein, Sublessee does hereby assume and agree to perform all of the duties and obligations imposed upon Lessor by the Master Lease for the term of this Sublease and it is agreed that Lessor shall have all the rights and powers, and assume all the obligations with respect to the subleased premises that are conferred and imposed upon the Lessor as identified in the Master Lease.

3. Parking. During the term of this Subleasee, Lessor shall provide for Sublessee's use three (3) parking space(s) at $150.00 per month.

4. Rent. All rent and other charges which Sublessee is obligated to pay Lessor under any provision of the Sublease shall be paid timely to Lessor at Lessor's address without any set-off, counterclaim, or deduction whatsoever. A Ten Percent (10%) surcharge shall be charged should rent be more than ten (10) days late.

(a) Base Rent. The Sublessee agrees to pay a base rental in the sum of four thousand four hundred forty-five and 18/100 ($4,445.18) for four months and six days payable in equal monthly installments of one thousand fifty-nine and 20/100 dollars ($1,059.20) per month (or pro-rata protion thereof for any part of a month). The rent for each month shall be paid in advance on the fifth day of each calendar month during their term hereof.

MNS

5. Security Deposit. Sublessee has deposited with the Lessor, via their agent, WJO & Associates, the sum of eight hundred eighty-nine and 83/100 ($889.83) as security for the performance of the Sublessee of the terms of this Sublease. The Lessor may use, apply, or retain the whole or any part of the security so deposited to the extent required for the payment of any rent and additional rent or other sum as to which the Sublessee is in default or for any sum which the Lessor may expend or may be required to expend by reason of the Sublessee's default in respect of any of the terms of this Sublease, including, but not limited to, any damages or deficiency in the reletting of the subleased premises, whether such damages or deficiency accrued before or after summary

proceedings or other re-entry by Lessor. In the event that the Sublessee shall comply with all of the terms of this Sublease, the security deposit shall be returned to the Sublessee, without interest, after the date fixed as the end of the Sublease and after delivery of possession of the subleased premises to the Lessor. The Sublessee shall not assign or encumber the money deposited as security, and neither the Lessor nor its successors or assigns shall be bound by any such assignment or encumbrance.

6. Term. The term of this Sublease shall be for four (4) months and six (6) days commencing on the 5th day of July, 1988, and expiring on the 11th day of November, 1988.

7. Taxes. Sublessee will pay all taxes of every kind and description levied against its business, appliances, equipment and personal property.

8. Inspection. Lessor or the Lessor in the Master Lease shall have the right to enter the subleased premises at any reasonable time to inspect the condition of the premises.

9. Surrender. Upon termination of this Sublease, Sublessee will surrender the premises to Lessor in as good condition as received at commencement of this Sublease, except for ordinary wear and tear, and damage by fire or casualty, and will indemnify Lessor from any and all claims made by the Lessor in the Master Lease due to any alterations of the premises made by Sublessee.

10. Liability insurance. Sublessee will indemnify and save harmless Lessor and the Lessor in the Master Lease, their successors and assigns, from any and all claims, demands, actions, causes of action, and judgments, whether for personal injury or property damage, asserted by any person arising out of Sublessee's possession and use of the premises. Sublessee shall maintain liability insurance throughout the term of this Sublease, with an insurance company authorized to do business in the Commonwealth of Virginia, such policy to have liability limits of at least five hundred thousand ($500,000) for personal injury for one person, aggregate liability for all persons in any one action of at least one million Dollars ($1,000,000) for property damage. The

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terms of such policy shall also conform to those terms set forth in paragraph of the Master Lease with respect to the scope of coverage to be provided. Lessor and Lessor in the Master Lease shall be named co-insured in such insurance policy or policies. Such policies shall contain provision for ten days' notice to Lessor and Lessor in the Master Lease prior to cancellation.

11. Default. Sublessee shall, without any previous demand therefor, pay to Lessor the said rent at the times and in the manner above provided. In the event of nonpayment of said rent, or any installment thereof, and if the same shall remain in default for ten days after becoming due, or if the subleased premises shall be deserted or vacated, Lessor or its agent shall without further notice have the right to and may enter the said premises as agents of Sublessee, and may re-let the premises and receive the rent therefor upon such terms as shall be satisfactory to Lessor and all the rights of Sublessee to repossess the premises under this Sublease shall be forfeited. Such re-entry by Lessor shall not operate to release Sublessee from any rent to be paid or covenants to be performed hereunder during the full term of the Sublease. In the case of violation by Sublessee of any of the covenants, agreements and conditions of this Sublease, other than the payment of the rent, and upon failure to discontinue such violation within ten days after written notice thereof to Sublessee this Sublease shall henceforth, at the option of Lessor, become null and void and Lessor may re-enter without further notice or demand. Upon violation by Sublessee of any of the agreements, covenants, and conditions of this Sublease, all future installments of rent unpaid and all other monies due to and payable no Lessee shall at once become due and payable.

12. Use of Premises. As an inducement for Lessor to enter into this Sublease, Sublessee has represented and warranted that the sole and exclusive purpose of Lessee's leasing the premises is for the purpose of operating general business offices.

13. Acceptance of Premises. Sublessee does hereby unconditionally and irrevocably warrant that authorized agents have inspected the premises and that Sublessee is satisfied with the present condition of the premises. Sublessee further accepts the premises on an as-is where-is basis and accepts full responsibility for all costs that may be incurred in remodeling to a condition satisfactory to meet their specifications. Remodeling must be

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approved by the Lessor prior to commencement.

14. Subleasing. Sublessee may not assign this Sublease of sublease the premises in whole or in part without the written permission of Lessor which will not be unreasonably withheld.

15. Notice Any notice required or permitted under this Sublease shall be given in writing by first class certified mail, return receipt requested, as follows:

To: Committee to Elect Maurice Dawkins to the U.S. Senate
1001 Prince Street, Suite
Alexandria
Virginia 22314

in the case of Sublessee; and

NATIONAL CONSERVATIVE FOUNDATION
1001 Prince Street
Alexandria, Virginia 22314
ATTN: Ms. Maiselle D. Shortley

in the case of the Lessor.

16. Hold Harmless: Sublessee agrees it will hold Lessor harmless and it will pay to Lessor any losses which Lessor may incur from any default of Sublessee under the terms and conditions of the Master Lease and/or this Sublease and from or as a result of Lessee's possession and use of the subleased premises.

17. Arbitration. Any controversy arising under, out of, in connection with, or relating to, this Sublease, and any consequent amendment thereof, or the breach thereof, shall be determined by arbitration in the City of Alexandria, Virginia, in accordance with the rules of the American Arbitration Association. Any award rendered therein shall be final and binding on each and all of the parties thereto and their representatives, and judgment may be entered thereon in any court having jurisdiction thereon.

18. Severability. If any provision or provisions of this Sublease shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not, in any way, be affected or impaired thereby.

19. Counterparts. The Sublease may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

20. Incorporation. All Exhibits and other documents referred to

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herein are incorporated in this Sublease by reference and shall become a part of this Sublease, except as other wise conflicting with the provision hereof.

21. Waiver of Breach. The waiver by either Party of a breach of any provision of this Sublease by the other Party shall not operate or be construed as a waiver of any subsequent breach by the then breaching Party.

22. Modification. This Sublease may only be modified in writing, executed on behalf of Lessor and Sublessee. The term "Sublease" as used herein includes any future written amendments, modifications, or supplements made in accordance herewith.

23. Entire Agreement. This instrument contains the entire agreement between the parties hereto with respect to the transactions contemplated herein.

24. Addenda

IN WITNESS WHEREOF, the Lessor and the Sublessee have executed this Lease as of the date first above written.

SUBLESSEE:

Committee to Elect Maurice Dawkins
to the U.S. Senate

BY: _____

Date: 7/8/88

LESSOR:

NATIONAL CONSERVATIVE FOUNDATION

BY: _____
Maiselle Dolan Shortley, Chairman

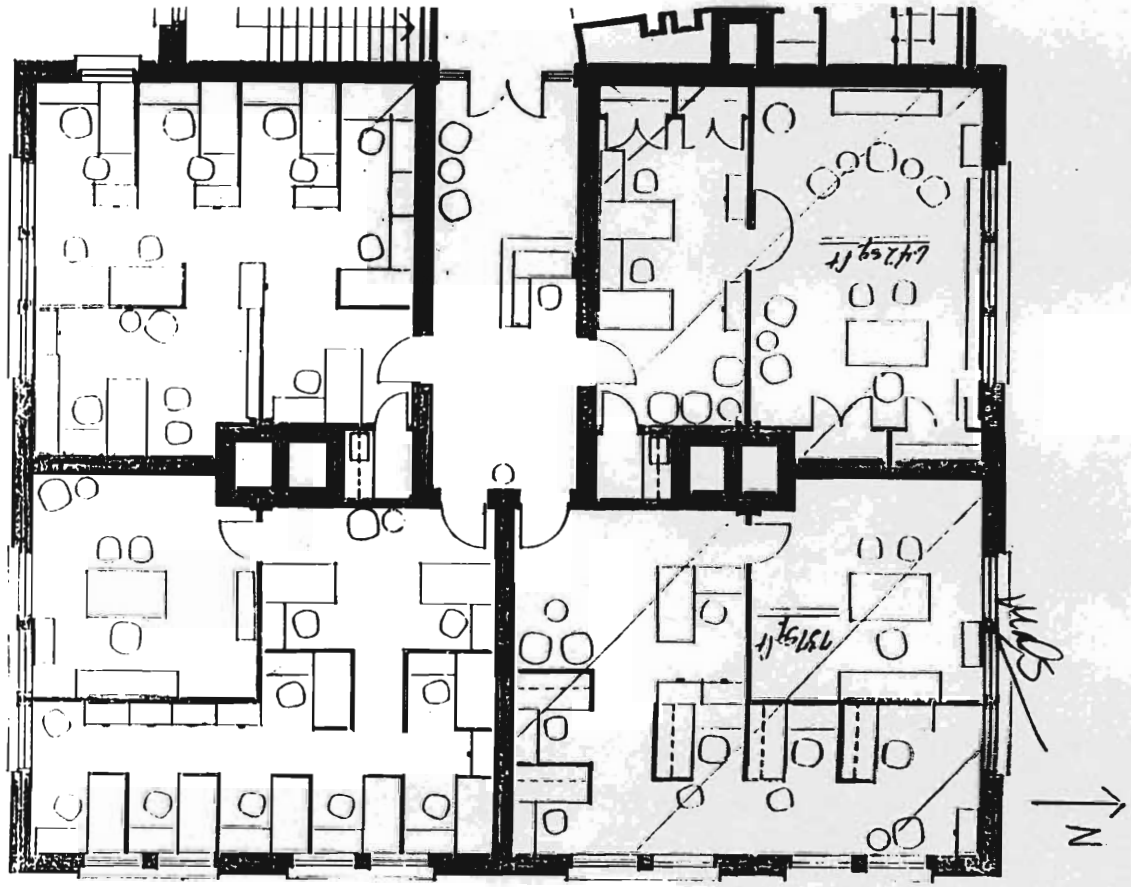
Date: 7/8/88

SEEN AND AGREED:

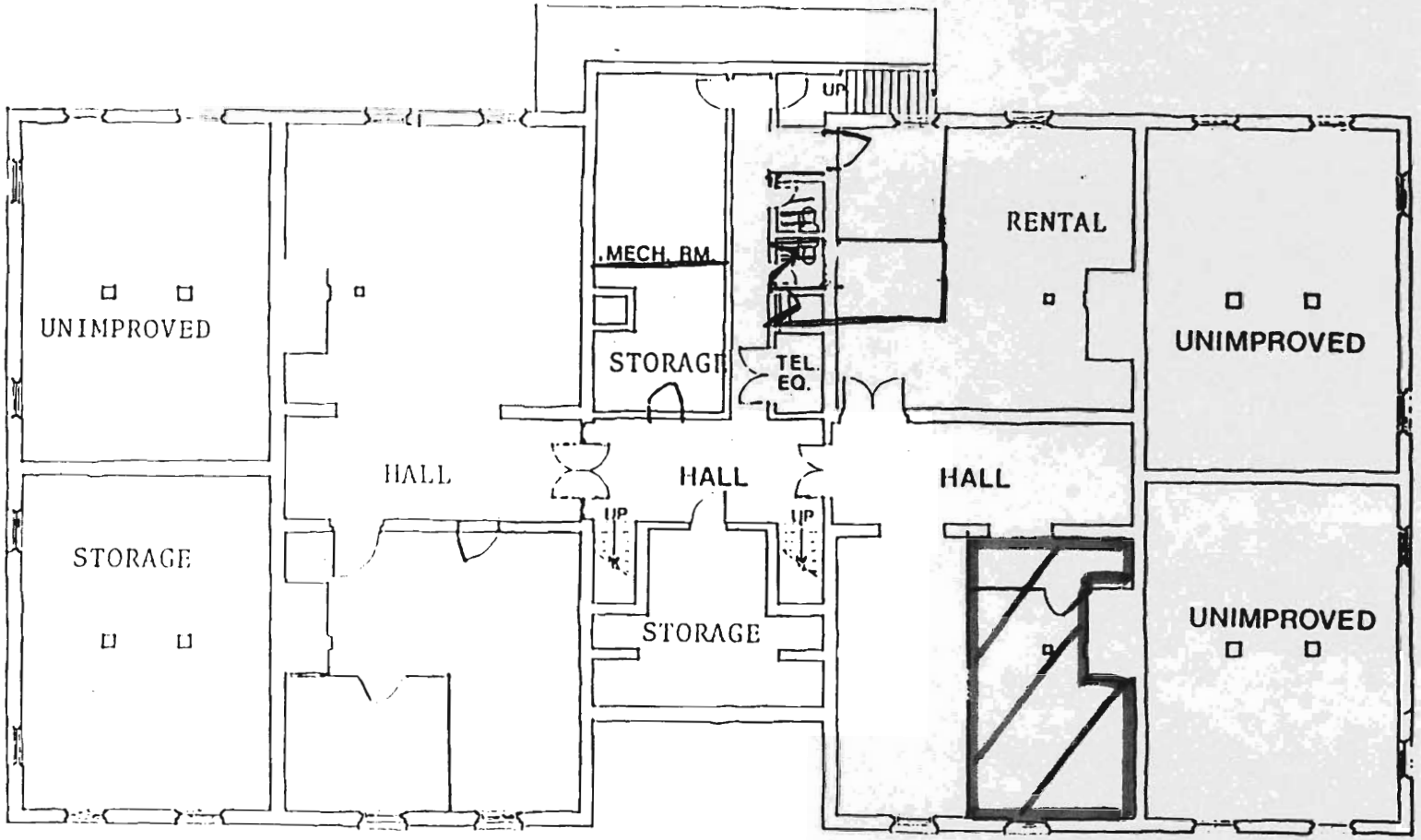
BY: _____
WALTER F. O'CONNELL

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LOWER LEVEL

EXHIBIT "O"

LEASE AGREEMENT

This is a LEASE AGREEMENT, dated 11/22/88, between the NATIONAL CONSERVATIVE FOUNDATION ("Lessor"), a Virginia nonstock corporation with its principal offices located at 1001 Prince Street, Alexandria, Virginia 22314 and Conover & Company, Inc., 1001 Prince Street, Suite 100, Alexandria, VA 22314 ("Lessee").

1. Term: The term of this Lease shall be for Six (6) months, commencing on the 1st day of December, 1988, and expiring on the 31st day of May, 1989. After this date, the Lease will be on a month-to-month basis, with thirty (30) days written notice of termination of Lease, by either the Lessor or the Lessee to one another.

2. Rent: Lessee agrees to pay rent in the sum of $450.00 per month (or pro-rata portion thereof for any part of a month), for premises described as: Approximately 400 Sq. Ft. of office space on the lower level, known as suite 100 of 1001 Prince Street, Alexandria, Virginia 22314. Such square footage includes the allocated share of the common areas and operating expenses.

Rent is due and payable by the first of each month that it is due. All rent, and other charges which Lessee is obligated to pay Lessor under any provision of this Lease, is due by the first of any month, paid to Lessor at Lessor's address without any set-off, counterclaim, or deduction whatsoever. A Ten Percent (10%) surcharge shall be charged should rent be more than ten (10) days late.

3. Parking: During the term of this Lease, Lessor shall provide for Lessee's use 1 parking space(s) at $50 per month per space: a total of $0.00 per month.

4. Security Deposit: Lessee has deposited with the Lessor the sum of $0.00. The Lessor may use, apply, or retain the whole or any part of the security so deposited to the extent required for the payment of any rent and additional rent or other sum as to which the Lessee is in default or for any sum which the Lessor may expend or may be required to expend by reason of the Lessee's default in respect of any of the terms of this Lease, including, but not limited to, any damages or deficiency in the reletting of the leased premises, whether such damages or deficiency accrued before or after summary proceedings or other re-entry by Lessor. In the event that the Lessee shall comply with all of the terms of this Lease, the Security Deposit shall be returned to the Lessee, without interest, after the date fixed as the end of the Lease and after delivery of possession of leased premises to the Lessor. The Lessee shall not assign or encumber the money deposited as security, and neither the Lessor nor its successors or assigns shall be bound by any such assignment or encumbrance.

5. Taxes: Lessee will pay all taxes of every kind and description levied against its business, appliances, equipment and personal property.

6. Inspection: Lessor shall have the right to enter the leased premises at any reasonable time to inspect the condition of the premises.

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7. **Surrender:** Upon termination of this Lease, Lessee will surrender the premises to Lessor in as good condition as received at commencement of this Lease, except for ordinary wear and tear, and damage by fire or casualty.

8. **Liability Insurance:** Lessee will indemnify and save harmless Lessor, its successors and assigns, from any and all claims, demands, actions, causes of action, and judgments, whether for personal injury or property damage, asserted by any person arising out of Lessee's possession and use of the premises. Lessee shall maintain liability insurance throughout the term of this Lease, with an insurance company authorized to do business in the Commonwealth of Virginia, such policy to have liability limits of at least five hundred thousand ($500,000) for personal injury for one person, aggregate liability for all persons in any one action of at least one million dollars ($1,000,000) for property damage. Lessor shall be named co-insured in such insurance policy or policies. Such policies shall contain provision for ten days' notice to Lessor prior to cancellation.

9. **Default:** Lessee shall, without any previous demand therefor, pay to Lessor the said rent at the times and in the manner above provided. In the event of non-payment of said rent, and if the same shall remain in default for ten days after becoming due, or if the leased premises shall be deserted or vacated, Lessor or its agent shall without further notice have the right to and may enter the said premises and may re-let the premises and receive the rent therefor upon such terms as shall be satisfactory to Lessor, and all rights of Lessee to repossess the premises under this Lease shall be forfeited. Such re-entry by Lessor shall not operate to release Lessee from any rent to be paid or covenants to be performed hereunder during the full term of the Lease. In the case of violation by Lessee of any of the covenants, agreements and conditions of this Lease, other than the payment of the rent, and upon failure to discontinue such violation within ten days after written notice thereof to Lessee, this Lease shall henceforth, at the option of the Lessor, become null and void and Lessor may re-enter without further notice or demand. Upon violation by Lessee of any of the agreements, covenants, and conditions of this Lease, all future installments of rent unpaid and all other monies due to and payable to Lessee shall at once become due and payable.

10. **Use of Premises:** As an inducement for Lessor to enter into this Lease, Lessee has represented and warranted that the sole and exclusive purpose of Lessee's leasing the premises is for the purpose of operating general business offices.

11. **Acceptance of Premises:** Lessee does hereby unconditionally and irrevocably warrant that authorized agents have inspected the premises and that Lessee is satisfied with the present condition of the premises. Lessee further accepts the premises on an as-is and where-is basis and accepts full responsibility for all costs that may be incurred in remodeling to a condition satisfactory to meet their specifications. Remodeling must be approved by the Lessor prior to commencement.

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12.) Subleasing: Lessee may not assign this Lease or sublease the premises in whole or in part without the written permission of Lessor which will not be unreasonably withheld.

13.) Hold Harmless: Lessee agrees it will hold Lessor harmless and it will pay to Lessor any losses which Lessor may incur from any default of Lessee under the terms and conditions of this Lease and from or as a result of Lessee's possession and use of the leased premises save for landlord's negligence or intentional conduct.

14.) Arbitration: Any controversy arising under, out of, in connection with or relating to, this Lease, and any consequent amendment thereof, or the breach thereof, shall be determined by arbitration in the City of Alexandria, Virginia, in accordance with the rules of the American Arbitration Association. Any award rendered therein shall be final and binding on each and all of the parties thereto and their representatives, and judgement may be entered thereon in any court having jurisdiction thereon.

15.) Modification: This Lease may only be modified in writing, executed on behalf of Lessor and Lessee. The term "Lease" as used herein includes any future written amendments, modifications, or supplements made in accordance herewith.

16.) Addenda: There are no addenda attached to this Lease. As with any written-in changes, any future addenda shall be initialed by both Lessee and Lessor.

IN WITNESS HEREOF, the Lessor and the Lessee have executed this Lease as of the date first above written.

LESSOR:

NATIONAL CONSERVATIVE FOUNDATION

Haiselle Dolan Shortley, Chairman

Date 11/29/88

LESSEE:

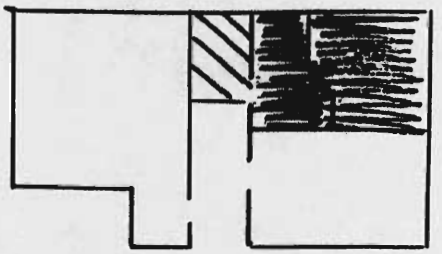
CONOVER & COMPANY, INC.

Robert E. Conover, President

Date 11/29/88

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EXHIBIT "A": FLOOR PLAN OF LOWER LEVEL



SUITE 100

COMMON AREA FOR THE USE OF CONOVER & COMPANY, INC.

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Conover & Company, Inc.

Specialists...in the American Dream

April 28, 1989

Virginia Tech Foundation
233 Burruss Hall
Blacksburg, VA 24061

Dear Mr. Ortmeier:

Per the terms of our lease, Conover & Company herein provides 30 days advance notice of our intention to relinquish tenancy of our office and parking space at 1001 Prince Street as of May 31, 1989.

Our stay in your building has been a pleasant one and we appreciate your prompt assistance in meeting our needs.

In the future, to the extent necessary, any correspondence may be directed to our new address as follows:

ATTN: Robert E. Conover
Conover & Company, Inc.
4413 Taney Ave., #104
Alexandria, VA 22304

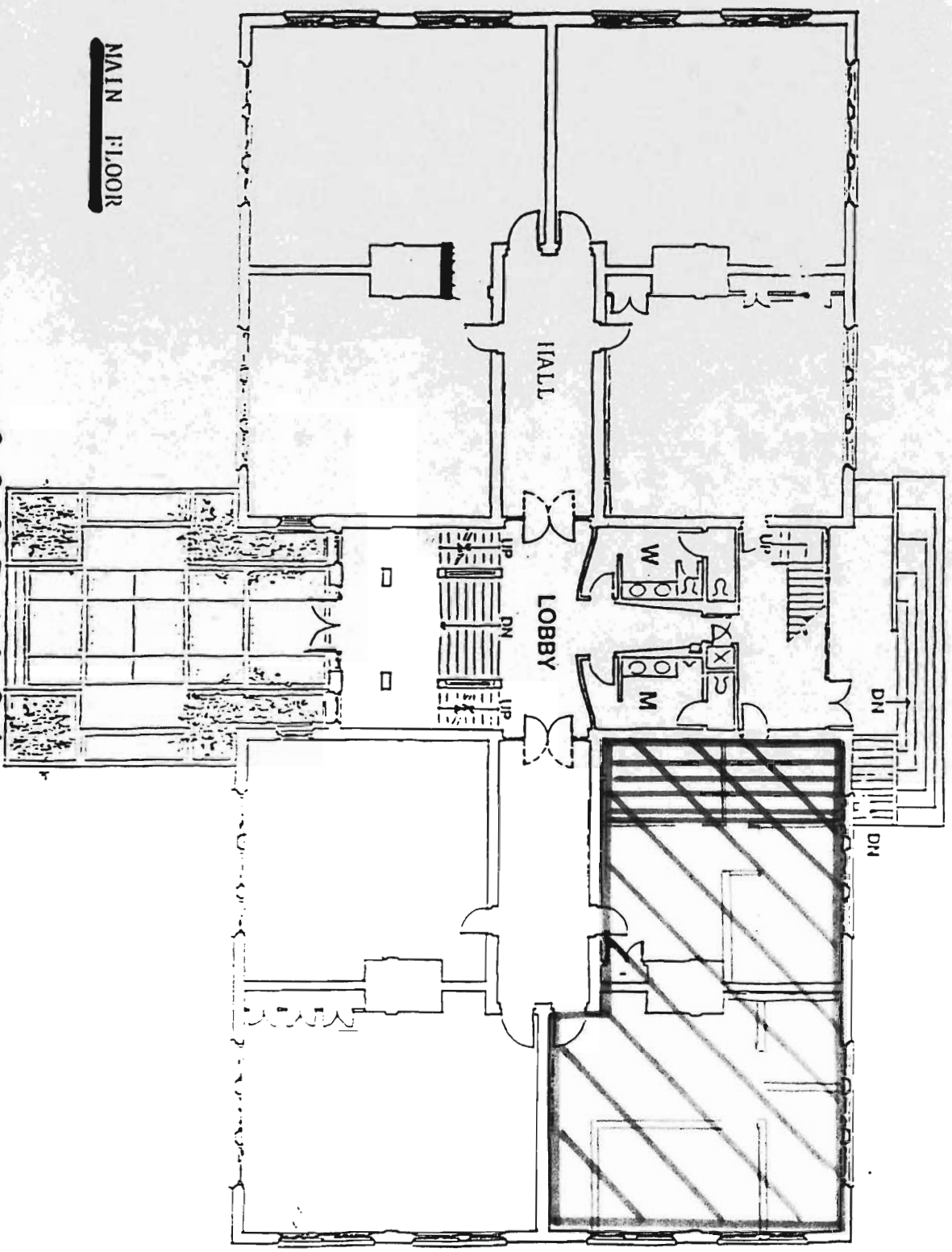
Thank you very much.

Sincerely,

Robert E. Conover
President

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EXHIBIT "P"



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SUBLEASE AGREEMENT

SUBLEASE AGREEMENT, dated ~~December~~ January 1, 1985, ~~1983~~, between **NATIONAL CONSERVATIVE FOUNDATION** ("Lessor"), a Virginia nonstock corporation with principal offices located at 1001 Prince Street, Alexandria, Virginia 22314, and Conservative Alliance ("Sublessee"), with its principal offices located at 1001 Prince Street, Alexandria, Virginia 22314.

W I T N E S S E T H:

WHEREAS, on February 23, 1983, Lessor entered into a Deed of Lease with Walter F. O'Connell in respect to the leasing of 1001 Prince Street, Alexandria, Virginia 22314, to be effective on December 1, 1983, being the date then projected that the premises would be available for occupancy by Lessor, containing approximately 21,500 gross rentable square feet; and

WHEREAS, Walter F. O'Connell has granted Lessor permission pursuant to the terms of the Deed of Lease to enter into a Sublease Agreement to sublet the premises or any part thereof; and

WHEREAS, the Deed of Lease between Walter F. O'Connell and Lessor is now effective.

NOW, THEREFORE, in consideration of the following mutual covenants and other good and valuable consideration, the parties hereto agree as follows:

1. Sublease. The Lessor hereby sublets to the Sublessee and Sublessee hires from the Lessor the following described premises: approximately 3200 square feet of office space located on the 1st floor, known as ~~Suite~~ East Wing, of 1001 Prince Street, Alexandria, Virginia 22314, to be used only for a business office, for the term and at the rental hereinafter stated. A floor plan of said office space is attached hereto and incorporated herein as Exhibit A.

2. Master Lease. It is understood and agreed that this instrument is a Sublease Agreement by which lessor is subleasing to Sublessee for the term and at the rental hereinafter stated the premises which are part of the same premises leased to Lessor in the aforesaid Deed of Lease dated February 23, 1983, which is hereinafter referred to as the "Master Lease." Said Master Lease is attached hereto and incorporated herein as Exhibit B. Except as otherwise specifically stated herein, Sublessee does hereby assume and agree to perform all of the duties and obligations imposed upon Lessor by the Master Lease for the term of this Sublease and it is agreed that Lessor shall have all the rights and powers, and assume all the obligations with respect to the subleased premises that are conferred and imposed upon the Lessor as identified in the Master Lease.

3. Parking. During the term of this Sublease, Lessor shall provide for Sublessee's use Nine (9) parking space(s) and _____ (____) space(s) on the surface at $ Included per month.

4. Rent. All rent and other charges which Sublessee is obligated to pay Lessor under any provision of the Sublease shall be paid timely to Lessor at Lessor's address without any set-off, counterclaim, or deduction whatsoever.

(a) Base Rent. The Sublessee agrees to pay a rental in the sum of $ 46,320, payable in equal monthly installments of $ 3,960 per month (or pro rata portion thereof for any part of a month). The rent for each month shall be paid in advance on the first day of each calendar month during the term hereof.

(b) Additional Rent. As additional rent, during the term of this Lease or any extension or renewal, the Sublessee shall pay a pro rata share of all the operational expenses of the premises, including, but not limited to, all real property taxes, insurance premiums, maintenance costs and assessments or charges incurred by Lessor or assessed against the property. It being the intent of the Sublessee and Lessor that the Sublessee shall

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be responsible for the payment of all the expenses incurred by Lessor by virtue of or attributable to the occupancy by the Sublessee of the premises described herein. To determine the pro rata share of such charges, the Treasurer or other appropriate officer or agent of Lessor shall periodically determine the charges to be billed to it by Walter P. O'Connell under the Additional Rent clause [Paragraph 4(b)] of the Master Lease. The Sublessee shall remit to Lessor the Sublessee's share of said charges, determined by the ratio of the number of square feet occupied by the Sublessee, plus a pro rata allocation of common and unrented square footage, to the total number of rentable square feet of the property. Said ratio shall then be applied to the charges due from the Lessor under the Additional Rent clause of the Master Lease to determine the amounts due from the Sublessee under this clause. The parties hereto have determined that said ratio, at time of execution, is 1/5. Notice of assessments under this clause may be contained in monthly or other periodic statements prepared by Lessor. Payments therefore shall be due no later than the date of payments of the additional rent by Lessor under the Master lease.

5. Security Deposit. The Sublessee has deposited with the Lessor the sum of $460.00 as security for the performance of the Sublessee of the terms of this Sublease. The Lessor may use, apply, or retain the whole or any part of the security so deposited to the extent required for the payment of any rent and additional rent or other sum as to which the Sublessee is in default or for any sum which the Lessor may expend or may be required to expend by reason of the Sublessee's default in respect of any of the terms of this Sublease, including, but not limited to, any damages or deficiency in the reletting of the subleased premises, whether such damages or deficiency accrued before or after summary proceedings or other reentry by Lessor. In the event that the Sublessee shall comply with all of the terms of this Sublease, the security deposit shall be returned to

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the Sublessee, without interest, after the date fixed as the end of the Sublease and after delivery of possession of the subleased premises to the Lessor. The Sublessee shall not assign or encumber the money deposited as security, and neither the Lessor nor its successors or assigns shall be bound by any such assignment or encumbrance.

6. Term. The term of this Sublease shall be for Month to Month ( ) years, commencing on the 1st day of January, 1995 and expiring on the ~~day~~ day of _____, 19____.

7. Taxes. Sublessee will pay all taxes of every kind and description levied against its business, appliances, equipment and personal property.

8. Inspection. Lessor or the Lessor in the Master Lease shall have the right to enter the subleased premises at any reasonable time to inspect the condition of the premises.

9. Surrender. Upon termination of this Sublease, Sublessee will surrender the premises to Lessor in as good condition as received at commencement of this Sublease, except for ordinary wear and tear, and damage by fire or casualty, and will indemnify Lessor from any and all claims made by the Lessor in the Master Lease due to any alterations of the premises made by Sublessee.

10. Liability Insurance. Sublessee will indemnify and save harmless Lessor and the Lessor in the Master Lease, their successors and assigns, from any and all claims, demands, actions, causes of action, and judgments, whether for personal injury or property damage, asserted by any person arising out of Sublessee's possession and use of the premises. Sublessee shall maintain liability insurance throughout the term of this Sublease, with an insurance company authorized to do business in the Commonwealth of Virginia, such policy to have liability limits of at least $ 100,000 for personal injury for one person, aggregate liability for all persons in any one action of at least One

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Million Dollars ($1,000,000.00) for property damage. The terms of such policy shall also conform to those terms set forth in paragraph 13 of the Master Lease with respect to the scope of coverage to be provided. Lessor and Lessor in the Master Lease shall be named co-insured in such insurance policy or policies. Such policies shall contain provision for ten days' notice to Lessor and Lessor in the Master Lease prior to cancellation.

11. Default. Sublessee shall, without any previous demand therefor, pay to Lessor the said rent at the times and in the manner above provided. In the event of nonpayment of said rent, or any installment thereof, and if the same shall remain in default for ten days after becoming due, or if the subleased premises shall be deserted or vacated, Lessor or its agent shall without further notice have the right to and may enter the said premises as agents of Sublessee, and may relet the premises and receive the rent therefor upon such terms as shall be satisfactory to Lessor and all the rights of Sublessee to repossess the premises under this Sublease shall be forfeited. Such reentry by Lessor shall not operate to release Sublessee from any rent to be paid or covenants to be performed hereunder during the full term of this Sublease. In the case of violation by Sublessee of any of the covenants, agreements and conditions of this Sublease, other than the payment of the rent, and upon failure to discontinue such violation within ten days after written notice thereof to Sublessee this Sublease shall henceforth, at the option of Lessor, become null and void and Lessor may reenter without further notice or demand. Upon violation by Sublessee of any of the agreements, covenants, and conditions of this Sublease, all future installments of rent unpaid and all other monies due to and payable by Lessee shall at once become due and payable.

12. Use of Premises. As an inducement for Lessor to enter into this Sublease, Sublessee has represented and warranted that the sole and exclusive purpose of Lessee's leasing the premises is for the purpose of operating general business offices.

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IN WITNESS WHEREOF, the Lessor and Sublessee have executed this Lease as of the date first above written.

SUBLESSEE Alliance
Conservative Alliance

By: Rhonda K. Stahlman

LESSOR

NATIONAL CONSERVATIVE FOUNDATION

By: Brent Bozell

COMMONWEALTH OF VIRGINIA)
CITY OF ALEXANDRIA) to wit:

I, the undersigned, a Notary Public in and for the City aforesaid, in the Commonwealth of Virginia, do hereby certify that Rhonda K Stahlman who is the Chairman of Conservative Alliance, and whose name is signed to the foregoing writing bearing date the 7th day of January, 1985, has acknowledged the same before me in my County and State aforesaid as and for the act of the Corporation.

GIVEN under my hand and seal this 7th day of January, 1985.

Notary Public

My commission expires: My Commission Expires Nov 27, 1988

COMMONWEALTH OF VIRGINIA)
CITY OF ALEXANDRIA) to wit:

I, the undersigned, a Notary Public in and for the City aforesaid, in the Commonwealth of Virginia, do hereby certify that Brent Bozell, who is the Executive Director of NATIONAL CONSERVATIVE FOUNDATION, and whose name is signed to the foregoing writing bearing date the 7th day of January, 1985, has acknowledged the same before me in my County and State aforesaid as and for the act of the Corporation.

GIVEN under my hand and seal this 7th day of January, 1985.

Notary Public

My commission expires:

Remodeling must be approved by the Lessor prior to commencement. The Sublessee will be reimbursed for the walls constructed in two of the rooms on the following schedule. The room completed in August 1984 will be on a two (2) year schedule. If the Sublessee vacates the office space one (1) year from August 30, 1984, Lessor will pay 50% of construction cost. At the end of two (2) years, the Lessor will pay 100% of cost. The room completed in November 1984 will also be on a similar schedule starting November 30, 1984. On any further additions, there will be a five (5) year schedule. The first year will be 20% of cost, one year from completion escalating to 100% of cost if Sublessee vacates at the end of five (5) years.

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13. Acceptance of Premises. Sublessee does hereby unconditionally and irrevocably warrant that authorized agents have inspected the premises and that Sublessee is satisfied with the present condition of the premises. Sublessee further accepts the premises on an as-is where-is basis and accepts full responsibility for all costs that may be incurred in remodeling to a condition satisfactory to meet their specifications. Remodeling must be approved by the Lessor prior to commencement.

14. Subleasing. Sublessee may not assign this Sublease or sublease the premises in whole or in part without the written permission of Lessor which will not be unreasonably withheld.

15. Notice. Any notice required or permitted under this Sublease shall be given in writing by first class certified mail, return receipt requested, as follows:

To:
Conservative Alliance
1001 Prince Street
Alexandria, Virginia 22314

in the case of Sublessee; and

National Conservative Foundation
1001 Prince Street
Alexandria, Virginia 22314
ATTN: Mr. Leif Noren

in the case of the Lessor.

16. Hold Harmless: Sublessee agrees it will hold Lessor harmless and it will pay to Lessor any losses which Lessor may incur from any default of Sublessee under the terms and conditions of the Master Lease and/or this Sublease and from or as a result of Lessee's possession and use of the subleased premises.

17. Arbitration. Any controversy arising under, out of, in connection with, or relating to, this Sublease, and any consequent amendment thereof, or the breach thereof, shall be determined by arbitration in the City of Alexandria, Virginia, in accordance with the rules of the American Arbitration Association. Any award rendered therein shall be final and binding on each and all of the parties thereto and their representatives,

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and judgment may be entered thereon in any court having jurisdiction thereon.

18. Severability. If any provision or provisions of this Sublease shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not, in any way, be affected or impaired thereby.

19. Counterparts. This Sublease may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

20. Incorporation. All Exhibits and other documents referred to herein are incorporated in this Sublease by reference and shall become a part of this Sublease, except as otherwise conflicting with the provision hereof.

21. Waiver of Breach. The waiver by either Party of a breach of any provision of this Sublease by the other Party shall not operate or be construed as a waiver of any subsequent breach by the then breaching Party.

22. Modification. This Sublease may only be modified in writing, executed on behalf of Lessor and Sublessee. The term "Sublease" as used herein includes any future written amendments, modifications, or supplements made in accordance herewith.

23. Entire Agreement. This instrument contains the entire agreement between the parties hereto with respect to the transactions contemplated herein.

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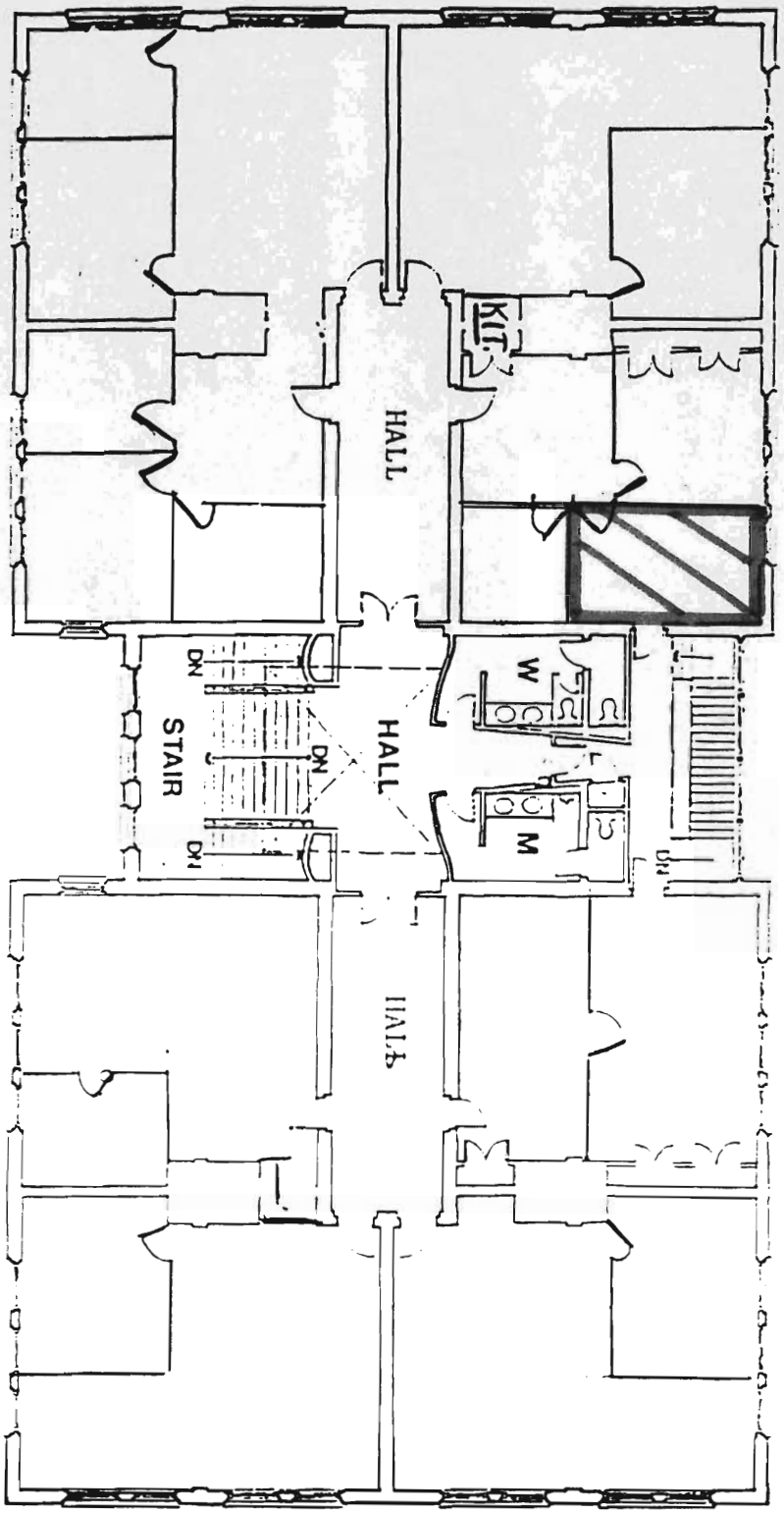
RKS Is this lease addendum OK for Jan Ley to copy CSR

Yes, I signed lease w/addendum RKS Be sure to initial addendum.

Remodeling must be approved by the Lessor prior to commencement. The Sublessee will be reimbursed for the walls constructed in two of the rooms on the following schedule. The room completed in August 1984 will be on a two (2) year schedule. If the Sublessee vacates the office space one (1) year from August 30, 1984, Lessor will pay 50% of construction cost. At the end of two (2) years, the Lessor will pay 100% of cost. The room completed in November 1984 will also be on a similar schedule starting November 30, 1984. On any further additions, there will be a five (5) year schedule. The first year will be 20% of cost, one year from completion escalating to 100% of cost if Sublessee vacates at the end of five (5) years.

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EXHIBIT "Q"



SECOND FLOOR

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NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

Maiselle Dolan Shortley
Chairman

(703) 548-0900

March 15, 1988

To: Shirley Bailey

From: Mark Ortmeier

Subject: Conservative Leadership PAC Space Rental

The following is the pertinent information regarding the rental of Eve Hoyle's old office by the Conservative Leadership PAC.

142.5 sq. ft.
$15.75 per sq. ft.
$187.03 per month rental for office space: Furniture provided at no extra charge:
1 large wood dest
2 wastepaper baskets
one folding typing table
two four-drawer metal file cabinets
three office chairs
one telephone
one cork bulletin board

$1,870.31 is the total rental charge for the nine months which they intend to rent this space. Their tenancy begins on March 15, 1988.

1 parking space at $50.00 per month.

Mr. Huch has requested that rent payments be due the 15th of each month which I said I would check with you.

Mr. Huch will be supplying contractual papers to Sandy Scholte 3/16/88. He said he has already given the first month's rent check to Sandy Scholte.

Please let me know if you will require any further information.

Thanks.

9103403872817

Morton C. Blackwell
Chairman

CONSERVATIVE LEADERSHIP PAC
5211 Port Royal Rd., Suite 400-2
Springfield, VA 22151
(703) 321-9700

Founded 1972

March 1, 1988

Mrs. Maiselle Dolan Shortley
National Conservative PAC
1001 Prince Street
Alexandria, Virginia 22314

Dear Mrs. Shortley:

Thank you very much for meeting with me last week to discuss the Conservative Leadership PAC and our plans for 1988. I'm very excited about all the good work we're hoping to do, since the upcoming election presents so many challenges and opportunities for us.

As I told you, if everything goes well with the fundraising I'm now doing, we intend to be working with forty to fifty federal campaigns by August 15.

There is an excellent crop of young people out there that Morton has trained, and they're just chompin' at the bit to go to work for conservative candidates.

Unfortunately, if we don't meet our fundraising goals in the very near future, we may not be able to place these enthusiastic work-horses, and all their talent and energy will go to waste. Let's keep our fingers crossed that everything will turn out fine.

I'm especially grateful for your generous offer of office space. As Morton has just returned to work after a brief illness, I have not yet been able to review our conversation completely with him. Once I do, I will contact Sandy to work out the details.

In the meantime, if you happen to think of any other potential contributors who might be interested in learning more about our work, I'd appreciate your letting me know. I'll send them information immediately.

Thanks again for your time and support!

Sincerely yours,

Scott E. Huch
National Field Director

Paid for by Conservative Leadership Political Action Committee

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NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

Maiselle Dolan Shortley
Chairman

(703) 548-0900

To: All NCF Tenants

From: Shirley Bailey

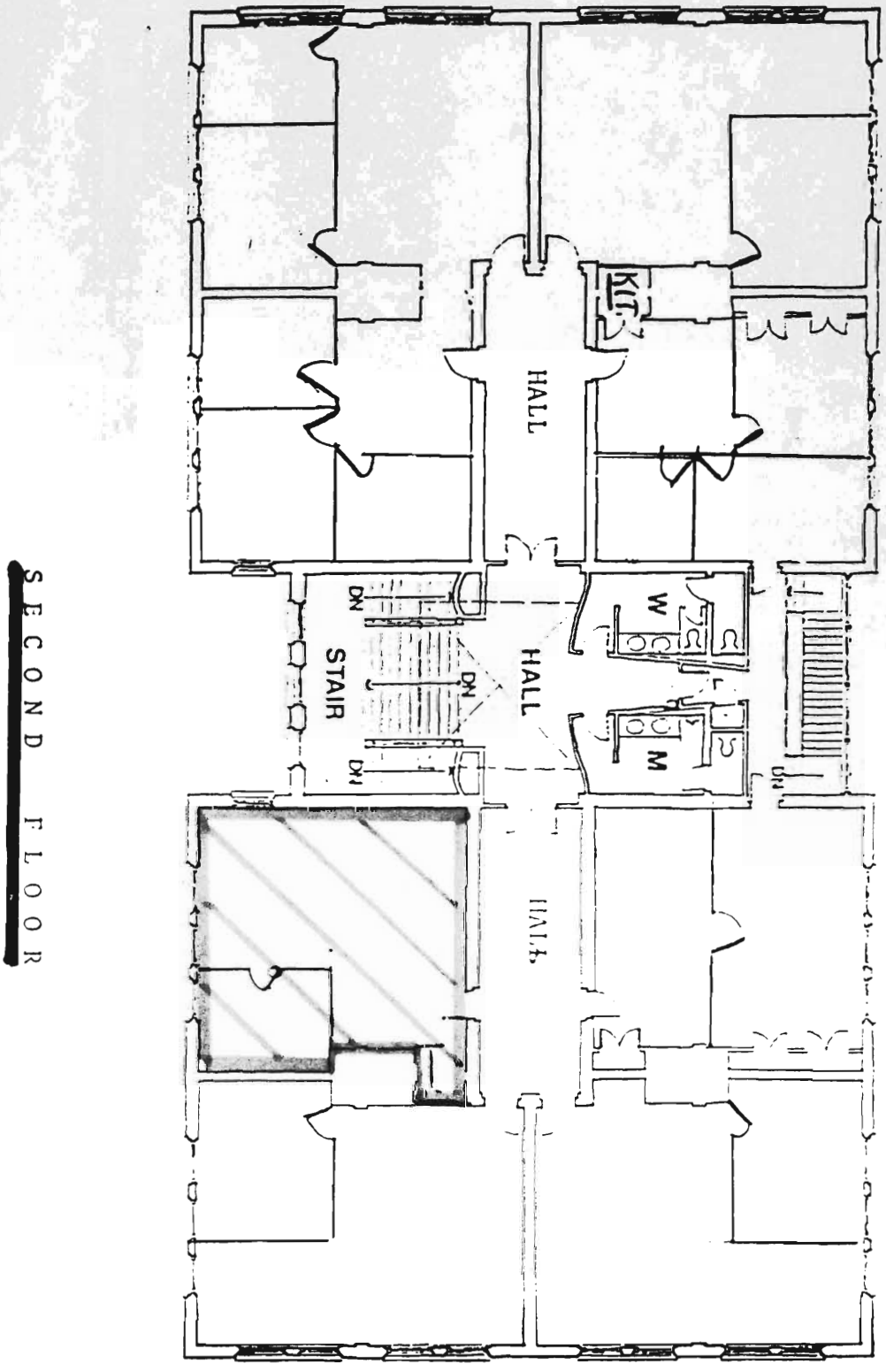
Date: January 12, 1988

Subject: Parking Fees

Please be advised that rent on parking spaces is due and payable on the first day of each month. Effective immediately, vehicles will be subject to towing, at the owner's expense, on the tenth day of the month and every day thereafter if rent on the parking space occupied by the vehicle is delinquent.

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EXHIBIT "R"



SECOND FLOOR

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SUBLEASE AGREEMENT, dated February 9, 1988, between NATIONAL CONSERVATIVE FOUNDATION ("Lessor"), a Virginia nonstock corporation with its principal offices located at 1001 Prince Street, Alexandria, Virginia 22314 and Countability, Inc. (doing business as Count Systems)("Sublessee"), with its principal offices to be located at 1001 Prince Street, Suite 201, Alexandria, Virginia 22314.

WITNESSETH:

WHEREAS, on February 23, 1983, Lessor entered into a Deed of Lease with Walter F. O'Connell in respect to the leasing of 1001 Prince Street, Alexandria, Virginia 22314, to be effective on December 1, 1983, being the date then projected that the premises would be available for occupancy by Lessor, containing approximately 21,500 gross rentable square feet; and

WHEREAS, Walter F. O'Connell has granted Lessor permission pursuant to the terms of the Deed of Lease to enter into a Sublease Agreement to sublet the premises or any part thereof; and

WHEREAS, the Deed of Lease between Walter F. O'Connell and Lessor is now effective.

NOW, THEREFORE, in consideration of the following mutual covenants and other good and valuable consideration, the parties hereto agree as follows:

1. Sublease. The Lessor hereby sublets to the Sublessee and Sublessee hires from the Lessor the following described premises: Approximately 678 square feet of office space known as Suite 201 of 1001 Prince Street, Alexandria, Virginia 22314, to be used only for a business office, for the term and at the rental hereinafter stated. Such square footage includes allocated share of the common areas and operating expenses.

2. Master Lease. It is understood and agreed that this instrument is a Sublease Agreement by which Lessor is subleasing to Sublessee for the term and at the rental hereinafter stated the premises which are part of the same

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premises leased to Lessor in the aforesaid Deed of Lease dated February 23, 1983, which is hereinafter referred to as the "Master Lease." Said Master Lease is attached hereto and incorporated herein as Exhibit 4. Except as otherwise specifically stated herein, Sublessee does hereby assume and agree to perform all of the duties and obligations imposed upon Lessor by the Master Lease for the term of this Sublease and it is agreed that Lessor shall have all the rights and powers, and assume all the obligations with respect to the subleased premises that are conferred and imposed upon the Lessor as identified in the Master Lease.

3. Parking. During the term of this Subleasee, Lessor shall provide for Sublessee's use two (2) parking space(s) at $100.00 per month.

4. Rent. All rent and other charges which Sublessee is obligated to pay Lessor under any provision of the Sublease shall be paid timely to Lessor at Lessor's address without any set-off, counterclaim, or deduction whatsoever. A Ten Percent (10%) surcharge shall be charged should rent be more than ten (10) days late.

(a) Base Rent. The Sublessee agrees to pay a base rental in the sum of ten thousand six hundred seventy-eight Dollars ($10,676.00) for the first year payable in equal monthly installments of eight hundred eighty-nine and 83/100 Dollars ($889.83) per month (or pro-rata portion thereof for any part of a month). The rent for each month shall be paid in advance on the first day of each calendar month during their term hereof. On each subsequent year of the lease beginning on the first day of March the base rent shall be raised by the sum of five percent.

5. Security Deposit. Sublessee has deposited with the Lessor, via their agent, WJD & Associates, the sum of eight hundred eighty-nine and 83/100 ($889.83) as security for the performance of the Sublessee of the terms of this Sublease. The Lessor may use, apply, or retain the whole or any part of the security so deposited to the extent required for the payment of any rent and additional rent or other sum as to which the Sublessee is in default or for any sum which the Lessor may expend or may be required to expend by reason of the Sublessee's default in respect of any of the terms of this Sublease, including, but not limited to, any damages or deficiency in the reletting of the subleased premises, whether such damages or deficiency accrued before or after summary

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proceedings or other re-entry by Lessor. In the event that the Sublessee shall comply with all of the terms of this Sublease, the security deposit shall be returned to the Subjessee, without interest, after the date fixed as the end of the Sublease and after delivery of possession of the subleased premises to the Lessor. The Sublessee shall not assign or encumber the money deposited as security, and neither the Lessor nor its successors or assigns shall be bound by any such assignment or encumbrance.

6. Term. The term of this Sublease shall be for three (3) years, commencing on the 19th day of February, 1988, and expiring on the 18th day of February, 1991. Sublessee has option to extend Lease for three additional years. To exercise this option the Sublessee must give written notice to Lessor no later than November 19, 1990.

7. Taxes. Sublessee will pay all taxes of every kind and description levied against its business, appliances, equipment and personal property.

8. Inspection. Lessor or the Lessor in the Master Lease shall have the right to enter the subleased premises at any reasonable time to inspect the condition of the premises.

9. Surrender. Upon termination of this Sublease, Sublessee will surrender the premises to Lessor in as good condition as received at commencement of this Sublease, except for ordinary wear and tear, and damage by fire or casualty, and will indemnify Lessor from any and all claims made by the Lessor in the Master Lease due to any alterations of the premises made by Sublessee.

10. Liability insurance. Sublessee will indemnify and save harmless Lessor and the Lessor in the Master Lease, their successors and assigns, from any and all claims, demands, actions, causes of action, and judgments, whether for personal injury or property damage, asserted by any person arising out of Sublessee's possession and use of the premises. Sublessee shall maintain liability insurance throughout the term of this Sublease, with an insurance company authorized to do business in the Commonwealth of Virginia, such policy to have liability limits of at least five hundred thousand ($500,000) for personal injury for one person, aggregate liability for all persons in any one action of at least one million Dollars ($1,000,000) for property damage. The

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terms of such policy shall also conform to those terms set forth in paragraph of the Master Lease with respect to the scope of coverage to be provided. Lessor and Lessor in the Master Lease shall be named co-insured in such insurance policy or policies. Such policies shall contain provision for ten days' notice to Lessor and Lessor in the Master Lease prior to cancellation.

11. Default. Sublessee shall, without any previous demand therefor, pay to Lessor the said rent at the times and in the manner above provided. In the event of nonpayment of said rent, or any installment thereof, and if the same shall remain in default for ten days after becoming due, or if the subleased premises shall be deserted or vacated, Lessor or its agent shall without further notice have the right to and may enter the said premises as agents of Sublessee, and may re-let the premises and receive the rent therefor upon such terms as shall be satisfactory to Lessor and all the rights of Sublessee to repossess the premises under this Sublease shall be forfeited. Such re-entry by Lessor shall not operate to release Sublessee from any rent to be paid or covenants to be performed hereunder during the full term of the Sublease. In the case of violation by Sublessee of any of the covenants, agreements and conditions of this Sublease, other than the payment of the rent, and upon failure to discontinue such violation within ten days after written notice thereof to Sublessee this Sublease shall henceforth, at the option of Lessor, become null and void and Lessor may re-enter without further notice or demand. Upon violation by Sublessee of any of the agreements, covenants, and conditions of this Sublease, all future installments of rent unpaid and all other monies due to and payable no Lessee shall at once become due and payable.

12. Use of Premises. As an inducement for Lessor to enter into this Sublease, Sublessee has represented and warranted that the sole and exclusive purpose of Lessee's leasing the premises is for the purpose of operating general business offices.

13. Acceptance of Premises. Sublessee does hereby unconditionally and irrevocably warrant that authorized agents have inspected the premises and that Sublessee is satisfied with the present condition of the premises. Sublessee further accepts the premises on an as-is where-is basis and accepts full responsibility for all costs that may be incurred in remodeling to a condition satisfactory to meet their specifications. Remodeling must be

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approved by the Lessor prior to commencement.

14. Subleasing. Sublessee may not assign this Sublease of sublease the premises in whole or in part without the written permission of Lessor which will not be unreasonably withheld.

15. Notice Any notice required or permitted under this Sublease shall be given in writing by first class certified mail, return receipt requested, as follows:

To: Count Systems
1001 Prince Street, Suite 201
Alexandria
Virginia 22314

in the case of Sublessee; and

NATIONAL CONSERVATIVE FOUNDATION
1001 Prince Street
Alexandria, Virginia 22314
ATTN: Ms. Maiselle D. Shortley

in the case of the Lessor.

16. Hold Harmless: Sublessee agrees it will hold Lessor harmless and it will pay to Lessor any losses which Lessor may incur from any default of Sublessee under the terms and conditions of the Master Lease and/or this Sublease and from or as a result of Lessee's possession and use of the subleased premises.

17. Arbitration. Any controversy arising under, out of, in connection with, or relating to, this Sublease, and any consequent amendment thereof, or the breach thereof, shall be determined by arbitration in the City of Alexandria, Virginia, in accordance with the rules of the American Arbitration Association. Any award rendered therein shall be final and binding on each and all of the parties thereto and their representatives, and judgment may be entered thereon in any court having jurisdiction thereon.

18. Severability. If any provision or provisions of this Sublease shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not, in any way, be affected or impaired thereby.

19. Counterparts. The Sublease may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

20. Incorporation. All Exhibits and other documents referred to

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herein are incorporated in this Sublease by reference and shall become a part of this Sublease, except as other wise conflicting with the provision hereof.

21. Waiver of Breach. The waiver by either Party of a breach of any provision of this Sublease by the other Party shall not operate or be construed as a waiver of any subsequent breach by the then breaching Party.

22. Modification. This Sublease may only be modified in writing, executed on behalf of Lessor and Sublessee. The term "Sublease" as used herein includes any future written amendments, modifications, or supplements made in accordance herewith.

23. Entire Agreement. This instrument contains the entire agreement between the parties hereto with respect to the transactions contemplated herein.

24. All parties recognize that the only Broker involved in the transaction is WJD & Associates.

25. Addenda

IN WITNESS WHEREOF, the Lessor and the Sublessee have executed this Lease as of the date first above written.

SUBLESSEE:

COUNTABILITY, INC. (Doing Business as Count Systems)

BY: _____

Date: 4/6/88

LESSOR:

NATIONAL CONSERVATIVE FOUNDATION

BY: _____

Date: 4/15/88

SEEN AND AGREED:

BY: _____
WALTER F. O'CONNELL April 4/1988

WJD & ASSOCIATES

BY: _____

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WJD

ASSOCIATES

INVOICE 4/12/88

To: National Conservative Foundation
1001 Prince Street
Alexandria, VA 22314
Attn: Maiselle D. Shortley, President

For services rendered in the leasing of 1001 Prince Street, Second Floor, between National Conservative Foundation and Countability Inc. (doing business as Count Systems).....$1,683.12

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Remarks: Please make check payable to WJD Associates

Please bill your share of Insurance cost to Personnel.

4-18-88 ok Mark Ostrowski
This Invoice is your WJD's Commission on renting the Count Systems office.
5% of full gross lease —
3 years at 1,678, 11,211.90, 11772.50 =

NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22313
(703) 548-0900

John T. (Terry) Dolan
Founder

Maiselle Dolan Shortley
Chairman

June 12, 1989

To: Mrs. Uffleman

From: Mark Ortmeier

Subject: Additional Parking Space

I have enclosed the two agreement forms for the one additional parking space you requested.

As usual, I would appreciate it if you would ask the owner of the car using the space to display the decal in front of their steering wheel so that it shows through the front windshield. I will be enclosing four extra visitor (yellow) decals for your use as well.

Please let me know if at any time unauthorized cars park in your spot and I will have them removed as soon as possible and I will also be able to make temporary space available in the event that a delay occurs in removing the unauthorized vehicle.

I have enclosed the usual packet of parking rules etc.

If you would return one signed copy of the enclosed parking agreement along with your check for $30.00 for the remainder of June I would appreciate it very much.

Thank you very mucy.

cc: Laurie Martinson

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NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22313
(703) 548-0900

John T. (Terry) Dolan
Founder

Maiselle Dolan Shortley
Chairman

It is hereby agreed that as of June 13, , 1989, Count Systems, Inc. with offices/residence at 1001 Prince Street will rent 1 additional parking space(s) # 5 from the Virginia Tech Foundation for the monthly rental fee of $50.00.

This $50.00 will be due the first day of each month beginning on July, 1989.*

If the rental fee is not received by NCF by the 10th day of any given month, the vehicles parked in space(s) #5 shall be towed at the expense of the owners. This policy will be continued until full payment is received or this agreement is cancelled.

This agreement may be terminated upon 30 days written notice to the Virginia Tech Foundation by any of the parties to this agreement.

Mark T. Ortmeier

The Virginia Tech Foundation Date
By: Mark Ortmeier
Building Manager
233 Burruss Hall
Blacksburg, VA 24061

T K Bennett (temp auth)

Count Systems, Inc. Date 6-14-89
Second Floor
1001 Prince Street
Alexandria, VA 22314

549-7901
Phone Number

Olds Ciera
Car Make

MGD 758 (PA)
Licence Number

*Due to the date of initiation of this agreement, the first month's rental fee will be prorated to $30.00 and will be due in full upon the initiation of this agreement on June 13, 1989.

cc: Laurie Martinson

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NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

Maiselle Dolan Shortley
Chairman

(703) 548-0900

9104037228330

February 9, 1988

To: Maiselle Dolan Shortley

From: Mark Ortmeier

Subject: Painting and cleaning for new tenants

I will list below the estimated costs for the painting and rug cleaning needed for our new tenants.

Painting:

Jim Davis Painting and Contractor, Inc. Ph. #354-9892	1.)	Room alone	$250.00
	2.)	Hall alone	$100.00
	3.)	Room and Hall comb.	*$300.00*

Carpet Cleaning:

David Redmond Cleaning Professionals of VA	$100.00
Total Cost of Painting and Cleaning	$400.00

If I let these individuals know by Thursday-Friday this week they will be able to take care of the painting by Wed. Feb. 17, and the cleaning by Feb. 18.

Please give me a call if you have any questions.

If contract signed by then.

1) upper only 150 ea

2) west only 100 ea

3) mail room 100 ea
keyed

Includes duct + labor.

Projected date bid Feb 17 - work to be completed in 1 work day.

Alan Evans

— 334-9992 —

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Becki —

M, Keep clean / pantry part of deposit

Pearce Street Lot.

Items:

Remove stuff from adjacent hallway.

Paint adjacent hallway & clean carpet

Informal discussion re. use of furniture left in room.

5 10/05

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WJD

ASSOCIATES

INO's COPY 2/9/88

February 4, 1988

National Conservative Foundation
Attention: Maiselle D. Shortley, President
1001 Prince Street
Alexandria, Virginia 22314

Re: 1001 Prince Street, Alexandria, Virginia

Dear Sir:

The purpose of this letter is to document our mutual intention to enter into a binding lease between the National Conservative Foundation and Countability, Inc. (doing business as Count Systems), contingent upon approval by the City of Alexandria.

Property:	1001 Prince Street Alexandria, Virginia
Space to be Leased:	Approximately 678 square feet of second floor (space identified at enclosure 1), consisting of approximately 616 square feet of suite space and 62 square feet of common area.
Term of Lease:	Three years, with option for two additional years.
Annual Rent:	First year rent will be $10,678 ($15.75 per square foot), payable in monthly installments of $889.83. Rents for subsequent years, including option, if exercised, will be increased by 5% annually.
	1989-1990 $11,211.90/yr. $934.33/mo.
	1990-1991 $11,772.50/yr. $981.04/mo.
	1991-1992 $12,361.13/yr. $1030.09/mo.

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Pass-Throughs:	None
Occupancy:	February 19, 1988
Parking:	2 spaces at $50 per space/mo.
Security Deposit:	One months rent ($889.83)
Utilities:	Landlord Responsibility
Cleaning:	Landlord Responsibility
Signage:	Consistent with current building signage
Other:	Space to be painted and carpet to be professionally cleaned prior to occupancy at landlord's expense.

Should the terms of this letter prove acceptable to you, please so indicate and I will have a building lease prepared.

Sincerely,

William M. Stokes, III
WJD Associates

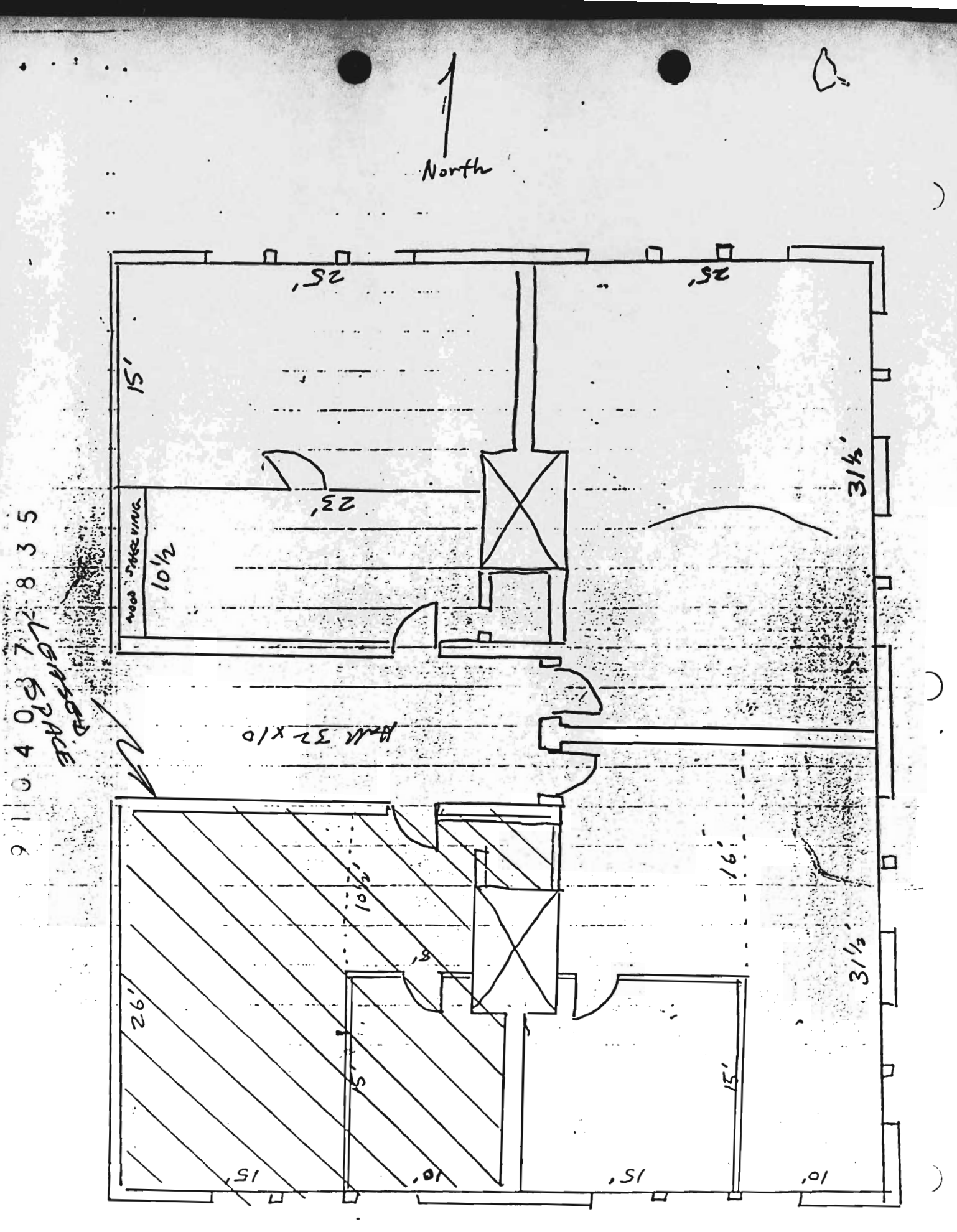
WMSIII/cb

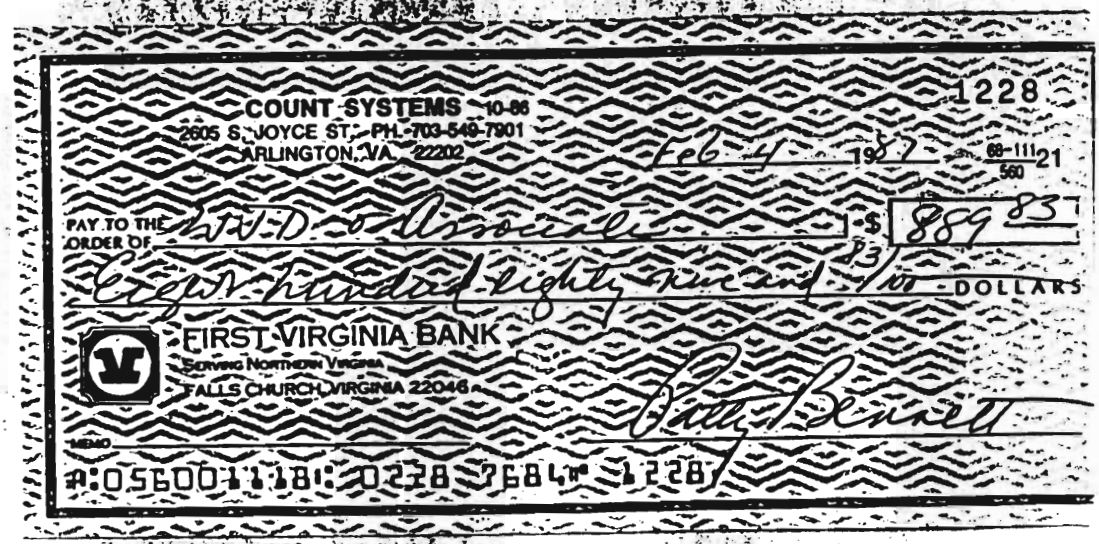
AGREED:

Agent for Leasee

Agent for Lessor

9140837228834


North
25'
25'
15'
23'
wood screening
10½
3½'
9104 0837 7 LOCKBOX SPACE
Plan 32 x 10
16'
10½'
8'
26'
5'
3½'
15'
15'
10'
15'
10'



COUNT SYSTEMS 10-86
2605 S. JOYCE ST. PH. 703-549-7901
ARLINGTON, VA. 22202

1228

Feb 4 1987

88-111
560
21

PAY TO THE ORDER OF NW-D Associates $ 889.83

Eight hundred eighty nine and 83/100 DOLLARS

FIRST VIRGINIA BANK
SERVING NORTHERN VIRGINIA
FALLS CHURCH, VIRGINIA 22046

MEMO

Patty Bennett

A:056001118: 0228 7684 1228

9 1 0 4 0 3 7 2 8 3 6

PENTAMATION

August 15, 1988

Mr. Mark Ortmeier
National Conservative Foundation
1001 Prince Street
Alexandria, VA 22314

Dear Mr. Ortmeier:

Effective as of the close of business on May 31, 1988 Pentamation Enterprises, Inc. has acquired Count Systems, Incorporated at 1001 Prince Street, Suite 201, Alexandria, VA.

Pentamation will assume the lease dated April 1988 between Count Systems and National Conservative Foundation, which commenced on February 19, 1988 and will expire on February 18, 1991.

The payment will be made from our corporate office. Please direct any inquiries to:

Pentamation Enterprises, Inc.
One Bethlehem Plaza
Bethlehem, PA 18018

Thank you.

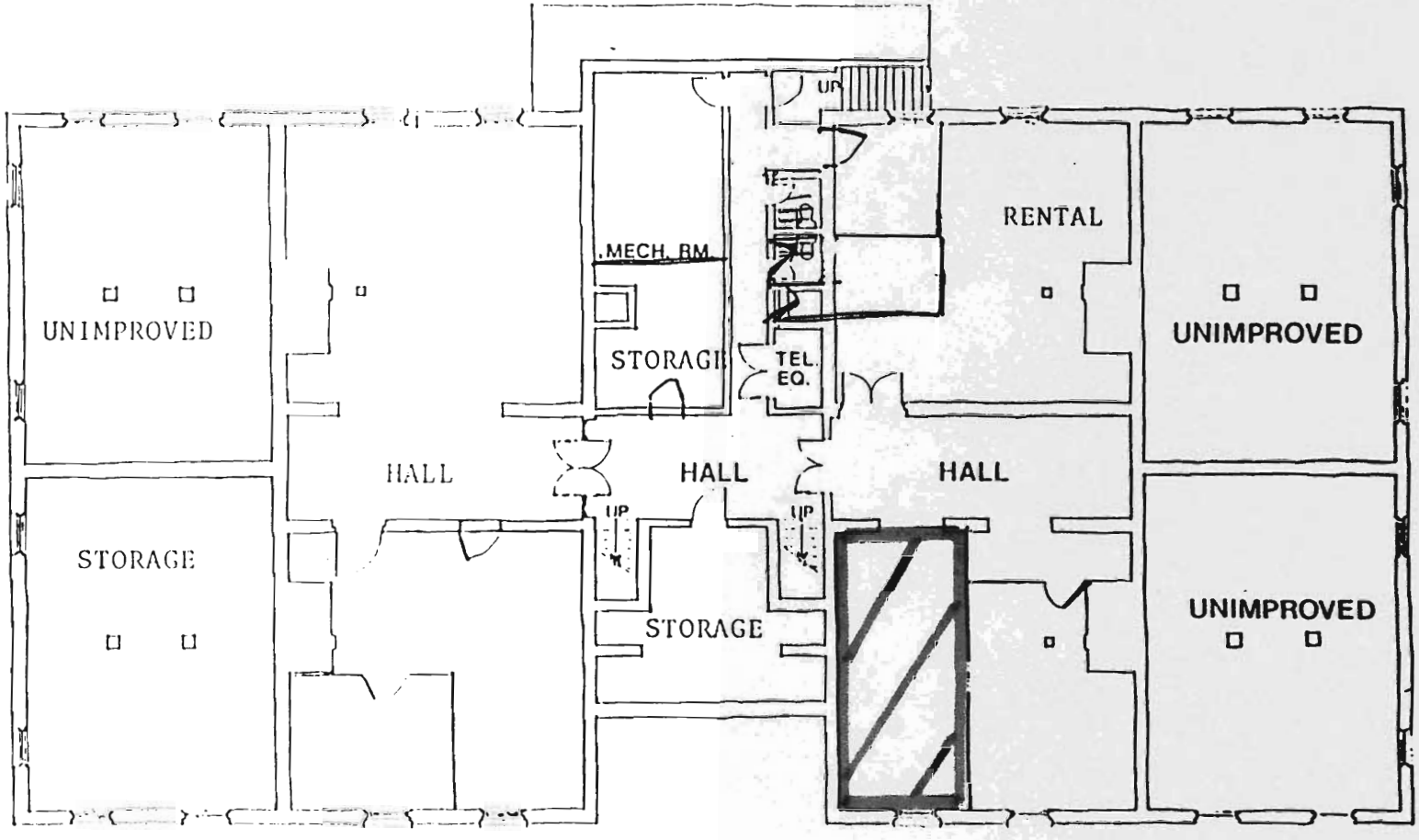
Sincerely,

David Madea

David Madea
Controller

21040372837

9104087 2838



LOWER LEVEL

EXHIBIT "S"

WDS
+SD

SUBLEASE AGREEMENT

SUBLEASE AGREEMENT, dated January ~~14~~ 15, 1988, between NATIONAL CONSERVATIVE FOUNDATION ("Lessor"), a Virginia nonstock corporation with its principal offices located at 1001 Prince Street, Alexandria, Virginia 22314 and STEVEN DANIEL PHOTOGRAPHY ("Sublessee"), with its principal offices to be located at 1001 Prince Street, Suite 102, Alexandria, Virginia 22314.

WITNESSETH:

WHEREAS, on February 23, 1983, Lessor entered into a Deed of Lease with Walter F. O'Connell in respect to the leasing of 1001 Prince Street, Alexandria, Virginia 22314, to be effective on December 1, 1983, being the date then projected that the premises would be available for occupancy by Lessor, containing approximately 21,500 gross rentable square feet; and

WHEREAS, Walter F. O'Connell has granted Lessor permission pursuant to the terms of the Deed of Lease to enter into a Sublease Agreement to sublet the premises or any part thereof; and

WHEREAS, the Deed of Lease between Walter F. O'Connell ard Lessor is now effective.

NOW, THEREFORE, in consideration of the following mutual covenants and other good and valuable consideration, the parties hereto agree as follows:

1. Sublease. The Lessor hereby sublets to the Sublessee and Sublessee hires from the Lessor the following described premises: Approximately 311 square feet of office space known as Suite 102 of 1001 Prince Street, Alexandria, Virginia 22314, to be used only for a business office, for the term and at the rental hereinafter stated. Such square footage includes allocated share of the common areas and operating expenses.

2. Master Lease. It is understood and agreed that this instrument is a Sublease Agreement by which Lessor is subleasing to Sublessee for the term and at the rental hereinafter stated the premises which are part of the same premises leased to Lessor in the aforesaid Deed of Lease dated February 23, 1983, which is hereinafter referred to as the "Master Lease." Said Master Lease is attached hereto and incorporated herein as Exhibit A. Except as otherwise specifically stated herein, Sublessee does hereby assume and agree to perform all of the duties and obligations imposed upon Lessor by the Master Lease for the term of this Sublease and it is agreed that Lessor shall have all the rights and powers, and assume all the obligations with respect to the subleased premises that are conferred and imposed upon the Lessor as identified in the Master Lease.

3. Parking. During the term of this Sublessee, Lessor shall provide for Sublessee's use N/A (N/A) parking space(s) at $ N/A per month.

4. Rent. All rent and other charges which Sublessee is obligated to pay Lessor under any provision of the Sublease shall be paid timely to Lessor at Lessor's address without any set-off, counterclaim, or deduction whatsoever. A Ten Percent (10%) surcharge shall be charged should rent be more than ten (10) days late.

(a) Base Rent. The Sublessee agrees to pay a base rental in the sum of Four Thousand and Three Hundred and Fifty Four Dollars ($4,354.00) for the first year payable in equal monthly installments of Three Hundred and Sixty Two Dollars and Eighty Cents ($362.80) per month (or pro-rata portion thereof for any part of a month). The rent for each month shall be paid in advance on the first day of each calendar month during their term hereof. On each subsequent year of the lease beginning on the first day of February the base rent shall be raised by the sum of five percent. Rent for the period from the ~~14~~th day through the 31st day of January, 1988, shall be prorated and paid in advance at the time of execution of this Lease in the sum of One Hundred and Ninety Three Dollars and Forty Four Cents ($193.44).

WDS
SD
+

5. Security Deposit. Sublessee has deposited with the Lessor, via their agent, WJD & Associates, the sum of Three Hundred and Sixty Two Dollars and Eighty Cents ($362.80) as security for the performance of the Sublessee of the terms of this Sublease. The Lessor may use, apply, or retain the whole or

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any part of the security so deposited to the extent required for the payment of any rent and additional rent or other sum as to which the Sublessee is in default or for any sum which the Lessor may expend or may be required to expend by reason of the Sublessee's default in respect of any of the terms of this Sublease, including, but not limited to, any damages or deficiency in the reletting of the subleased premises, whether such damages or deficiency accrued before or after summary proceedings or other re-entry by Lessor. In the event that the Sublessee shall comply with all of the terms of this Sublease, the security deposit shall be returned to the Sublessee, without interest, after the date fixed as the end of the Sublease and after delivery of possession of the subleased premises to the Lessor. The Sublessee shall not assign or encumber the money deposited as security, and neither the Lessor nor its successors or assigns shall be bound by any such assignment or encumbrance.

MDS SD

6. Term. The term of this Sublease shall be for one (1) year, commencing on the 14th day of January, 1988, and expiring on the 13th day of January, 1989. Sublessee has option to extend Lease for an additional year. To exercise this option the Sublessee must give written notice to Lessor no later than the 13th day of October, 1988.

7. Taxes. Sublessee will pay all taxes of every kind and description levied against its business, appliances, equipment and personal property.

8. Inspection. Lessor or the Lessor in the Master Lease shall have the right to enter the subleased premises at any reasonable time to inspect the condition of the premises.

9. Surrender. Upon termination of this Sublease, Sublessee will surrender the premises to Lessor in as good condition as received at commencement of this Sublease, except for ordinary wear and tear, and damage by fire or casualty, and will indemnify Lessor from any and all claims made by the Lessor in the Master Lease due to any alterations of the premises made by Sublessee.

10. Liability insurance. Sublessee will indemnify and save harmless Lessor and the Lessor in the Master Lease, their successors and assigns, from any and all claims, demands, actions, causes of action, and judgments, whether for personal injury or property damage, asserted by any person arising out of Sublessee's possession and use of the premises. Sublessee shall maintain liability insurance throughout the term of this Sublease, with an insurance company authorized to do business in the Commonwealth of Virginia, such policy to have liability limits of at least Fifty Thousand Dollars ($50,000.00) for personal injury for one person, aggregate liability for all persons in any one action of at least Five Hundred Thousand Dollars ($500,000.00) and Fifty Thousand Dollars ($50,000.00) for property damage. The terms of such policy shall also conform to those terms set forth in paragraph of the Master Lease with respect to the scope of coverage to be provided. Lessor and Lessor in the Master Lease shall be named co-insured in such insurance policy or policies. Such policies shall contain provision for ten days' notice to Lessor and Lessor in the Master Lease prior to cancellation.

11. Default. Sublessee shall, without any previous demand therefor, pay to Lessor the said rent at the times and in the manner above provided. In the event of nonpayment of said rent, or any installment thereof, and if the same shall remain in default for ten days after becoming due, or if the subleased premises shall be deserted or vacated, Lessor or its agent shall without further notice have the right to and may enter the said premises as agents of Sublessee, and may re-let the premises and receive the rent therefor upon such terms as shall be satisfactory to Lessor and all the rights of Sublessee to repossess the premises under this Sublease shall be forfeited. Such re-entry by Lessor shall not operate to release Sublessee from any rent to be paid or covenants to be performed hereunder during the full term of the Sublease. In the case of violation by Sublessee of any of the covenants, agreements and conditions of this Sublease, other than the payment of the rent, and upon failure to discontinue such violation within ten days after written notice thereof to Sublessee this Sublease shall henceforth, at the option of Lessor, become null and void and Lessor may re-enter without further notice or demand. Upon violation by Sublessee of any of the agreements, covenants, and conditions of this Sublease, all future installments of rent unpaid and all other monies due to and payable no Lessee shall at once become due and payable.

12. Use of Premises. As an inducement for Lessor to enter into this Sublease, Sublessee has represented and warranted that the sole and exclusive

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purpose of Lessee's leasing the premises is for the purpose of operating general business offices.

13. Acceptance of Premises. Sublessee does hereby unconditionally and irrevocably warrant that authorized agents have inspected the premises and that Sublessee is satisfied with the present condition of the premises. Sublessee further accepts the premises on an as-is where-is basis and accepts full responsibility for all costs that may be incurred in remodeling to a condition satisfactory to meet their specifications. Remodeling must be approved by the Lessor prior to commencement.

14. Subleasing. Sublessee may not assign this Sublease of sublease the premises in whole or in part without the written permission of Lessor which will not be unreasonably withheld.

15. Notice Any notice required or permitted under this Sublease shall be given in writing by first class certified mail, return receipt requested, as follows:

To: Mr. Steven Daniel
STEVEN DANIEL PHOTOGRAPHY
1001 Prince Street
Alexandria, VA 22314

in the case of Sublessee; and

NATIONAL CONSERVATIVE FOUNDATION
1001 Prince Street
Alexandria, Virginia 22314
ATTN: Mr. Leif Noren

in the case of the Lessor.

16. Hold Harmless: Sublessee agrees it will hold Lessor harmless and it will pay to Lessor any losses which Lessor may incur from any default of Sublessee under the terms and conditions of the Master Lease and/or this Sublease and from or as a result of Lessee's possession and use of the subleased premises.

17. Arbitration. Any controversy arising under, out of, in connection with, or relating to, this Sublease, and any consequent amendment thereof, or the breach thereof, shall be determined by arbitration in the City of Alexandria, Virginia, in accordance with the rules of the American Arbitration Association. Any award rendered therein shall be final and binding on each and all of the parties thereto and their representatives, and judgment may be entered thereon in any court having jurisdiction thereon.

18. Severability. If any provision or provisions of this Sublease shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not, in any way, be affected or impaired thereby.

19. Counterparts. The Sublease may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

20. Incorporation. All Exhibits and other documents referred to herein are incorporated in this Sublease by reference and shall become a part of this Sublease, except as other wise conflicting with the provision hereof.

21. Waiver of Breach. The waiver by either Party of a breach of any provision of this Sublease by the other Party shall not operate or be construed as a waiver of any subsequent breach by the then breaching Party.

22. Modification. This Sublease may only be modified in writing, executed on behalf of Lessor and Sublessee. The term "Sublease" as used herein includes any future written amendments, modifications, or supplements made in accordance herewith.

23. Entire Agreement. This instrument contains the entire agreement between the parties hereto with respect to the transactions contemplated herein.

24. All parties recognize that the only Broker involved in the transaction is WJD & Associates.

25. Addenda

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IN WITNESS WHEREOF, the Lessor and the Sublessee have executed this Lease as of the date first above written.

SUBLESSEE:
STEVEN DANIELS PHOTOGRAPHY

BY: _____ / OWNER
Steven Daniels

Date: 1/13/88

LESSOR:
NATIONAL CONSERVATIVE FOUNDATION

BY: _____

Date: 1/14/88

WJD & ASSOCIATES

BY: _____ III
William H. Stokes, III

Date: 1/14/88

9104087228842

WJD
ASSOCIATES

1/14/88

WILLIAM M. STOKES, III
Member, NVBR Million Dollar Sales Club
Residential and Commercial Real Estate
111 North Alfred Street • Alexandria, Virginia 22314
(703) 684-SALE (H) 768-1887

Marsella

Attached is Sublease for Suite 102 w/ Lease Case. Jake David has provided $93.44 in cash to cover balance of January -- based on 30 days per month

Keep Change

Please sign on Page 4, and initial date changes on Page 1 (2) and Page 2 (1).

We have one month's rent as security deposit. Copy of check enclosed.

Give me a call if there are questions. Jake wants to take occupancy on 1/15. His current landlord says he was always on time with his rent ($900.00 / month). Would like to pick up original tomorrow.

Bill Stokes

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WJD

ASSOCIATES

January 12, 1988

THE NATIONAL CONSERVATIVE FOUNDATION
1001 Prince Street
Alexandria, Virginia 22314

RE: One (1) office, lower level, at 1001 Prince Street, Alexandria, Virginia

Dear Sir:

The purpose of this letter is to document our intention to enter into a binding lease between THE NATIONAL CONSERVATIVE FOUNDATION (Lessor) and Steven Daniel (Lessee) contingent upon approval by the City of Alexandria.

PROPERTY:	1001 Prince Street, Alexandria, VA 22314
SPACE TO BE LEASED:	One (1) room office on lower level, approximately 311 square feet
TERM OF LEASE:	One (1) year, with option for one (1) additional year
ANNUAL RENT:	First year rent will be $4,354 ($14.00 per square foot), payable in monthly installments of $362.80. Rent for second year, if option is exercised, will increase by 5%
OCCUPANCY:	January 15, 1988
PARKING:	None
SECURITY DEPOSIT:	One (1) month's rent ($362.80)
UTILITIES AND TRASH REMOVAL:	Rent will include utilities and trash removal

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Should the terms of this letter prove acceptable to you please so indicate by signing below and I will have a binding lease prepared.

Sincerely,

William M. Stokes,
Commercial Division

WMS:kl

AGREED:

AGENT FOR LESSEE:

BY:

Date: 1/12/88

LESSOR:

BY:

Date: 1/12/88

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NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22313
(703) 548-0900

John T. (Terry) Dolan
Founder

Maiselle Dolan Shortley
Chairman

February 15, 1989

Mr. Steven Daniel
Steven Daniel Photography
1001 Prince Street
Alexandria, VA 22314

Dear Mr. Daniel:

As we have discussed, although you have not exercised your option to renew your lease as provided in your Sub-lease with us, we will be pleased to extend your tenancy on a month-to-month basis, terminable on thirty (30) days written notice from either party.

All terms and conditions of the original Sub-lease Agreement shall continue to govern except where inconsistent with the terms of this agreement.

If this is acceptable to you, please return a signed copy of this letter in confirmation and retain a copy for your files.

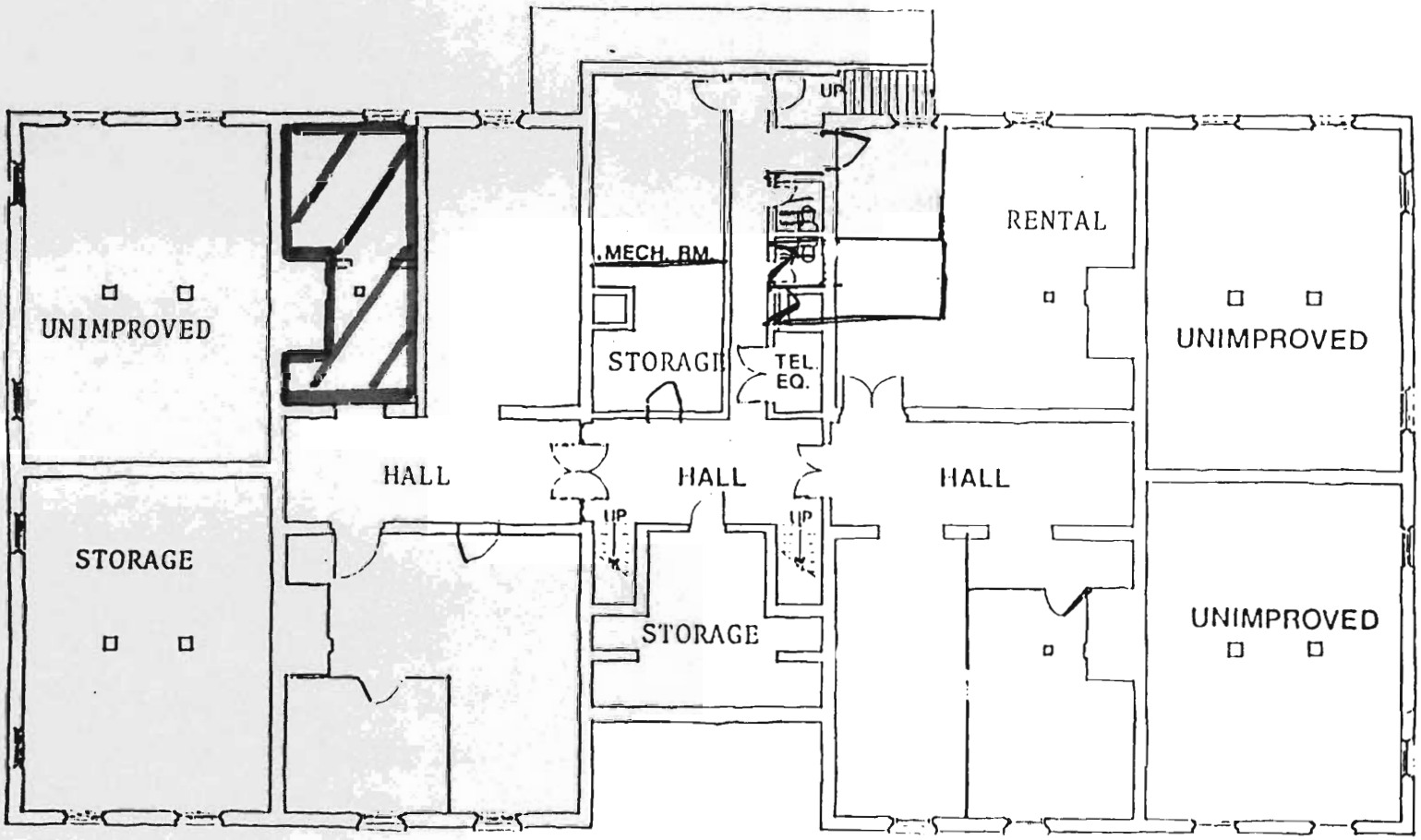
Thank you very much.

The National Conservative Foundation
1001 Prince Street
Alexandria, VA 22314
By: Maiselle Dolan Shortley
Chairman
Date 2/15/87

Steven Daniel Photography
1001 Prince Street
Alexandria, VA 22314
By: Steven Daniel
Date

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EXHIBIT "I"



LOWER LEVEL

91040872847

NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

Maiselle Dolan Shortley
Chairman

(703) 548-0900

September 28, 1988

Miss Margaret Kelly
Division of Unclaimed Property
P.O. Box #3R
Richmond, VA 23207

Dear Miss Kelly:

This letter shall serve to confirm the fact that the National Conservative Foundation, which owns the building housing your office at 1001 Prince Street in Alexandria, VA, will grant the Division of Unclaimed Property a one year extention of their current yearly rental rate.

This yearly rental rate is $4,372.20 in gross rent or $365.35 per month. Additionally, one parking space is being rented at the rate of $50.00 per month or $600.00 per year.

These provisions shall remain in effect until September 30, 1989, at which time this rental rate shall be subject to review and renegotiation.

If you have any questions regarding this matter, please call our building manager, Mr. Mark Ortmeier.

Thank you for your continued tenancy with us.

Sincerely,

Maiselle Dolan Shortley
Chairman

cc: Shirley Bailey

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DGS-30-1-1

CLERK. 152 1002

LEASE AGREEMENT

This LEASE AGREEMENT, made this 12 day of September, 1986, by and between National Conservative Foundation (the "Lessor") and the COMMONWEALTH OF VIRGINIA, by the Division of Unclaimed Property (Department, Agency, or Institution) (the "Lessee"), pursuant to § _____ of the Code of Virginia (1950), as amended.

WITNESSETH:

For and in consideration of the terms, conditions, covenants, promises and agreements herein made, Lessor hereby leases and demises unto Lessee the following described real property (the "demised premises"): Include parking facilities, if any, and square footage or acreage, if applicable.

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1. INITIAL TERM OF LEASE: The demised premises are leased to Lessee for a period of two (2) years (months, years), beginning on the 1st day of October, 1986 and terminating on the 30th day of September, 1988 (the "initial term").

2. RENT: Lessee covenants to pay Lessor the sum of eight thousand three hundred & twenty eight DOLLARS ($8,328.00) as rent for the initial term which amount shall be paid in installments of three hundred forty seven DOLLARS ($ 347.00) due and payable in arrears at the end of each month (month/quarter).

Rent shall be payable to the order of National Conservative Foundation and mailed to 1001 Prince Street, at Alexandria, VA, 22314.

3. PURPOSE AND USE OF DEMISED PREMISES: The demised premises are leased to be used and occupied by the Division of Unclaimed Property, a department, agency or institution of the Commonwealth of Virginia (the "leasing agency"), and its agents and employees, for such purposes and uses as it may now or hereafter be empowered by law to use same.

4. ACCESSIBILITY BY THE HANDICAPPED

(A) Prior to commencement of the initial term and delivery of possession, Lessor shall certify to Lessee in writing that the minimum requirements of the Virginia Uniform Statewide Building Code pertaining to access by physically handicapped and aged persons have been met. As hereinafter used, the term "the standards" shall mean and incorporate those standards issued or promulgated by the American National Standards Institute, entitled "American National Standard Specifications for Making Buildings and Facilities Accessible to and Usable by Physically Handicapped People," ANSI-A117.1-1980, and the term "accessible" shall mean accessible to physically handicapped and aged individuals in accordance with the standards. The minimum requirements are:

(1) If public or private parking is provided, at lease one accessible parking space shall be provided as close as possible to an accessible route to the primary building entrance.

(2) Walks used as accessible routes to the building shall comply with the standards.

(3) An accessible primary entrance to the building shall be at grade or ramped to grade in accordance with the standards.

(4) An accessible entrance to the building shall comply with the standards.

(5) At lease one accessible route (corridors and doors) to the demised premises shall comply with the standards.

(6) If support areas within the building (e.g., lunch rooms, cafeteria, etc.) are used by Lessee, its employees or the public, such areas shall be accessible.

(7) If Lessee occupies floors others than the main floor of access to the building, at least one accessible elevator shall be provided.

(8) Accessible public rest rooms for each sex shall be provided, preferably on all floors. As a minimum, accessible rest rooms shall be provided on the ground floor or the floor occupied by Lessee if the building is four stories or less in height. If Lessee occupies an area above the fourth floor, accessible public rest rooms for each sex shall be provided on the floor occupied by Lessee. If Lessee occupies more than one floor, at least one accessible public rest room for each sex shall be provided on at least every fourth floor occupied by Lessee.

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(9) All corridors, doors and spaces in or about the demised premises and used by the public or employees of Lessee shall be accessible.

(10) Directional signs complying with the standards shall be provided directing the public to the demised premises occupied by Lessee.

(11) Where the foregoing standards for handicapped access conflict with applicable local ordinances, rules, or regulations setting forth standards for handicapped access, the more restrictive of the two shall govern.

(B) The minimum requirements designed in sub-paragraph 4(A) may be modified, altered or deleted only with the written approval of the Virginia Division of Engineering and Buildings. All such modifications, alterations or deletions shall be made only by an attachment to this lease as provided in paragraph 17 and shall be effective only if such attachment is endorsed with the approval of the Division of Engineering and Buildings.

5. DELIVERY OF POSSESSION:

(A) Lessor covenants to deliver quiet possession of the demised premises at the commencement of the initial term.

(B) Lessor covenants to deliver the demised premises to Lessee at the commencement of the initial term in good repair and condition, suitable to the purpose and use for which the demised premises are leased. Lessor warrants that all plumbing, heating, air conditioning, electrical and mechanical devises and appliances of every kind or nature located upon or serving the demised premises, are in good repair, condition and working order and that the property complies with applicable provisions of Federal, State and local laws, ordinances, and regulations pertaining to health, safety, fire, and public welfare as of the commencement of the initial term.

6. MAINTENANCE:

(A) Lessor covenants to keep, repair and maintain, at Lessor's expense, the demised premises and all plumbing, heating, air conditioning, electrical and mechanical devices, appliances and equipment of every kind or nature located upon or serving the demised premises in good repair, condition and working order, suitable to the purpose and use for which Lessee has leased same, during the initial term and any renewal terms and, if necessary, shall make such alterations, additions and/or modifications of the demised premises and all equipment, electrical and mechanical devices and appliances thereon or serving same so as to comply at all times with all applicable federal, state and local laws, ordinances, rules and regulations pertaining to health, safety, fire and public welfare. As used herein, the word "repair" shall be deemed to mean and include replacement of broken or cracked glass.

(B) If Lessor fails to keep, repair and maintain the demised premises and all plumbing, heating, air conditioning, electrical and mechanical devices, appliances and equipment of every kind or nature located upon or serving the demised premises in good repair, condition and working order as provided in sub-paragraph 6(A), then Lessee, at its option, may either (a) immediately terminate this

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lease and all obligations hereunder, or (b) proceed to make, or cause to be made, or cause to be made, such upkeep, repair and/or maintenance, at Lessor's expense, so as to render the demised premises suitable for the purpose and use for which same are leased, in which event, Lessee may deduct the cost of same from future rent installments as they become due and/or may collect such cost from Lessor in any manner provided by law.

7. UTILITIES: Lessor shall provide, at Lessor's expense, all heating and air conditioning as conditions require, electricity, water, sewage and trash disposal, and janitorial services to and for the demised premises during the initial term and any renewal terms. In the event that any one or more such utilities are not provided or are reduced, other than due to causes beyond the reasonable control of Lessor, and the failure to provide or reduction of same renders the demised premises unsuitable for the purpose and use for which same are leased, then Lessee, in addition to any other remedy available under the law, shall be entitled to deduct from the total rent, or any installment thereof, the per diem rental for each day that the demised premises are rendered unsuitable due to the failure to provide or reduction of such utilities.

8. ALTERATIONS BY LESSEE: Lessee may make such alterations, modifications, additions and/or improvements upon or to the demised premises and may install or remove such fixtures and partitions as Lessee may deem proper; provided, however, that any structural alterations of the roof, foundation or exterior walls shall require the prior written consent of Lessor. All materials used in such alterations, modifications, additions or improvements, and all fixtures and partitions made and/or installed by Lessee shall remain the property of Lessee and, upon termination of this lease, may, at Lessee's option, be removed.

9. DAMAGE OR DESTRUCTION OF DEMISED PREMISES:

(A) If the demised premises are damaged by fire or other casualty so as to render same, in the opinion of Lessee, untenantable for the purpose or use for which Lessee has leased same, this lease, and all obligations hereunder, shall immediately terminate upon Lessee's giving notice of that fact to Lessor by certified or registered mail, return receipt requested, as hereinafter provided.

(B) If the demised premises are damaged by fire or other casualty, but not so as to render same untenantable, in the opinion of Lessee, for the purpose or use for which Lessee has leased the demised premises, upon being so notified by Lessee by certified or registered mail, return receipt requested, Lessor shall repair and restore within a reasonable time, at Lessor's expense, the demised premises to its former condition. In this event, the rent shall be adjusted on a pro rata basis for the period of such repair and restoration for that portion of the premises rendered untenantable for Lessee by the fire or other casualty. As used herein, the words "repair" and "restore" shall be deemed to mean and include replacement of broken, cracked or damaged glass or windows.

(C) If Lessor fails to make or fails to complete repair and restoration of the demised premises within a reasonable time after Lessee provides notice pursuant to sub-paragraph 9(B), then Lessee, at its option, may either (a) immediately terminate this lease and all obligations hereunder, or (b) proceed to make, or cause to be made,

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such repair and restoration, at Lessor's expense, in which event, Lessee may deduct the cost of same from future rent installments as they become due and/or may collect such cost from Lessor in any manner provided by Law.

10. RENEWAL OF LEASE: Unless otherwise terminated as herein provided, at the end of the initial term, this lease shall automatically renew and continue in full force and effect from year to year ("renewal term") at the same rental, adjusted pro rata on an annual basis and due and payable in the same periodic installments as provided in paragraph 2, and subject to all terms, conditions, covenants, promises and agreements herein contained. Such year-to-year or renewal term shall continue to renew automatically unless terminated by either party in such manner and at such time as hereinafter provided for termination of the initial term.

11. TERMINATION:

(A) This lease and any renewal term of this lease may be terminated by either party only upon written notice to the other party by certified or registered mail, return receipt requested, at least three (3) months prior to the expiration of the initial term or any renewal term; otherwise, this lease shall renew and continue as provided in paragraph 10. In addition, during any renewal term, Lessee, at its option, may terminate this lease at any time upon at least three (3) months written notice to Lessor by certified or registered mail, return receipt requested.

(B) Notwithstanding any provision in this lease to the contrary, if any session of the Virginia General Assembly fails to appropriate funds for the continuance of this lease or the federal government fails to appropriate or allocate sufficient funds for the purpose of continuation of this lease, it shall automatically terminate upon depletion of the then currently allocated funds.

(C) Notwithstanding any provision to the contrary, if, by operation of law, the leasing agency designated in paragraph 3 shall cease to exist or its powers and authority are limited so as not to permit the continued use of the demised premises for the purpose and use for which same is leased, then this lease and all obligations of Lessee hereunder shall terminate.

12. NOTICE:

(A) Any and all notices affecting this lease may be served by the parties hereto, or by their duly authorized agents, as effectively as if same were served by any officer authorized by law to serve such notices. The return of such party, or its duly authorized agent, showing the time, place and manner of service of such notice shall have the same force and effect in any legal proceedings based thereon as a return of service by any officer authorized by law to serve such notice.

(B) All notices required by law to be served upon, and all notices permitted by this lease to be mailed to, a party to this lease shall be served upon or mailed to, as the case may be, the following agents for each party who are hereby appointed and designated as such for the purpose of receiving all such notices:

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(1) Lessor's agent shall be Tom Allred,

whose address is WJD & ASSOCIATES,

1001 Prince Street, Alexandria, VA 22314.

(2) Lessee's agent shall be Vivian Herbert,

whose address is Director of Division of Unclaimed Property

P.O. Box 3R, Richmond, VA 23207.

Each party shall immediately notify the other party, in writing, of any change of agents, and no change of agents shall be effective until such notice is given.

(C) Where, under the terms of this lease, a notice is required or permitted to be mailed by certified or registered mail, return receipt requested, and such notice is not mailed in such manner, the notice shall be effective if actually received by the party, or its appointed agent, to whom the notice is directed.

13. BINDING UPON SUCCESSORS: This lease shall be binding upon the heirs, successors in interest and assigns of the parties hereto.

14. ENTIRE AGREEMENT: This written Lease Agreement constitutes the entire, full and complete understanding and agreement of the parties, and all representations, conditions, statements, warranties, covenants, promises or agreements previously made or given by either party to the other are hereby expressly merged into this written Lease Agreement and shall be null, void and without legal effect.

15. MODIFICATION: This Lease Agreement shall not be modified, altered or amended except by written agreement executed by the parties hereto with the same formality as this agreement.

16. PARAGRAPH HEADINGS: Headings to the paragraphs are mere catchwords and are illustrative only; they do not form a part of this lease nor are they intended to be used in construing same.

17. ADDITIONAL PROVISIONS: This lease is subject to the terms, conditions, modifications, additions and/or deletions provided in the following designated attachments which are incorporated herein by reference: Designate as "Attachment No. 1," etc, If none, state "NONE."

Attachment No. 1

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DGS-30-L-1A

ATTACHMENT NO. 1

This ATTACHMENT forms a part of that certain Lease Agreement by and between The National Conservative Foundation, LESSOR, and the COMMONWEALTH OF VIRGINIA, by the Division of Unclaimed Property (Department, Agency, Institution). Lessee, dated the 12th day of September, 19 86.

Lessor and Lessee agree to the following terms, conditions, modifications, additions and/or deletions.

1. As additional rent lessee will pay an additional 5% the second year of the "initial term".
2. The requirements pertaining to access by the physically handicapped will be waived.
3. Parking will not be provided but is available at near-bv commerical locations.
4. The lessee will provide evidence of self insurance. The coverage will be governed by the master policy currently in effect and the Tort Claims Act.

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18. This Lease Agreement shall not be effective or binding unless and until signed by both parties and, where required by law, approved by the Director of the Division of Engineering and Buildings and the Governor of Virginia, or his designee.

IN WITNESS WHEREOF, the parties have affixed their signatures and seals.

LESSOR: NATIONAL CONSERVATIVE FOUNDATION
(Type or print name)

By: [signature] TREASURER NCFTC
(Signature) (Title, if applicable)

LESSEE: COMMONWEALTH OF VIRGINIA, by the

DIVISION OF UNCLAIMED PROPERTY
(Department, Institution, Agency or Board)

By: Mary K. Atterson (Special Asst.)
(Signature) (Title)

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COMMONWEALTH OF VIRGINIA

CITY/COUNTY OF Fairfax, to-wit:

The foregoing Lease Agreement was acknowledged before me by Barbara C. Golding on the 15th day of September, 1986, in the jurisdiction aforesaid,

My Commission expires: June 2, 1989

Barbara C. Golding
Notary Public

COMMONWEALTH OF VIRGINIA

CITY/COUNTY OF _____, to-wit:

The foregoing Lease Agreement was acknowledged before me by

_____ on the _____ day of

_____, 19____, in the jurisdiction aforesaid,

My Commission expires: _____

_____
Notary Public

RECOMMEND APPROVAL:
DIVISION OF ENGINEERING
AND BUILDINGS
DEPARTMENT OF GENERAL
SERVICES

By: Robert H. Hunter
ACTING Director 9-30-86

RECOMMEND APPROVAL:
DEPARTMENT OF GENERAL SERVICES

By: Hayden Z. Dalton
Director

APPROVED BY THE GOVERNOR:

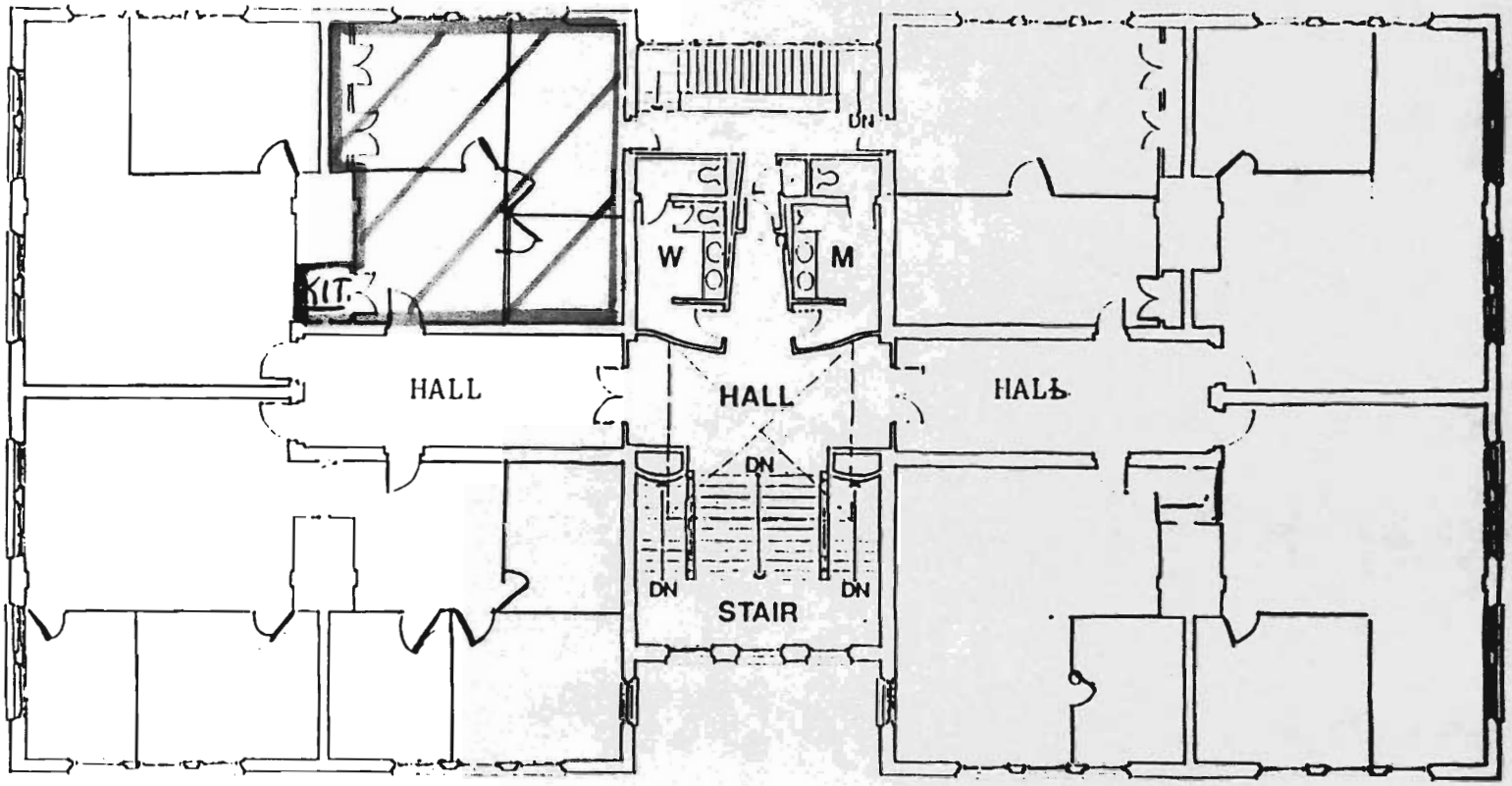
Pursuant to § 2.1-504.2 of the Code of Virginia (1950), as amended, as the official designee of the Governor of Virginia, as authorized and designated by Executive Order 25(86), dated Sept 15, 1986, I hereby approve the acquisition of the demised premises pursuant to this Lease Agreement and the execution of this instrument for, on behalf of, and in the stead of the Governor of Virginia.

Carolyn G. Moss
Secretary of Administration

9/30/86
(Date)

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SECOND FLOOR

EXHIBIT "U"

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SUBLEASE AGREEMENT

SUBLEASE AGREEMENT, dated December 1, ~~1983~~ 1984, between NATIONAL CONSERVATIVE FOUNDATION ("Lessor"), a Virginia nonstock corporation with principal offices located at 1001 Prince Street, Alexandria, Virginia 22314, and The Dolan Report ("Sublessee"), with its principal offices located at 1001 Prince Street, Alexandria, Virginia 22314.

W I T N E S S E T H:

WHEREAS, on February 23, 1983, Lessor entered into a Deed of Lease with Walter F. O'Connell in respect to the leasing of 1001 Prince Street, Alexandria, Virginia 22314, to be effective on December 1, 1983, being the date then projected that the premises would be available for occupancy by Lessor, containing approximately 21,500 gross rentable square feet; and

WHEREAS, Walter F. O'Connell has granted Lessor permission pursuant to the terms of the Deed of Lease to enter into a Sublease Agreement to sublet the premises or any part thereof; and

WHEREAS, the Deed of Lease between Walter F. O'Connell and Lessor is now effective.

NOW, THEREFORE, in consideration of the following mutual covenants and other good and valuable consideration, the parties hereto agree as follows:

1. Sublease. The Lessor hereby sublets to the Sublessee and Sublessee hires from the Lessor the following described premises: approximately 900 square feet of office space located on the 2nd floor, known as Suite NW, of 1001 Prince Street, Alexandria, Virginia 22314, to be used only for a business office, for the term and at the rental hereinafter stated. A floor plan of said office space is attached hereto and incorporated herein as Exhibit A.

2. Master Lease. It is understood and agreed that this instrument is a Sublease Agreement by which lessor is subleasing to Sublessee for the term and at the rental hereinafter stated the premises which are part of the same premises leased to Lessor in the aforesaid Deed of Lease dated February 23, 1983, which is hereinafter referred to as the "Master Lease." Said Master Lease is attached hereto and incorporated herein as Exhibit B. Except as otherwise specifically stated herein, Sublessee does hereby assume and agree to perform all of the duties and obligations imposed upon Lessor by the Master Lease for the term of this Sublease and it is agreed that Lessor shall have all the rights and powers, and assume all the obligations with respect to the subleased premises that are conferred and imposed upon the Lessor as identified in the Master Lease.

3. Parking. During the term of this Sublease, Lessor shall provide for Sublessee's use Two (2) parking space(s) and _____ (____) space(s) on the surface at $Included per month.

4. Rent. All rent and other charges which Sublessee is obligated to pay Lessor under any provision of the Sublease shall be paid timely to Lessor at Lessor's address without any set-off, counterclaim, or deduction whatsoever.

(a) Base Rent. The Sublessee agrees to pay a rental in the sum of $11,520, payable in equal monthly installments of $960 per month (or pro rata portion thereof for any part of a month). The rent for each month shall be paid in advance on the first day of each calendar month during the term hereof.

(b) Additional Rent. As additional rent, during the term of this Lease or any extension or renewal, the Sublessee shall pay a pro rata share of all the operational expenses of the premises, including, but not limited to, all real property taxes, insurance premiums, maintenance costs and assessments or charges incurred by Lessor or assessed against the property. It being the intent of the Sublessee and Lessor that the Sublessee shall

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be responsible for the payment of all the expenses incurred by Lessor by virtue of or attributable to the occupancy by the Sublessee of the premises described herein. To determine the pro rata share of such charges, the Treasurer or other appropriate officer or agent of Lessor shall periodically determine the charges to be billed to it by Walter F. O'Connell under the Additional Rent clause [Paragraph 4(b)] of the Master Lease. The Sublessee shall remit to Lessor the Sublessee's share of said charges, determined by the ratio of the number of square feet occupied by the Sublessee, plus a pro rata allocation of common and unrented square footage, to the total number of rentable square feet of the property. Said ratio shall then be applied to the charges due from the Lessor under the Additional Rent clause of the Master Lease to determine the amounts due from the Sublessee under this clause. The parties hereto have determined that said ratio, at time of execution, is 6%. Notice of assessments under this clause may be contained in monthly or other periodic statements prepared by Lessor. Payments therefore shall be due no later than the date of payments of the additional rent by Lessor under the Master lease.

5. Security Deposit. The Sublessee has deposited with the Lessor the sum of $_____ as security for the performance of the Sublessee of the terms of this Sublease. The Lessor may use, apply, or retain the whole or any part of the security so deposited to the extent required for the payment of any rent and additional rent or other sum as to which the Sublessee is in default or for any sum which the Lessor may expend or may be required to expend by reason of the Sublessee's default in respect of any of the terms of this Sublease, including, but not limited to, any damages or deficiency in the reletting of the subleased premises, whether such damages or deficiency accrued before or after summary proceedings or other reentry by Lessor. In the event that the Sublessee shall comply with all of the terms of this Sublease, the security deposit shall be returned to

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the Sublessee, without interest, after the date fixed as the end of the Sublease and after delivery of possession of the subleased premises to the Lessor. The Sublessee shall not assign or encumber the money deposited as security, and neither the Lessor nor its successors or assigns shall be bound by any such assignment or encumbrance.

6. Term. The term of this Sublease shall be for Month to Month) years, commencing on the 1st day of December, 1984 and expiring on the _____ day of _____, 19____.

7. Taxes. Sublessee will pay all taxes of every kind and description levied against its business, appliances, equipment and personal property.

8. Inspection. Lessor or the Lessor in the Master Lease shall have the right to enter the subleased premises at any reasonable time to inspect the condition of the premises.

9. Surrender. Upon termination of this Sublease, Sublessee will surrender the premises to Lessor in as good condition as received at commencement of this Sublease, except for ordinary wear and tear, and damage by fire or casualty, and will indemnify Lessor from any and all claims made by the Lessor in the Master Lease due to any alterations of the premises made by Sublessee.

10. Liability Insurance. Sublessee will indemnify and save harmless Lessor and the Lessor in the Master Lease, their successors and assigns, from any and all claims, demands, actions, causes of action, and judgments, whether for personal injury or property damage, asserted by any person arising out of Sublessee's possession and use of the premises. Sublessee shall maintain liability insurance throughout the term of this Sublease, with an insurance company authorized to do business in the Commonwealth of Virginia, such policy to have liability limits of at least $ 100,000 for ~~personal~~ Bodily injury for one person, aggregate liability for all persons in any one action of at least One

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Million Dollars ($1,000,000.00) for property damage. The terms of such policy shall also conform to those terms set forth in paragraph 13 of the Master Lease with respect to the scope of coverage to be provided. Lessor and Lessor in the Master Lease shall be named co-insured in such insurance policy or policies. Such policies shall contain provision for ten days' notice to Lessor and Lessor in the Master Lease prior to cancellation.

11. Default. Sublessee shall, without any previous demand therefor, pay to Lessor the said rent at the times and in the manner above provided. In the event of nonpayment of said rent, or any installment thereof, and if the same shall remain in default for ten days after becoming due, or if the subleased premises shall be deserted or vacated, Lessor or its agent shall without further notice have the right to and may enter the said premises as agents of Sublessee, and may relet the premises and receive the rent therefor upon such terms as shall be satisfactory to Lessor and all the rights of Sublessee to repossess the premises under this Sublease shall be forfeited. Such reentry by Lessor shall not operate to release Sublessee from any rent to be paid or covenants to be performed hereunder during the full term of this Sublease. In the case of violation by Sublessee of any of the covenants, agreements and conditions of this Sublease, other than the payment of the rent, and upon failure to discontinue such violation within ten days after written notice thereof to Sublessee this Sublease shall henceforth, at the option of Lessor, become null and void and Lessor may reenter without further notice or demand. Upon violation by Sublessee of any of the agreements, covenants, and conditions of this Sublease, all future installments of rent unpaid and all other monies due to and payable by Lessee shall at once become due and payable.

12. Use of Premises. As an inducement for Lessor to enter into this Sublease, Sublessee has represented and warranted that the sole and exclusive purpose of Lessee's leasing the premises is for the purpose of operating general business offices.

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13. Acceptance of Premises. Sublessee does hereby unconditionally and irrevocably warrant that authorized agents have inspected the premises and that Sublessee is satisfied with the present condition of the premises. Sublessee further accepts the premises on an as-is where-is basis and accepts full responsibility for all costs that may be incurred in remodeling to a condition satisfactory to meet their specifications. Remodeling must be approved by the Lessor prior to commencement.

14. Subleasing. Sublessee may not assign this Sublease or sublease the premises in whole or in part without the written permission of Lessor which will not be unreasonably withheld.

15. Notice. Any notice required or permitted under this Sublease shall be given in writing by first class certified mail, return receipt requested, as follows:

To:

1001 Prince Street
Alexandria, Virginia 22314

in the case of Sublessee; and

National Conservative Foundation
1001 Prince Street
Alexandria, Virginia 22314
ATTN: Mr. Leif Noren

in the case of the Lessor.

16. Hold Harmless: Sublessee agrees it will hold Lessor harmless and it will pay to Lessor any losses which Lessor may incur from any default of Sublessee under the terms and conditions of the Master Lease and/or this Sublease and from or as a result of Lessee's possession and use of the subleased premises.

17. Arbitration. Any controversy arising under, out of, in connection with, or relating to, this Sublease, and any consequent amendment thereof, or the breach thereof, shall be determined by arbitration in the City of Alexandria, Virginia, in accordance with the rules of the American Arbitration Association. Any award rendered therein shall be final and binding on each and all of the parties thereto and their representatives,

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and judgment may be entered thereon in any court having jurisdiction thereon.

18. Severability. If any provision or provisions of this Sublease shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not, in any way, be affected or impaired thereby.

19. Counterparts. This Sublease may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

20. Incorporation. All Exhibits and other documents referred to herein are incorporated in this Sublease by reference and shall become a part of this Sublease, except as otherwise conflicting with the provision hereof.

21. Waiver of Breach. The waiver by either Party of a breach of any provision of this Sublease by the other Party shall not operate or be construed as a waiver of any subsequent breach by the then breaching Party.

22. Modification. This Sublease may only be modified in writing, executed on behalf of Lessor and Sublessee. The term "Sublease" as used herein includes any future written amendments, modifications, or supplements made in accordance herewith.

23. Entire Agreement. This instrument contains the entire agreement between the parties hereto with respect to the transactions contemplated herein.

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IN WITNESS WHEREOF, the Lessor and Sublessee have executed this Lease as of the date first above written.

SUBLESSEE

The Dolan Report

By: Cheryl Ann Altmire

LESSOR

NATIONAL CONSERVATIVE FOUNDATION

By: L Brent Bozell

COMMONWEALTH OF VIRGINIA)
CITY OF ALEXANDRIA) to wit:

I, the undersigned, a Notary Public in and for the City aforesaid, in the Commonwealth of Virginia, do hereby certify that Cheryl Ann Altmire, who is the _____ of The Dolan Report, and whose name is signed to the foregoing writing bearing date the 19th day of December, 1984, has acknowledged the same before me in my County and State aforesaid as and for the act of the Corporation.

GIVEN under my hand and seal this 19th day of December, 1984. In the city of Alexandria, State of Virginia.

Notary Public

My commission expires: My Commission Expires Nov 27 1988

COMMONWEALTH OF VIRGINIA)
CITY OF ALEXANDRIA) to wit:

I, the undersigned, a Notary Public in and for the City aforesaid, in the Commonwealth of Virginia, do hereby certify that Brent Bozell, who is the Executive Director of NATIONAL CONSERVATIVE FOUNDATION, and whose name is signed to the foregoing writing bearing date the 19th day of December, 1984, has acknowledged the same before me in my County and State aforesaid as and for the act of the Corporation.

GIVEN under my hand and seal this 19 day of December, 1985. In the city of Alexandria, State of Virginia.

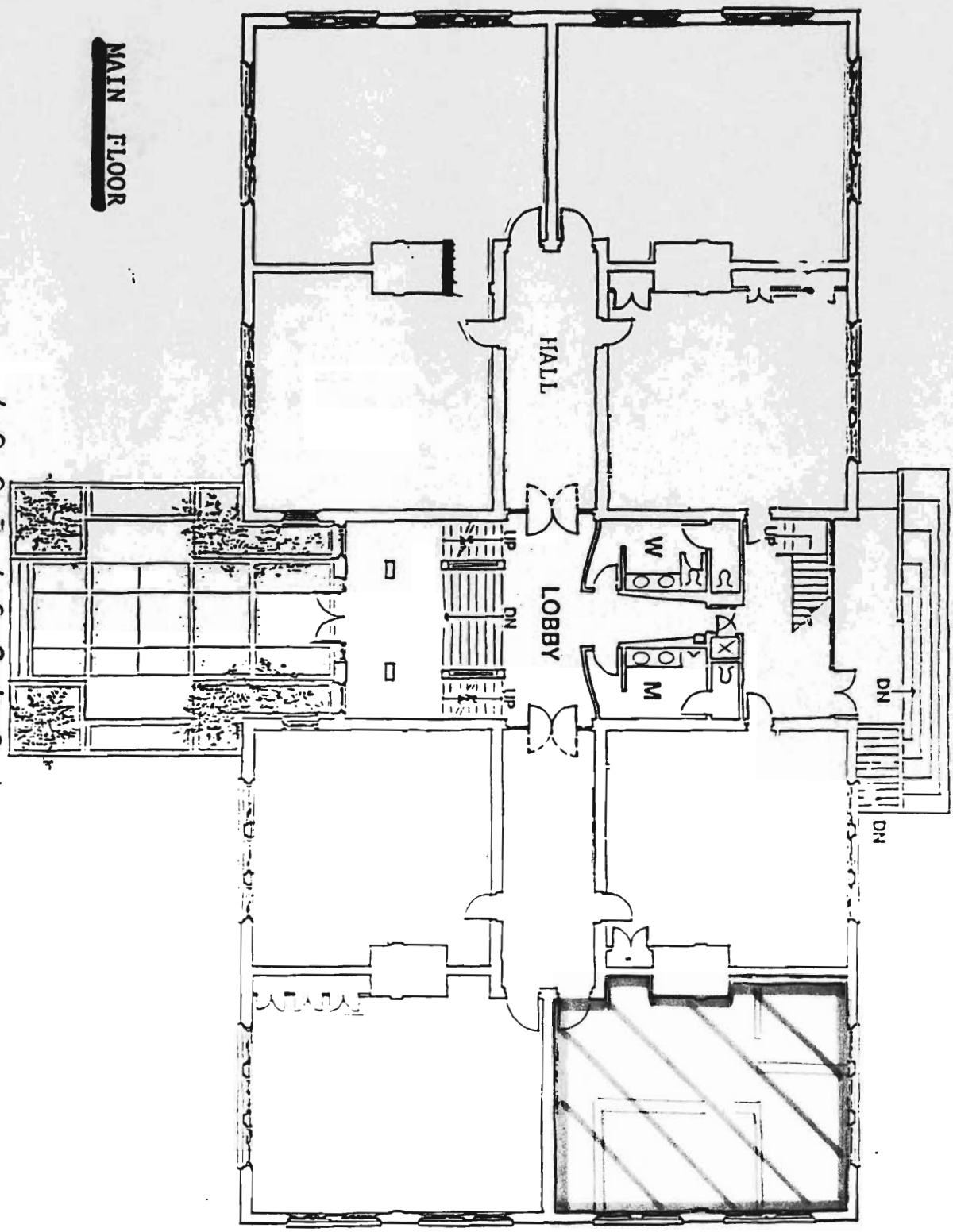
Notary Public

My commission expires:

My commission expires Nov 27 1988

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EXHIBIT "V"



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LEASE AGREEMENT

This is a LEASE AGREEMENT, dated 12/20/89, between the NATIONAL CONSERVATIVE FOUNDATION ("Lessor"), a Virginia nonstock corporation with its principal offices located at 1001 Prince Street, Alexandria, Virginia 22314 and Equinox Energy Company with its principal offices located at 1001 Prince Street, Alexandria, Virginia 22314. ("Lessee").

1. Term: The term of this Lease shall be for month to month, commencing on the 1st day of January, 1989, and expiring on the NA day of NA, 19XX. After this date, the Lease will be on a month-to-month basis, with thirty (30) days written notice of termination of Lease, by either the Lessor or the Lessee to one another.

2. Rent: Lessee agrees to pay rent in the sum of $1,150.00 per month (or pro-rata portion thereof for any part of a month), for premises described as: Approximately 800 Square Feet of office space known as Suite 116 located in the NE corner of the first level of 1001 Prince Street, Alexandria, Virginia 22314. Such square footage includes the allocated share of the common areas and operating expenses.

Rent is due and payable by the first of each month that it is due. All rent, and other charges which Lessee is obligated to pay Lessor under any provision of this Lease, is due by the first of any month, paid to Lessor at Lessor's address without any set-off, counterclaim, or deduction whatsoever. A Ten Percent (10%) surcharge shall be charged should rent be more than ten (10) days late.

3. Parking: During the term of this Lease, Lessor shall provide for Lessee's use 3 parking space(s) at $50 per month per space: a total of $150 per month.

4. Security Deposit: Lessee has deposited with the Lessor the sum of $1,155.00. The Lessor may use, apply, or retain the whole or any part of the security so deposited to the extent required for the payment of any rent and additional rent or other sum as to which the Lessee is in default or for any sum which the Lessor may expend or may be required to expend by reason of the Lessee's default in respect of any of the terms of this Lease, including, but not limited to, any damages or deficiency in the reletting of the leased premises, whether such damages or deficiency accrued before or after summary proceedings or other re-entry by Lessor. In the event that the Lessee shall comply with all of the terms of this Lease, the Security Deposit shall be returned to the Lessee, without interest, after the date fixed as the end of the Lease and after delivery of possession of leased premises to the Lessor. The Lessee shall not assign or encumber the money deposited as security, and neither the Lessor nor its successors or assigns shall be bound by any such assignment or encumbrance.

5. Taxes: Lessee will pay all taxes of every kind and description levied against its business, appliances, equipment and personal property.

6. Inspection: Lessor shall have the right to enter the leased premises at any reasonable time to inspect the condition of the premises.

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7. **Surrender:** Upon termination of this Lease, Lessee will surrender the premises to Lessor in as good condition as received at commencement of this Lease, except for ordinary wear and tear, and damage by fire or casualty.

8. **Liability Insurance:** Lessee will indemnify and save harmless Lessor, its successors and assigns, from any and all claims, demands, actions, causes of action, and judgments, whether for personal injury or property damage, asserted by any person arising out of Lessee's possession and use of the premises. Lessee shall maintain liability insurance throughout the term of this Lease, with an insurance company authorized to do business in the Commonwealth of Virginia, such policy to have liability limits of at least five hundred thousand ($500,000) for personal injury for one person, aggregate liability for all persons in any one action of at least one million dollars ($1,000,000) for property damage. Lessor shall be named co-insured in such insurance policy or policies. Such policies shall contain provision for ten days' notice to Lessor prior to cancellation.

9. **Default:** Lessee shall, without any previous demand therefor, pay to Lessor the said rent at the times and in the manner above provided. In the event of non-payment of said rent, and if the same shall remain in default for ten days after becoming due, or if the leased premises shall be deserted or vacated, Lessor or its agent shall without further notice have the right to and may enter the said premises and may re-let the premises and receive the rent therefor upon such terms as shall be satisfactory to Lessor, and all rights of Lessee to repossess the premises under this Lease shall be forfeited. Such re-entry by Lessor shall not operate to release Lessee from any rent to be paid or covenants to be performed hereunder during the full term of the Lease. In the case of violation by Lessee of any of the covenants, agreements and conditions of this Lease, other than the payment of the rent, and upon failure to discontinue such violation within ten days after written notice thereof to Lessee, this Lease shall henceforth, at the option of the Lessor, become null and void and Lessor may re-enter without further notice or demand. Upon violation by Lessee of any of the agreements, covenants, and conditions of this Lease, all future installments of rent unpaid and all other monies due to and payable to Lessee shall at once become due and payable.

10. **Use of Premises:** As an inducement for Lessor to enter into this Lease, Lessee has represented and warranted that the sole and exclusive purpose of Lessee's leasing the premises is for the purpose of operating general business offices.

11. **Acceptance of Premises:** Lessee does hereby unconditionally and irrevocably warrant that authorized agents have inspected the premises and that Lessee is satisfied with the present condition of the premises. Lessee further accepts the premises on an as-is and where-is basis and accepts full responsibility for all costs that may be incurred in remodeling to a condition satisfactory to meet their specifications. Remodeling must be approved by the Lessor prior to commencement.

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12. **Subleasing:** Lessee may not assign this Lease or sublease the premises in whole or in part without the written permission of Lessor which will not be unreasonably withheld.

13. **Hold Harmless:** Lessee agrees it will hold Lessor harmless and it will pay to Lessor any losses which Lessor may incur from any default of Lessee under the terms and conditions of this Lease and from or as a result of Lessee's possession and use of the leased premises.

14. **Arbitration:** Any controversy arising under, out of, in connection with, or relating to, this Lease, and any consequent amendment thereof, or the breach thereof, shall be determined by arbitration in the City of Alexandria, Virginia, in accordance with the rules of the American Arbitration Association. Any award rendered therein shall be final and binding on each and all of the parties thereto and their representatives, and judgment may be entered thereon in any court having jurisdiction thereon.

15. **Modification:** This Lease may only be modified in writing, executed on behalf of Lessor and Lessee. The term "Lease" as used herein includes any future written amendments, modifications, or supplements made in accordance herewith.

16. **Addenda:** There (are, are not) addenda attached to this Lease. As with any written-in changes, the addenda shall be initialed by both Lessee and Lessor.

IN WITNESS WHEREOF, the Lessor and the Lessee have executed this Lease as of the date first above written.

LESSOR:	LESSEE:
NATIONAL CONSERVATIVE FOUNDATION	EQUINOX ENERGY COMPANY
Maiselle Dolan Shortley, Chairman	, CFO
12/20/88	12-30-88
date	date

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EQUINOX ENERGY COMPANY
99 S. STEELE STREET, STE. 99DC
DENVER, CO 99999

WCMA Working Capital Management Account

164

Jan. 1 19 89

23-80
440

PAY TO THE ORDER OF National Conservative Foundation $ 1,305.00

One thousand three and 00/100 DOLLARS

Merrill Lynch

BANK ONE, "SOMEWHERE"

Investment Management

:044000804: 040800472883 0164

EQUINOX ENERGY COMPANY
99 S. STEELE STREET, STE. 99DC
DENVER, CO 99999

WCMA Working Capital Management Account

163

Jan. 1 19 89

23-80
440

PAY TO THE ORDER OF National Conservative Foundation $ 1,155.00

Eleven hundred fifty-five and 00/100 DOLLARS

Merrill Lynch

BANK ONE, "SOMEWHERE"

Deposit

:044000804: 040800472883 0163

NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22313
(703) 548-0900

John T. (Terry) Dolan
Founder

Maiselle Dolan Shortley
Chairman

May 10, 1989

Miss Laurie Martinson
Virginia Tech Foundation
233 Burruss Hall
Blacksburg, VA 24061

Dear Miss Martinson:

As you will note from the attached letter from the Equinox Energy Company, they have submitted their 30 day notice of their intention to terminate their lease for office in our building as of May 31, 1989.

Since they have been excellent tenants and their offices have sustained only the normal wear and tear, they would appreciate having their security deposit returned to them at your earliest convenience. Per their lease their security deposit is $1,155.00.

This deposit may be returned to the Equinox Energy Company at the following address: ATTN: Mr. Wright Tyson
Equinox Energy Company
600 S. Cherry St., #445
Denver, CO 80222

Thank you very much.

Sincerely,

Mark Ortmeier
Building Manager

cc: Wright Tyson

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EQUINOX ENERGY COMPANY
1001 Prince Street, Suite 116
Alexandria, Virginia 22314-2932

Telephone (703) 548-5522 FAX (703) 739-9388

Mr. Mark Ortmeier
Building Manager
National Conservative Foundation
1001 Prince Street
Alexandria, Va. 22314

May 1, 1989

Dear Mark,

Pursuant to our lease agreement, Equinox Energy Company would like to give notice of termination of our lease at 1001 Prince St. on 30 days or on May 31, 1989.

We regret the necessity of closing our office here and greatly appreciate your services during our tenancy.

Best wishes for the future!

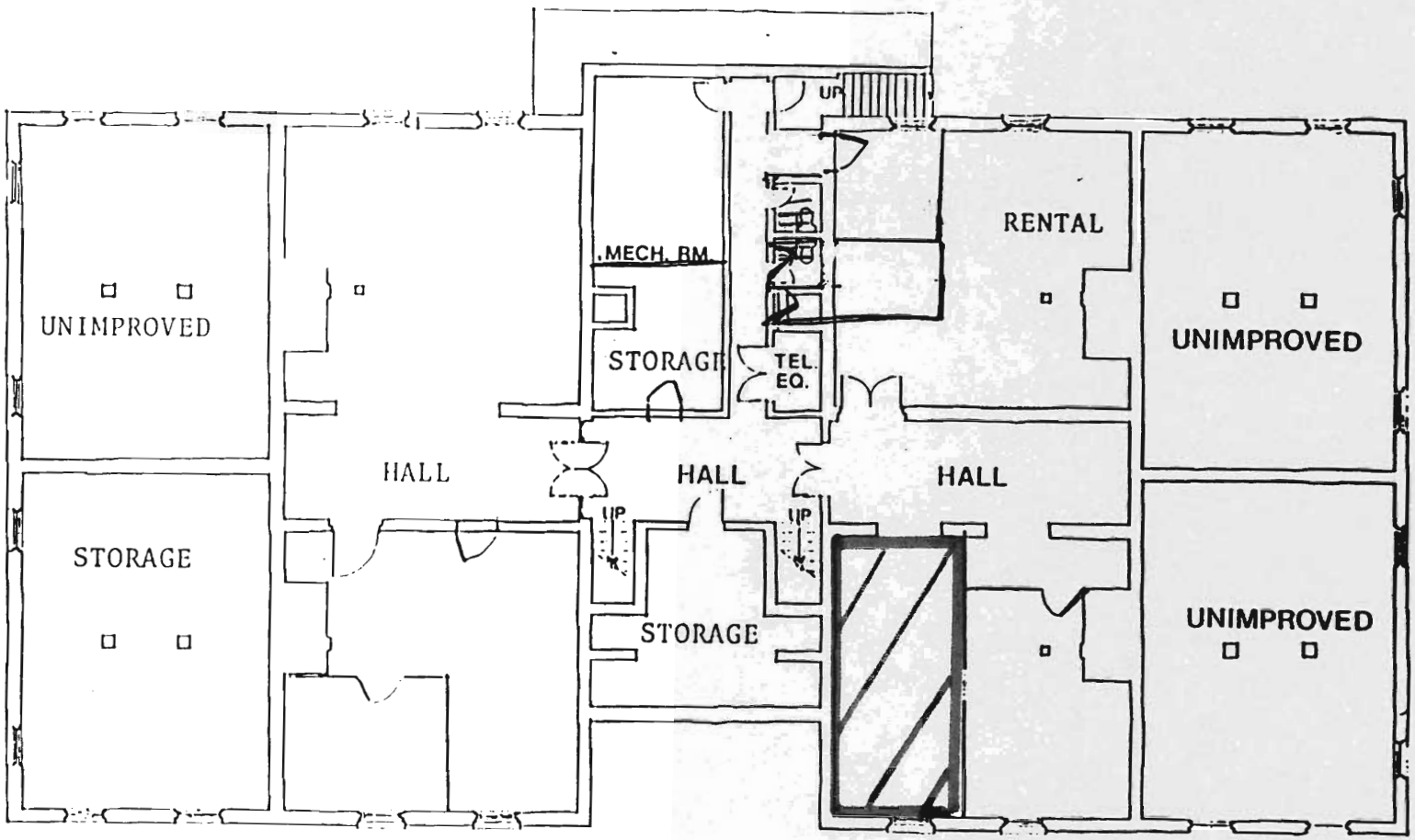
Sincerely yours,

J. Wright Tyson III
Chief Financial Officer

9104037287 3

Dallas, Texas Denver, Colorado

9104037287 4



LOWER LEVEL

EXHIBIT "W"

Bldg Lease File

NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

(703) 548-0900

Date of Lease: July 1, 1985

This lease, is made and entered into this date by and between:

National Conservative Foundation
1001 Prince Street
Alexandria, Virginia 22314

hereinafter described as lessor and

AJF, Incorporated
16 N. Astor Street
Irvington, NY 10533

hereinafter described as lessee.

1. The lessor herby leases to lessee the following described premises:

   Full time exclusive use of approximately 702 square feet of net useable office space on the basement floor, southeast corner, of the building known as Prince Street School at 1001 Prince Street, Alexandria, Virginia 22314. (Blueprint copy attached)

2. To have and hold the said premises for the term beginning on 1 July 1985 through 24 April 1986.

3. Lessee shall pay lessor by extending a discount on polling services equal to $8,000.00.

4. Lessor shall furnish the lessee the following:

   a. Heating and/or air conditioning
   b. Janitorial services
   c. Lighting and electrical services
   d. One (1) parking space

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5. At Lesee's option, the lease may be extended beyond April 24, 1986. The rate will be established at current market value. The term of the lease will be through November 1986 or as mutually agreed upon by Lessor and Lessee.

6. Lessee agrees to provide his own telephone service and equipment billed in the lessee's name. Lessee may, however, utilize Lessor's existing phone jacks.

In witness whereof, the parties hereto have subscribed their names as of the date first above written.

Lessor: National Conservative Foundation

By: _____ Witness _____

Lessee: AJF, Incorporated

By: _____ Witness _____

9104037228876

Bldg File

November 21, 1985

To Craig Shirley + Asso, AJF, YAF

From Leif Noren

Subject Misc.

I'd like to set the record straight on a couple of items.

1) The common hallway space between your three offices is just that - common hallway space. None of the 3 tenants is being charged rent for the hallway (although ordinary real estate practice dictates that each tenant be charged an allocable portion of common space, we haven't done this)

Therefore, as far as I'm concerned, each of you has equal access to the hallway space since none of you pays for it. I don't enjoy playing the role of arbitrator in this type situation.

2) I'm having the locks re-keyed so that each office has a different lock. I hope to have this accomplished by next week.

3) All of you are being charged for the cost of the space - not your market value. As such, we're giving up potential income by having you here. Please keep this in mind.

4) We're getting a professional building management group to run our building for us. Property management is not my forte and I apologize for my deficiencies. They will be in the building by the first of the year.

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AJF File

NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

L. Brent Bozell III
Executive Director

(703) 548-0900

December 3, 1986

TO: Craig Shirely and Associates

FROM: National Conservative Foundation

Amount due for December, 1986 rent: $877.00
50% payable on receipt 50% payable
on December 15, 1986.

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NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

John T. Dolan
Chairman

(703) 548-0900

Date of Lease: April 24, 1986

This lease, is made and entered into this date by and between:

National Conservative Foundation
1001 Prince Street
Alexandria, VA 22314

hereinafter described as lessor and

AJF, Incorporated
16 N. Astor Street
Irvington, NY 10533

hereinafter described as lessee.

1. The lessor herby leases to lessee the following described premises:

   Full time exclusive use of approximately 702 square feet of net useable office space on the basement floor, southeast corner, of the building known as Prince Street School at 1001 Prince Street, Alexandria, Virginia 22314. (Blueprint copy attached)

2. To have and hold the said premises for the term beginning on 25 April 1986 through 30 November 1986.

3. Lessee agrees to pay the sum of $6,318 for the term of the lease in equal monthly installments of $877.50. April rent is prorated and the amount to be paid is $175.50. Rental rate is $15 per square foot.

4. Lessor shall furnish the lessee the following:

   a. Heating and/or air conditioning
   b. Janitorial services
   c. Lighting and electrical services
   d. One (1) parking space

5. Lessee agrees to provide his own telephone service and equipment billed in the lessee's name. Lessee may, however, utilize Lessor's existing phone jacks.

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In witness whereof, the parties hereto have subscribed their names as of the date first above written.

Lessor: National Conservative Foundation

By: _____ Witness: _____

Lessee: AJF, Incorporated

By: _____ Witness: _____

RON FINKELSTEIN

21340372880

Arthur J. Finkelstein & Associates
16 North Astor
Irvington, N.Y. 10533
(914) 591-8142

Bldg. File
AJF Lease

June 24, 1985

Mr. Leif Noren
National Conservative Foundation
1001 Prince Street
Alexandria, Virginia 22314

Dear Leif:

Enclosed please find an executed copy of the Lease Agreement. I will be contacting you in the next few days to finalize the rest of the details.

I suggest that you contact Ron Finkelstein with regards to beginning the Finance List Survey.

If you have any further questions, please feel free to call.

Sincerely,

Anthony Fabrizio

AF:na
Enc.

9104037281

AJF

NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

John T. Dolan
Chairman

(703) 548-0900

April 8, 1986

Mr. Ron Finkelstein
AJF and Associates
16 N. Astor St.
Irvington, NY 10533

Dear Ron,

The lease for the space at 1001 Prince Street expires on April 24, 1986. You have an option to renew the lease through Novmeber, 1986.

I trust you will be extending the lease.

I have included a lease agreement for you to execute.

We will prorate April's rent. The amount due for April will be $175.50.

The rate we are charging you ($15/foot) is consistent with what we are receiving from other tenants in our building.

If you have questions on the lease, please call me.

Sincerely,

Leif E. Noren
Treasurer, NCFTC

LEN:dk

91040372882

Arthur J. Finkelstein & Associates
16 North Astor
Irvington, N.Y. 10533
(914) 591-8142

AJF File

November 24, 1986

[illegible]
[illegible] Conservative Foundation
1[illegible] Prince Street
[illegible], Virginia 22314

Dear Lee:

As of the end of November, Arthur J. Finkelstein & Associates will no longer be leasing office space at 1001 Prince Street from the National Conservative Foundation.

I believe Craig Shirley & Associates and/or Karl Otteson & Associates will be interested in taking over that lease.

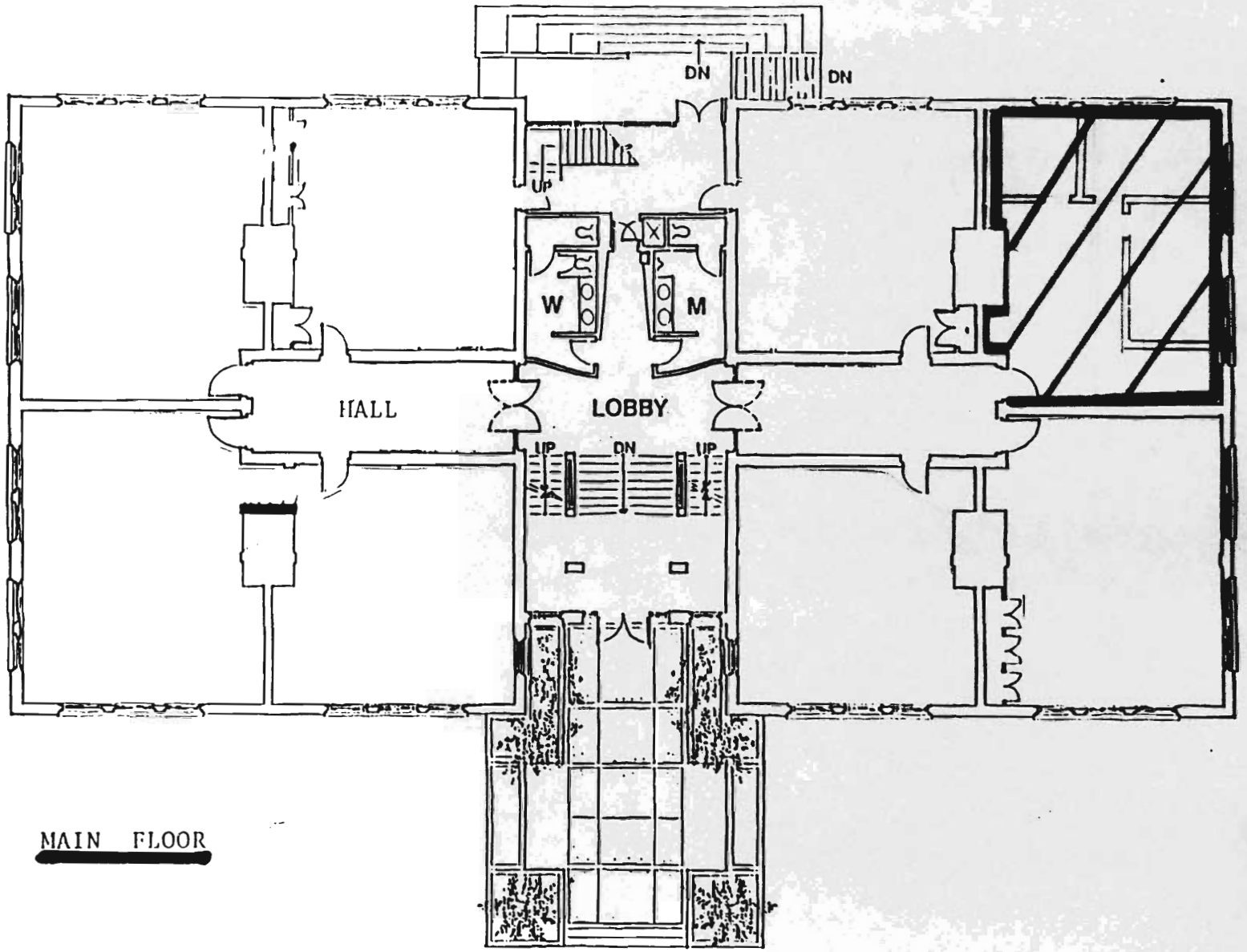
Sincerely,

Jim Nantz

Jim Nantz

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MAIN FLOOR

EXHIBIT "X"

9104037228835

ESTOPPEL, SUBORDINATION, ATTORNMENT AND NON-DISTURBANCE AGREEMENT

THIS AGREEMENT, made this 10th day of December, 1986, by and between Bond and Company ("Lessee") and CONTINENTAL FEDERAL SAVINGS BANK, a federal corporation chartered by the Federal Home Loan Bank Board ("Lender").

R E C I T A L S:

WHEREAS, Lessee entered into a certain Lease (the "Lease") dated October 28 1985, with National Conservation Foundation of Virginia, Inc., a (being hereinafter called "Lessor", together with any and all future Lessors under the Lease), pertaining to certain real property commonly referred to as 1800 Penna St. (Suite 116) in City of Alexandria County, State of VA, more fully described on Exhibit "A" attached hereto and incorporated herein for all purposes by reference (hereinafter called the "Property"); and

WHEREAS, Lender is making a loan to Walter F. O'Connell ("Borrower") in the principal sum of $1,925,000.00, which Loan is secured in part by a Deed of Trust (with Security Agreement, Financing Statement and Assignment of Rents) (the "Mortgage") on the Property;

NOW, THEREFORE, for and in consideration of the sum of TEN DOLLARS ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed, including the mutual promises set forth herein, Lessee and Lender hereby agree as follows:

1. The Recitals hereinabove set forth are incorporated herein by this reference.

2. Tenant is in full and complete possession of the premises under the Lease which is in full force and effect and has not been modified, supplemented or amended in any way. All requirements for the commencement and the continuing validity of the Lease (including any work to be performed by our Landlord) have been satisfied. The Landlord is not in default under the Lease and the undersigned has no claim or set-off under the Lease against rents or charges due or to become due thereunder.

3. The rent, in the monthly amount of $ 1,100.00 and other charges payable under the Lease are not in arrears as of the date hereof, and have been paid for the period to and including December 31 1986. Said rent and other charges have not been prepaid more than one month in advance, and Tenant hereby covenants not to prepay said rent or other charges more than one month in advance.

4. The Lease and all rights of Lessee thereunder are hereby expressly subordinated to the Mortgage and to any and all renewals, extensions, substitutions and replacements thereof as though the Mortgage, and any and all renewals, extensions, substitutions and replacements thereof were executed and properly recorded prior in point of time to the execution of the Lease.

5. Lender agrees that it will not disturb the possession of Lessee under the Lease upon any judicial or nonjudicial foreclosure of the Mortgage or upon acquiring title to the Property by deed in lieu of foreclosure if Lessee is not then in default under the Lease and that Lender will accept the attornment of Lessee thereafter so long as Lessee is not in default, and that Lender, so long as Lessee is not in default, will recognize all renewal or option rights set forth in the Lease. This paragraph as to nondisturbance will apply to any purchaser at any judicial or nonjudicial foreclosure by the holder of the Mortgage if it be other than Lender.

6. In the event of foreclosure of the Mortgage, judicially or nonjudicially, or if the holder of the Mortgage acquires title to the Property by deed in lieu of foreclosure, Lessee agrees to attorn to and accept the purchaser at the foreclosure sale or the grantee in such deed in lieu of foreclosure and his or its heirs, legal representatives, successors and assigns as Lessor under the Lease for the balance then remaining of the term thereof, subject to all terms and conditions of the Lease.

7. Lessee agrees to give written notice to Lender of any default by the Landlord under the Lease thirty (30) days prior to terminating the Lease or exercising any other right or remedy thereunder or provided by law. Lessee further agrees that it shall not terminate the Lease or exercise any such right or remedy provided such default is cured within such thirty (30) days; provided, however, that if such default cannot by its nature be cured within thirty (30) days, then Lessee shall not terminate the Lease or exercise any such right or remedy, provided the curing of such default is commenced within such thirty (30) days and is diligently prosecuted thereafter. Such notices shall be delivered to 4020 University Drive, Fairfax, Virginia 22030, Attention: Thomas W. Grantham, or to such other address or party as the holder of the Mortgage may notify Lessee in writing.

8. Lessee shall not pay rental under the Lease for more than one month in advance, and shall not modify, alter or amend the Lease without the prior written consent of Lender.

9. Nothing in this Agreement shall be construed to require Lender to see to the application of the proceeds of the Loan secured by the Mortgage, and Lessee's agreements set forth herein shall not be impaired on account of any modification of the documents evidencing and securing said Loan, including any increase in the principal amount of the Loan. Lessee acknowledges that Lender is obligated only to Borrower to make said Loan, and only upon the terms and subject to the conditions set forth in the other security instruments pertaining to said Loan. Lessee further acknowledges and agrees that neither Lender nor any purchaser of the Property at foreclosure sale or any grantee named in a deed of the Property in lieu of foreclosure, nor any heir, legal representative, successor, or assignee of Lender or any such purchaser or grantee has or shall have any personal liability for the obligations of the Lessor under the Lease; provided, however, that Lessee may terminate the Lease or exercise any other right or remedy provided thereby or by law in the event of any failure to perform any material obligation of the Lessor under the Lease.

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10. This Agreement shall be binding upon and shall inure to the benefit of the parties herete and their respective successors and assigns.

EXECUTED this 15 day of December, 1986.

Bond and Company

By: Richard Bond (SEAL)

Richard Bond
(Name and Title)

CONTINENTAL FEDERAL SAVINGS BANK

By: _____ (SEAL)

_____
(Name and Title)

STATE OF Virginia

CITY/COUNTY OF Alexandria, to-wit:

This instrument was acknowledged before me this 15th day of December, 1986, by Richard Bond on behalf of said Corp.

My Commission expires: June 2, 1989

Barbara C. Golding (SEAL)
Notary Public

STATE OF _____

CITY/COUNTY OF _____, to-wit:

This instrument was acknowledged before me this _____ day of _____, 19____, by _____ on behalf of said _____.

My Commission expires: _____

_____ (SEAL)
Notary Public

9103403728887

9104087238888

SUBLEASE AGREEMENT

SUBLEASE AGREEMENT, dated November 20, 1987, between NATIONAL CONSERVATIVE FOUNDATION ("Lessor"), a Virginia nonstock corporation with its principal offices located at 1001 Prince Street, Alexandria, Virginia 22314 and August Fromuth and John R. Zagame ("Sublessee"), with its principal offices to be located at 1001 Prince Street, Suite 116, Alexandria, Virginia 22314.

WITNESSETH:

WHEREAS, on February 23, 1983, Lessor entered into a Deed of Lease with Walter F. O'Connell in respect to the leasing of 1001 Prince Street, Alexandria, Virginia 22314, to be effective on December 1, 1983, being the date then projected that the premises would be available for occupancy by Lessor, containing approximately 21,500 gross rentable square feet; and

WHEREAS, Walter F. O'Connell has granted Lessor permission pursuant to the terms of the Deed of Lease to enter into a Sublease Agreement to sublet the premises or any part thereof; and

WHEREAS, the Deed of Lease between Walter F. O'Connell and Lessor is now effective.

NOW, THEREFORE, in consideration of the following mutual covenants and other good and valuable consideration, the parties hereto agree as follows:

1. Sublease. The Lessor hereby sublets to the Sublessee and Sublessee hires from the Lessor the following described premises: Approximately 800 square feet of office space known as Suite 116 of 1001 Prince Street, Alexandria, Virginia 22314, to be used only for a business office, for the term and at the rental hereinafter stated. Such square footage includes allocated share of the common areas and operating expenses.

2. Master Lease. It is understood and agreed that this instrument is a Sublease Agreement by which Lessor is subleasing to Sublessee for the term and at the rental hereinafter stated the premises which are part of the same premises leased to Lessor in the aforesaid Deed of Lease dated February 23, 1983, which is hereinafter referred to as the "Master Lease." Said Master Lease is attached hereto and incorporated herein as Exhibit B. Except as

otherwise specifically stated herein, Sublessee does hereby assume and agree to perform all of the duties and obligations imposed upon Lessor by the Master Lease for the term of this Sublease and it is agreed that Lessor shall have all the rights and powers, and assume all the obligations with respect to the subleased premises that are conferred and imposed upon the Lessor as identified in the Master Lease.

3. Parking. During the term of this Sublessee, Lessor shall provide for Sublessee's use two (2) parking space at $50.00 per month.

4. Rent. All rent and other charges which Sublessee is obligated to pay Lessor under any provision of the Sublease shall be paid timely to Lessor at Lessor's address without any set-off, counterclaim, or deduction whatsoever. A Ten Percent (10%) surcharge shall be charged should rent be more than ten (10) days late.

(a) Base Rent. The Sublessee agrees to pay a base rental in the sum of Thirteen Thousand Eight Hundred and Sixty Dollars ($13,860.00) for the first year payable in equal monthly installments of Eleven Hundred and Fifty-five Dollars ($1,155.00) per month (or pro-rata portion thereof for any part of a month). The rent for each month shall be paid in advance on the first day of each calendar month during their term hereof. On each subsequent year of the lease beginning on the first day of January the base rent shall be raised by the sum of five percent.

5. Security Deposit. Sublessee has deposited with the Lessor, via their agent, WJD & Associates, the sum of Eleven Hundred Dollars ($1,100.00) as security for the performance of the Sublessee of the terms of this Sublease. The Lessor may use, apply, or retain the whole or any part of the security so deposited to the extent required for the payment of any rent and additional rent or other sum as to which the Sublessee is in default or for any sum which the Lessor may expend or may be required to expend by reason of the Sublessee's default in respect of any of the terms of this Sublease, including, but not limited to, any damages or deficiency in the reletting of the subleased premises, whether such damages or deficiency accrued before or after summary proceedings or other re-entry by Lessor. In the event that the Sublessee shall comply with all of the terms of this Sublease, the security deposit shall be returned to the Sublessee, without interest, after the date fixed as the end of

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fixed as the end of the Sublease and after delivery of possession of the subleased premises to the Lessor. The Sublessee shall not assign or encumber the money deposited as security, and neither the Lessor nor its successors or assigns shall be bound by any such assignment or encumbrance.

6. Term. The term of this Sublease shall be for one (1) year, commencing on the 1st day of January, 1988, and expiring on the 30th day of December, 1988. Sublessee has option to extend Lease for an additional year. To exercise this option the Sublessee must give written notice to Lessor no later than November 1, 1988.

7. Taxes. Sublessee will pay all taxes of every kind and description levied against its business, appliances, equipment and personal property.

8. Inspection. Lessor or the Lessor in the Master Lease shall have the right to enter the subleased premises at any reasonable time to inspect the condition of the premises.

9. Surrender. Upon termination of this Sublease, Sublessee will surrender the premises to Lessor in as good condition as received at commencement of this Sublease, except for ordinary wear and tear, and damage by fire or casualty, and will indemnify Lessor from any and all claims made by the Lessor in the Master Lease due to any alterations of the premises made by Sublessee.

10. Liability insurance. Sublessee will indemnify and save harmless Lessor and the Lessor in the Master Lease, their successors and assigns, from any and all claims, demands, actions, causes of action, and judgments, whether for personal injury or property damage, asserted by any person arising out of Sublessee's possession and use of the premises. Sublessee shall maintain liability insurance throughout the term of this Sublease, with an insurance company authorized to do business in the Commonwealth of Virginia, such policy to have liability limits of at least $500,000 for personal injury for one person, aggregate liability for all persons in any one action of at least One Million Dollars ($1,000,000.00) for property damage. The terms of such policy shall also conform to those terms set forth in paragraph of the Master Lease with respect to the scope of coverage to be provided. Lessor and Lessor in the Master Lease shall be named co-insured in such insurance policy or

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policies. Such policies shall contain provision for ten days' notice to Lessor and Lessor in the Master Lease prior to cancellation.

11. Default. Sublessee shall, without any previous demand therefor, pay to Lessor the said rent at the times and in the manner above provided. In the event of nonpayment of said rent, or any installment thereof, and if the same shall remain in default for ten days after becoming due, or if the subleased premises shall be deserted or vacated, Lessor or its agent shall without further notice have the right to and may enter the said premises as agents of Sublessee, and may re-let the premises and receive the rent therefor upon such terms as shall be satisfactory to Lessor and all the rights of Sublessee to repossess the premises under this Sublease shall be forfeited. Such re-entry by Lessor shall not operate to release Sublessee from any rent to be paid or covenants to be performed hereunder during the full term of the Sublease. In the case of violation by Sublessee of any of the covenants, agreements and conditions of this Sublease, other than the payment of the rent, and upon failure to discontinue such violation within ten days after written notice thereof to Sublessee this Sublease shall henceforth, at the option of r, become null and void and Lessor may re-enter without further notice or demand. Upon violation by Sublessee of any of the agreements, covenants, and conditions of this Sublease, all future installments of rent unpaid and all other monies due to and payable no Lessee shall at once become due and payable.

12. Use of Premises. As an inducement for Lessor to enter into this Sublease, Sublessee has represented and warranted that the sole and exclusive purpose of Lessee's leasing the premises is for the purpose of operating general business offices.

13. Acceptance of Premises. Sublessee does hereby unconditionally and irrevocably warrant that authorized agents have inspected the premises and that Sublessee is satisfied with the present condition of the premises. Sublessee further accepts the premises on an as-is where-is basis and accepts full responsibility for all costs that may be incurred in remodeling to a condition satisfactory to meet their specifications. Remodeling must be approved by the Lessor prior to commencement.

14. Subleasing. Sublessee may not assign this Sublease of sublease the premises in whole or in part without the written permission of Lessor which

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will not be unreasonably withheld.

15. Notice Any notice required or permitted under this Sublease shall be given in writing by first class certified mail, return receipt requested, as follows:

To: Mr. August Fromuth
and Mr. John R. Zagame
1001 Prince Street, Suite 116
Alexandria, Virginia 22314

in the case of Sublessee; and

NATIONAL CONSERVATIVE FOUNDATION
1001 Prince Street
Alexandria, Virginia 22314
ATTN: Mr. Leif Noren

in the case of the Lessor.

16. Hold Harmless: Sublessee agrees it will hold Lessor harmless and it will pay to Lessor any losses which Lessor may incur from any default of Sublessee under the terms and conditions of the Master Lease and/or this Sublease and from or as a result of Lessee's possession and use of the subleased premises.

17. Arbitration. Any controversy arising under, out of, in connection with, or relating to, this Sublease, and any consequent amendment thereof, or the breach thereof, shall be determined by arbitration in the City of Alexandria, Virginia, in accordance with the rules of the American Arbitration Association. Any award rendered therein shall be final and binding on each and all of the parties thereto and their representatives, and judgment may be entered thereon in any court having jurisdiction thereon.

18. Severability. If any provision or provisions of this Sublease shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not, in any way, be affected or impaired thereby.

19. Counterparts. The Sublease may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

20. Incorporation. All Exhibits and other documents referred to herein are incorporated in this Sublease by reference and shall become a part of this Sublease, except as other wise conflicting with the provision hereof.

21. Waiver of Breach. The waiver by either Party of a breach of any

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provision of this Sublease by the other Party shall not operate or be construed as a waiver of any subsequent breach by the then breaching Party.

22. Modification. This Sublease may only be modified in writing, executed on behalf of Lessor and Sublessee. The term "Sublease" as used herein includes any future written amendments, modifications, or supplements made in accordance herewith.

23. Entire Agreement. This instrument contains the entire agreement between the parties hereto with respect to the transactions contemplated herein.

24. All parties recognize that the only Broker involved in the transaction is WJD & Associates.

IN WITNESS WHEREOF, the Lessor and the Sublessee have executed this Lease as of the date first above written.

SUBLESSEE:

August Fromuth & John R. Zagame

BY: _____
August Fromuth

Date: December 29 1987

LESSOR:

NATIONAL CONSERVATIVE FOUNDATION

BY: _____

Date: Jan 15, 1988

WJD & ASSOCIATES

BY: _____

Date: _____

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JOHN R. ZAGAME ASSOCIATES, INC.

Dec. 20

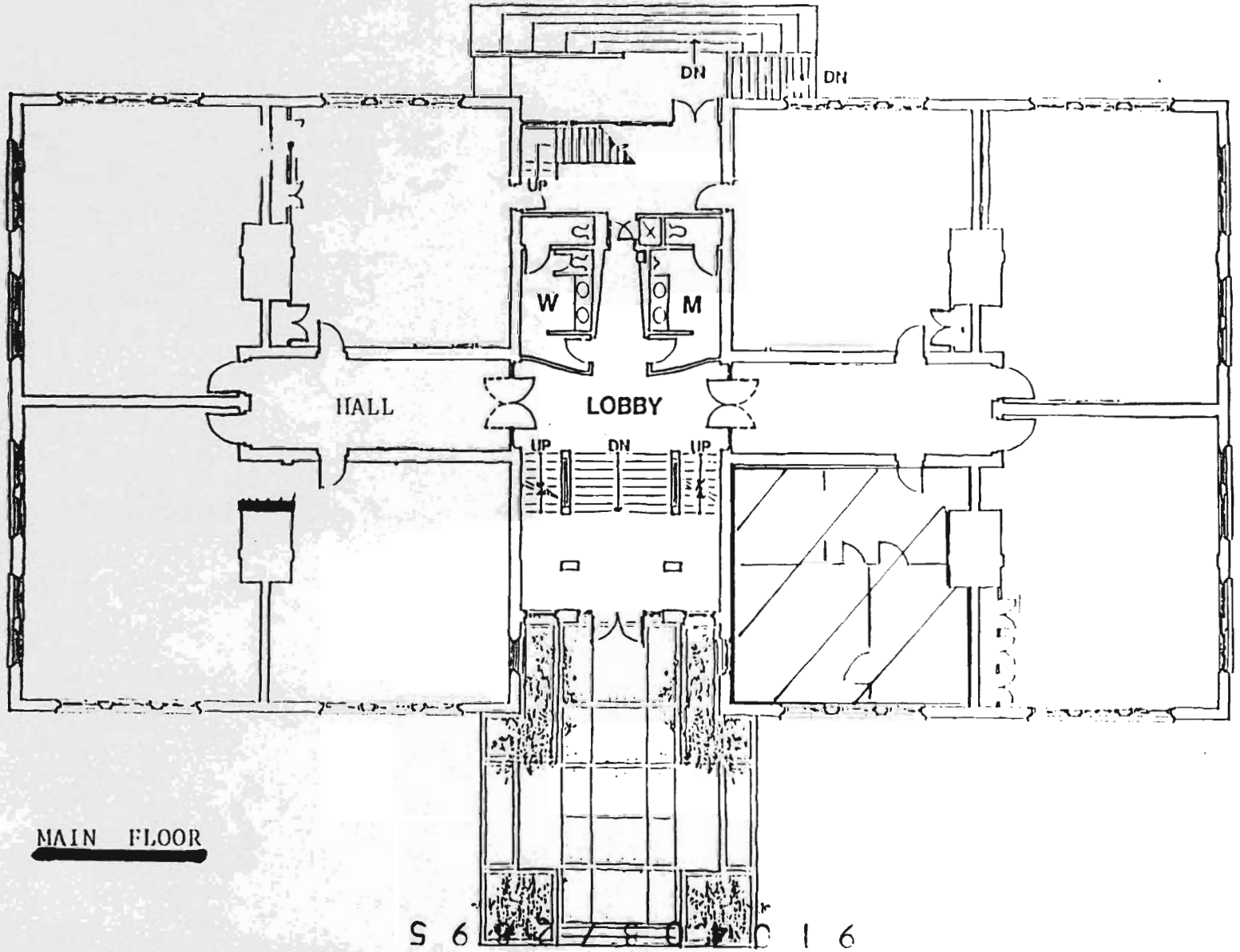
Dear Mark,

This is to inform you that neither Rich Bond or I intend to renew our lease on our current office space. We have thoroughly enjoyed being a tenant of the National Conservation Foundation. You have been a model landlord, and we trust your relationship with Jim Fromuth & Gaines will be equally enjoyable. Regards, John Zagame

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1001 Prince Street, Suite 116, Alexandria, Virginia 22314. (703) 739-0122

EXHIBIT "Y"



MAIN FLOOR

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SUBLEASE AGREEMENT

SUBLEASE AGREEMENT, dated December 26, 1985, between NATIONAL CONSERVATIVE FOUNDATION ("Lessor"), a Virginia nonstock corporation with principal offices located at 1001 Prince Street, Alexandria, Virginia 22314, and David Glaser ("Sublessee"), with its principal offices to be located at 1001 Prince Street, Alexandria, Virginia 22314.

W I T N E S S E T H:

WHEREAS, on February 23, 1983, Lessor entered into a Deed of Lease with Walter F. O'Connell in respect to the leasing of 1001 Prince Street, Alexandria, Virginia 22314, to be effective on December 1, 1983, being the date then projected that the premises would be available for occupancy by Lessor, containing approximately 21,500 gross rentable square feet; and

WHEREAS, Walter F. O'Connell has granted Lessor permission pursuant to the terms of the Deed of Lease to enter into a Sublease Agreement to sublet the premises or any part thereof; and

WHEREAS, the Deed of Lease betwen Walter F. O'Connell and Lessor is now effective.

NOW, THEREFORE, in consideration of the following mutual covenants and other good and valuable consideration, the parties hereto agree as follows:

1. Sublease. The Lessor hereby sublets to the Sublessee and Sublesseehires from the Lessor the following described premises: approximately 687.5 square feet of office space located on the first floor, known as Suite 112, of 1001 Prince Street, Alexandria, Virginia 22314, to be used only for a business office, for the term and at the rental hereinafter stated. A floor plan of said office space is attached hereto and

incorporated herein as Exhibit A. Such square footage includes allocated share of the common areas and operating expenses.

2. Master Lease. It is understood and agreed that this instrument is a Sublease Agreement by which lessor is subleasing to Sublessee for the term and at the rental hereinafter stated the premises which are part of the same premises leased to lessor in the aforesaid Deed of Lease dated February 23, 1983, which is hereinafter referred to as the "Master Lease." Said Master Lease is attached hereto and incorporated herein as Exhibit B. Except as otherwise specifically stated herein, Sublessee does hereby assume and agree to perform all of the duties and obligations imposed upon Lessor by the Master Lease for the term of this Sublease and it is agreed that Lessor shall have all the rights and powers, and assume all the obligations with respect to the subleased premises that are conferred and imposed upon the Lessor as identified in the Master Lease.

3. Parking. During the term of this Sublease, Lessor shall provide for Sublessee's use one (1) parking space at $40 per month.

4. Rent. All rent and other charges which Sublessee is obligated to pay Lessor under any provision of the Sublease shall be paid timely to Lessor at Lessor's address without any set-off, counterclaim, or deduction whatsoever.

(a) Base Rent. The Sublessee agrees to pay a base rental in the sum of $10,312.50 for the first year payable in equal monthly installments of $859.38 per month (or pro rata portion thereof for any part of a month). The rent for each month shall be paid in advance on the first day of each calendar month during their term hereof. On each subsequent year of the lease beginning on the first anniversary of lease commencement the base rent shall be raised by the sum of five percent.

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5. Security Deposit. By December, 1985 the Sublessee will deposit with the Lessor the sum of $859.38 as security for the performance of the Sublessee of the terms of this Sublease. The Lessor may use, apply, or retain the whole or any part of the security so deposited to the extent required for the payment of any rent and additional rent or other sum as to which the Sublessee is in default or for any sum which the Lessor may expend or may be required to expend by reason of the Sublessee's default in respect of any of the terms of this Sublease, including, but not limited to, any damages or deficiency in the reletting of the subleased premises, whether such damages or deficiency accrued before or after summary proceedings or other reentry by Lessor. In the event that the Sublessee shall comply with all of the terms of this Sublease, the security deposit shall be returned to the Sublessee, without interest, after the date fixed as the end of the Sublease and after delivery of possession of the subleased premises to the Lessor. The Sublessee shall not assign or encumber the money deposited as security, and neither the Lessor nor its successors or assigns shall be bound by any such assignment or encumbrance.

6. Term. The term of this Sublease shall be for five (5) years, commencing on the 15th day of February, 1986 and expiring on the 14th day of February, 1991.

7. Taxes. Sublessee will pay all taxes of every kind and description levied against its business, appliances, equipment and personal property.

8. Inspection. Lessor or the Lessor in the Master Lease shall have the right to enter the subleased premises at any reasonable time to inspect the condition of the premises.

9. Surrender. Upon termination of this Sublease, Sublessee will surrender the premises to Lessor in as good

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condition as received at commencement of this Sublease, except for ordinary wear and tear, and damage by fire or casualty, and will indemnify Lessor from any and all claims made by the Lessor in the Master Lease due to any alterations of the premises made by Sublessee.

10. Liability Insurance. Sublessee will indemnify and save harmless Lessor and the Lessor in the Master Lease, their successors and assigns, from any and all claims, demands, actions, causes of action, and judgments, whether for personal injury or property damage, asserted by any person arising out of Sublessee's possession and use of the premises. Sublessee shall maintain liability insurance throughout the term of this Sublease, with an insurance company authorized to do business in the Commonwealth of Virginia, such policy to have liability limits of at least $500,000 for personal injury for one person, aggregate liability for all persons in any one action of at least One Million Dollars ($1,000,000.00) for property damage. The terms of such policy shall also conform to those terms set forth in paragraph 13 of the Master Lease with respect to the scope of coverage to be provided. Lessor and Lessor in the Master Lease shall be named co-insured in such insurance policy or policies. Such policies shall contain provision for ten days' notice to Lessor and Lessor in the Master Lease prior to cancellation.

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11. Default. Sublessee shall, without any previous demand therefor, pay to Lessor the said rent at the times and in the manner above provided. In the event of nonpayment of said rent, or any installment thereof, and if the same shall remain in default for ten days after becoming due, or if the subleased premises shall be deserted or vacated, Lessor or its agent shall without further notice have the right to and may enter the said premises as agents of Sublessee, and may relet the premises and receive the rent therefor upon such terms as shall be satisfactory to Lessor and all the rights of Sublessee to repossess the premises under this Sublease shall be forfeited. Such reentry by Lessor shall not operate to release Sublessee from any rent to be paid or covenants to be performed hereunder during the full term of this Sublease. In the case of violation by Sublessee of any of the covenants, agreements and conditions of this Sublease, other than the payment of the rent, and upon failure to discontinue such violation within ten days after written notice thereof to Sublessee this Sublease shall henceforth, at the option of Lessor, become null and void and Lessor may reenter without further notice or demand. Upon violation by Sublessee of any of the agreements, covenants, and conditions of this Sublease, all future installments of rent unpaid and all other monies due to and payable by Lessee shall at once become due and payable.

12. Use of Premises. As an inducement for Lessor to enter into this Sublease, Sublessee has represented and warranted that the sole and exclusive purpose of Lessee's leasing the premises is for the purpose of operating general business offices.

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13. Acceptance of Premises. Sublessee does hereby unconditionally and irrevocably warrant that authorized agents have inspected the premises and that Sublessee is satisfied with the present condition of the premises. Sublessee further accepts the premises on an as-is where-is basis and accepts full responsibility for all costs that may be incurred in remodeling to a condition satisfactory to meet their specifications. Remodeling must be approved by the Lessor prior to commencement.

14. Subleasing. Sublessee may not assign this Sublease or sublease the premises in whole or in part without the written permission of Lessor which will not be unreasonably withheld.

15. Notice. Any notice required or permitted under this Sublease shall be given in writing by first class certified mail, return receipt requested, as follows:

To:

1001 Prince Street
Alexandria, Virginia 22314

in the case of Sublessee; and

National Conservative Foundation
1001 Prince Street
Alexandria, Virginia 22314
ATTN: Mr. Leif Noren

in the case of the Lessor.

16. Hold Harmless: Sublessee agrees it will hold Lessor harmless and it will pay to Lessor any losses which Lessor may incur from any default of Sublessee under the terms and conditions of the Master Lease and/or this Sublease and from or as a result of Lessee's possession and use of the subleased premises.

17. Arbitration. Any controversy arising under, out of, in connection with, or relating to, this Sublease, and any consequent amendment thereof, or the breach thereof, shall be determined by arbitration in the City of Alexandria, Virginia, in accordance with the rules of the American Arbitration Association. Any award rendered therein shall be final and binding on each and all of the parties thereto and their representatives,

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and judgment may be entered thereon in any court having jurisdiction thereon.

18. Severability. If any provision or provisions of this Sublease shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not, in any way, be affected or impaired thereby.

19. Counterparts. This Sublease may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

20. Incorporation. All Exhibits and other documents referred to herein are incorporated in this Sublease by reference and shall become a part of this Sublease, except as otherwise conflicting with the provision hereof.

21. Waiver of Breach. The waiver by either Party of a breach of any provision of this Sublease by the other Party shall not operate or be construed as a waiver of any subsequent breach by the then breaching Party.

22. Modification. This Sublease may only be modified in writing, executed on behalf of Lessor and Sublessee. The term "Sublease" as used herein includes any future written amendments, modifications, or supplements made in accordance herewith.

23. Entire Agreement. This instrument contains the entire agreement between the parties hereto with respect to the transactions contemplated herein.

24. All parties recognize that the only Broker involved in the transaction is WJD & Associates. Commissions to be paid per separate listing agreement based on the total base rent of Fifty One Thousand Five Hundred Sixty-Two Dollars and 50 cents ($51,562.50).

9104087290 2

IN WITNESS WHEREOF, the Lessor and Sublessee have executed this Lease as of the date first above written.

SUBLESSEE
DAVID GLASER

By: David A. Glaser

LESSOR
NATIONAL CONSERVATIVE FOUNDATION

By: _____

WJD & ASSOCIATES

By: R. Richard Sonatelli

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To: Greg Holland, WTD Associates
From: David Glazer, Sublessee, #112, 1001 Prince St.
Re: Buildout Specs
Date: 30 December 1985

The following is a list of buildout needs for my office:

1) See attached for location of partitions.

2) Note that a center partition, with two doors, is intended to divide the lighting strip in the suite exactly in half. My measurements estimate 10'4" from front door wall.

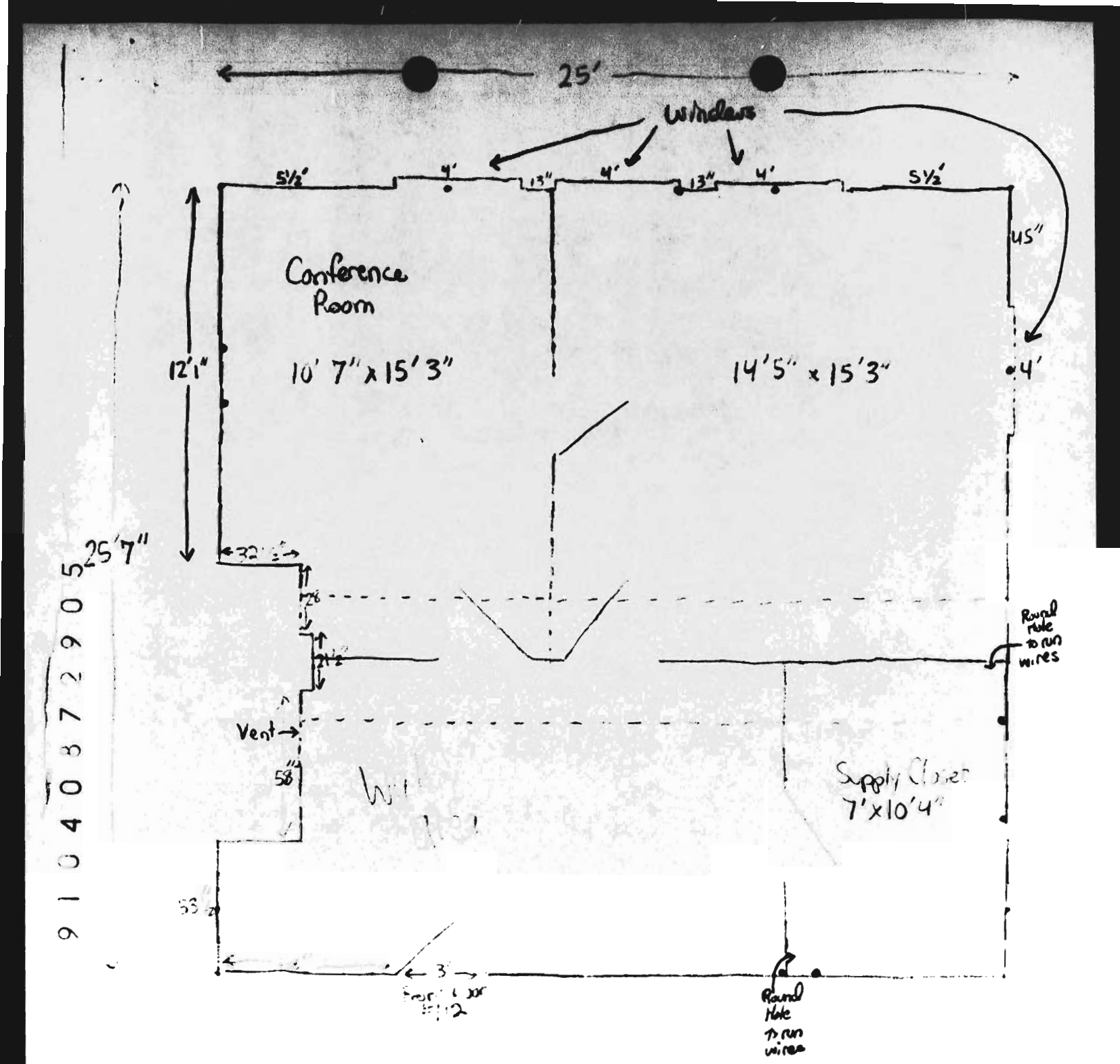
3) All partitions are intended to go to the ceiling; [redacted] partitions are to be completed to the ceiling with glass (above the lighting strip) - just as was done in #116 (the Political Consultants' office).

4) Two partitions (for the supply closet) need to have one hole each drilled, where indicated on the attached blueprint. The hole is needed to run phone and electrical wires from outlets which are presently located inside the area set aside for the supply closet. I don't plan to have these phone jacks moved.

5) I will need a deadbolt lock on my suite door (just as was done with the other suites on my wing). And I will need spring locks on all the inner doors in my suite. These spring locks can be part of the doorknob, but the lock should be different from the one opening the suite and the building.

6) The walls of the suite will need a fresh coat of paint prior to Feb. 15. The color presently on the walls is fine.

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- Electrical Socket
- Phone Jack

NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

(703) 548-0900

January 20, 1987

Mr. David Glazer
c/o Chubb Life America
1 Granite Place
Concord, NH 03301

Dear Mr. Glazer,

I have been considering the refund of your deposit placed with the lease at 1001 Prince Street, Alexandria, VA.

It is my feeling that you should forfeit the deposit. Let me explain.

It has cost NCF over $3,000 to make preparations for a new tenant. That was the cost of the construction work. Obviously, if you had honored your 5 year term, we would not have incurred these costs.

Additionally, we spent $2,500 in permanent partitioning on your office space---on the premise that you would stay for five years. The tenant that has taken over your space may terminate the lease with 60 days notice. I have no reason to believe that they will be here for the 4 years you have left on your original lease.

I have spent considerable time into arranging for a new tenant. I do not choose to place a monetary value on my time, but again, none of this would have been necessary had you not sought to break your lease.

I feel that I am being fair in keeping your deposit in light of the above facts.

Sincerely,

Leif E. Noren
Treasurer, NCFTC

9104037290 6

Northern Virginia Financial Group Inc.
David A. Glazer, J.D. ChFC, CLU
President

I do not feel that it is my (NCF's) responsibility to secure an arbitrator. Rather, if Glazer has a complaint, he should make arrangements for an arbitrator.

National Conservative Foundation
1001 Prince Street
Alexandria, VA 22314
Attn: Leif Noren

9 February 1987

Dear Leif:

I am in receipt of your letter dated 20 January 1987, and am writing to respond to your continued withholding of my security deposit and pro rata portion of my January rent.

Under our agreement, I was to move out by January 15, in order to make room for a new tenant. I was to be released from my lease and my security deposit returned forthwith. At no time did I obligate myself to finance your improvements to your property for the benefit of your new tenant. The expenses you speak of are of no concern to me; they do not involve damage to my office space; they do not even involve my former office space. These expenses would have had to have been incurred at the termination of my tenancy. I consider your verbal representations to return my security deposit to induce me to vacate my office on an accelerated date (to accomodate your new tenant) to be a gross misrepresentation of your intentions.

Our lease does not permit the withholding of a security deposit to finance office improvements. As you released me from my tenancy, I was not in violation of my lease. By re-letting the space, you are not entitled to double rent.

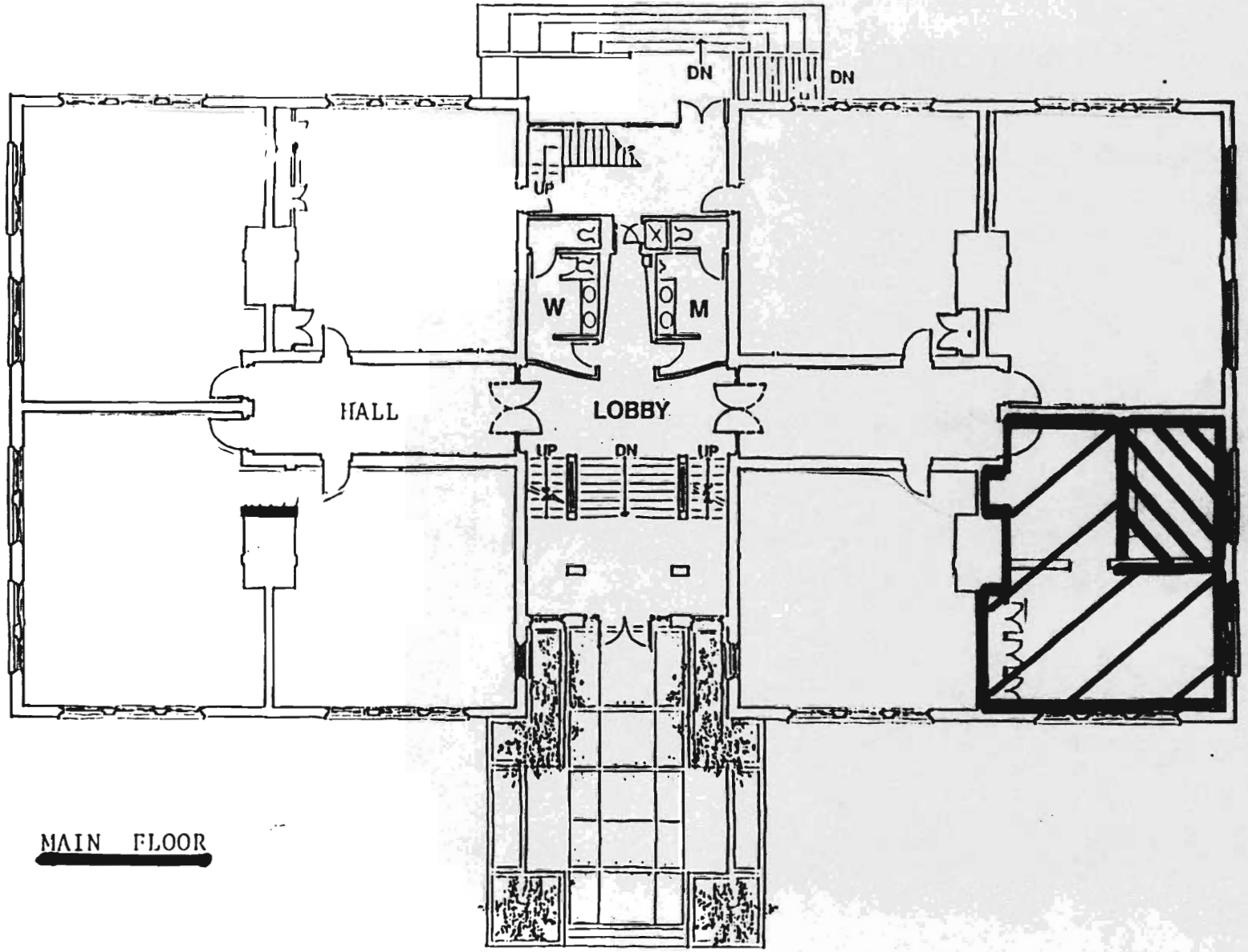
Therefore, I am now making final demand for my deposit ($859.38) plus 1/3 of January's rent ($299.79, owed me by virtue of your new tenant moving in on Janaury 20), together with costs, interest, and attorney's fees (as provided for under the Virignia Code). Under paragraph 17 of our lease, I am hereby making demand for arbitration of this matter, and request that NCF secure an arbitrator and a hearing date.
I will expect to hear from you within 7 days from the date of this letter. I regret that your actions have required this response. I had hoped that our business relationship could have been concluded as it began.

Sincerely,

David A. Glazer, President
Northern Virginia Financial Group

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MAIN FLOOR

EXHIBIT "Z"

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SUBLEASE AGREEMENT

SUBLEASE AGREEMENT, dated January 20, 1987 between NATIONAL CONSERVATIVE FOUNDATION ("Lessor"), a Virginia nonstock corporation with principal offices located at 1001 Prince Street, Alexandria, Virginia 22314, and Tom Kindness ("Sublessee") with its principal offices to be located at 1001 Prince Street, Alexandria, Virginia 22314.

W I T N E S S E T H:

WHEREAS, on February 23, 1983, Lessor entered into a Deed of Lease with Walter F. O'Connell in respect to the leasing of 1001 Prince Street, Alexandria, Virginia 22314, to be effective on December 1, 1983, being the date then projected that the premises would be available for occupancy by Lessor, containing approximately 21,500 gross rentable square feet; and

WHEREAS, Walter F. O'Connell has granted Lessor permission pursuant to the terms of the Deed of Lease to enter into a Sublease Agreement to sublet the premises or any part thereof; and

WHEREAS, the Deed of Lease betwen Walter F. O'Connell and Lessor is now effective.

NOW, THEREFORE, in consideration of the following mutual covenants and other good and valuable consideration, the parties hereto agree as follows:

1. Sublease. The Lessor hereby sublets to the Sublessee and Sublesseehires from the Lessor the following described premises: approximately 715 square feet of office space located on the first floor, known as Suite 115 of 1001 Prince Street, Alexandria, Virginia 22314, to be used only for a business office, for the term and at the rental hereinafter stated. A floor plan of said office space is attached hereto and

incorporated herein as Exhibit A. Such square footage includes allocated share of the common areas and operating expenses.

2. Master Lease. It is understood and agreed that this instrument is a Sublease Agreement by which lessor is subleasing to Sublessee for the term and at the rental hereinafter stated the premises which are part of the same premises leased to lessor in the aforesaid Deed of Lease dated February 23, 1983, which is hereinafter referred to as the "Master Lease." Said Master Lease is attached hereto and incorporated herein as Exhibit B. Except as otherwise specifically stated herein, Sublessee does hereby assume and agree to perform all of the duties and obligations imposed upon Lessor by the Master Lease for the term of this Sublease and it is agreed that Lessor shall have all the rights and powers, and assume all the obligations with respect to the subleased premises that are conferred and imposed upon the Lessor as identified in the Master Lease.

3. Parking. During the term of this Sublease, Lessor shall provide for Sublessee's use one (1) parking space at $40 per month. (Additional spaces will be charged at Rate of $40 per month)

4. Rent. All rent and other charges which Sublessee is obligated to pay Lessor under any provision of the Sublease shall be paid timely to Lessor at Lessor's address without any set-off, counterclaim, or deduction whatsoever.

(a) Base Rent. The Sublessee agrees to pay a base rental in the sum of $10,725.00 for the first year payable in equal monthly installments of $893.75 per month (or pro rata portion thereof for any part of a month). The rent for each month shall be paid in advance on the first day of each calendar month during their term hereof. On each subsequent year of the lease beginning on the first anniversary of lease commencement the base rent shall be raised by the sum of five percent.

If rent payment is not received by the 10th day of the month, a 10% late fee will be assessed.

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5. Security Deposit. Sublessee will deposit with the Lessor the sum of $893.75 as security for the performance of the Sublessee of the terms of this Sublease. The Lessor may use, apply, or retain the whole or any part of the security so deposited to the extent required for the payment of any rent and additional rent or other sum as to which the Sublessee is in default or for any sum which the Lessor may expend or may be required to expend by reason of the Sublessee's default in respect of any of the terms of this Sublease, including, but not limited to, any damages or deficiency in the reletting of the subleased premises, whether such damages or deficiency accrued before or after summary proceedings or other reentry by Lessor. In the event that the Sublessee shall comply with all of the terms of this Sublease, the security deposit shall be returned to the Sublessee, without interest, after the date fixed as the end of the Sublease and after delivery of possession of the subleased premises to the Lessor. The Sublessee shall not assign or encumber the money deposited as security, and neither the Lessor nor its successors or assigns shall be bound by any such assignment or encumbrance.

6. Term. The term of this Sublease shall be for two (2) years, commencing on the 21st day of January, 1987 and expiring on the 20th day of January, 1989.

7. Taxes. Sublessee will pay all taxes of every kind and description levied against its business, appliances, equipment and personal property.

8. Inspection. Lessor or the Lessor in the Master Lease shall have the right to enter the subleased premises at any reasonable time to inspect the condition of the premises.

9. Surrender. Upon termination of this Sublease, Sublessee will surrender the premises to Lessor in as good

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condition as received at commencement of this Sublease, except for ordinary wear and tear, and damage by fire or casualty, and will indemnify Lessor from any and all claims made by the Lessor in the Master Lease due to any alterations of the premises made by Sublessee.

10. Liability Insurance. Sublessee will indemnify and save harmless Lessor and the Lessor in the Master Lease, their successors and assigns, from any and all claims, demands, actions, causes of action, and judgments, whether for personal injury or property damage, asserted by any person arising out of Sublessee's possession and use of the premises. Sublessee shall maintain liability insurance throughout the term of this Sublease, with an insurance company authorized to do business in the Commonwealth of Virginia, such policy to have liability limits of at least $500,000 for personal injury for one person, aggregate liability for all persons in any one action of at least One Million Dollars ($1,000,000.00) for property damage. The terms of such policy shall also conform to those terms set forth in paragraph 13 of the Master Lease with respect to the scope of coverage to be provided. Lessor and Lessor in the Master Lease shall be named co-insured in such insurance policy or policies. Such policies shall contain provision for ten days' notice to Lessor and Lessor in the Master Lease prior to cancellation.

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11. Default. Sublessee shall, without any previous demand therefor, pay to Lessor the said rent at the times and in the manner above provided. In the event of nonpayment of said rent, or any installment thereof, and if the same shall remain in default for ten days after becoming due, or if the subleased premises shall be deserted or vacated, Lessor or its agent shall without further notice have the right to and may enter the said premises as agents of Sublessee, and may relet the premises and receive the rent therefor upon such terms as shall be satisfactory to Lessor and all the rights of Sublessee to repossess the premises under this Sublease shall be forfeited. Such reentry by Lessor shall not operate to release Sublessee from any rent to be paid or covenants to be performed hereunder during the full term of this Sublease. In the case of violation by Sublessee of any of the covenants, agreements and conditions of this Sublease, other than the payment of the rent, and upon failure to discontinue such violation within ten days after written notice thereof to Sublessee this Sublease shall henceforth, at the option of Lessor, become null and void and Lessor may reenter without further notice or demand. Upon violation by Sublessee of any of the agreements, covenants, and conditions of this Sublease, all future installments of rent unpaid and all other monies due to and payable by Lessee shall at once become due and payable.

12. Use of Premises. As an inducement for Lessor to enter into this Sublease, Sublessee has represented and warranted that the sole and exclusive purpose of Lessee's leasing the premises is for the purpose of operating general business offices.

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13. Acceptance of Premises. Sublessee does hereby unconditionally and irrevocably warrant that authorized agents have inspected the premises and that Sublessee is satisfied with the present condition of the premises. Sublessee further accepts the premises on an as-is where-is basis and accepts full responsibility for all costs that may be incurred in remodeling to a condition satisfactory to meet their specifications. Remodeling must be approved by the Lessor prior to commencement.

14. Subleasing. Sublessee may not assign this Sublease or sublease the premises in whole or in part without the written permission of Lessor which will not be unreasonably withheld.

15. Notice. Any notice required or permitted under this Sublease shall be given in writing by first class certified mail, return receipt requested, as follows:

To:
Tom Kindness
1001 Prince Street
Alexandria, Virginia 22314

in the case of Sublessee; and

National Conservative Foundation
1001 Prince Street
Alexandria, Virginia 22314
ATTN: Mr. Leif Noren

in the case of the Lessor.

16. Hold Harmless: Sublessee agrees it will hold Lessor harmless and it will pay to Lessor any losses which Lessor may incur from any default of Sublessee under the terms and conditions of the Master Lease and/or this Sublease and from or as a result of Lessee's possession and use of the subleased premises.

17. Arbitration. Any controversy arising under, out of, in connection with, or relating to, this Sublease, and any consequent amendment thereof, or the breach thereof, shall be determined by arbitration in the City of Alexandria, Virginia, in accordance with the rules of the American Arbitration Association. Any award rendered therein shall be final and binding on each and all of the parties thereto and their representatives,

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and judgment may be entered thereon in any court having jurisdiction thereon.

18. Severability. If any provision or provisions of this Sublease shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not, in any way, be affected or impaired thereby.

19. Counterparts. This Sublease may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

20. Incorporation. All Exhibits and other documents referred to herein are incorporated in this Sublease by reference and shall become a part of this Sublease, except as otherwise conflicting with the provision hereof.

21. Waiver of Breach. The waiver by either Party of a breach of any provision of this Sublease by the other Party shall not operate or be construed as a waiver of any subsequent breach by the then breaching Party.

22. Modification. This Sublease may only be modified in writing, executed on behalf of Lessor and Sublessee. The term "Sublease" as used herein includes any future written amendments, modifications, or supplements made in accordance herewith.

23. Entire Agreement. This instrument contains the entire agreement between the parties hereto with respect to the transactions contemplated herein.

24. Additional Charges. Lessor and Lessee agree that Lessor will initially pay the preparation/construction costs of partitioning the space in accordance with Lessee's design. If Lessee terminates the lease before the end of four (4) years, (prior to January 20, 1991), Lessee agrees to absorb 25% of the preparation/construction costs for each year, or part thereof, less than 4 years. (i.e. if Lessee terminates lease after 3 years, Lessee will absorb 25% of the preparation/construction costs) This share shall be paid with Notice of termination Total Cost of Construction/preparation $3,435.00

9104037291 5

IN WITNESS WHEREOF, the Lessor and Sublessee have executed this Lease as of the date first above written.

SUBLESSEE
TOM KINDNESS

BY: Thomas D. Kindness

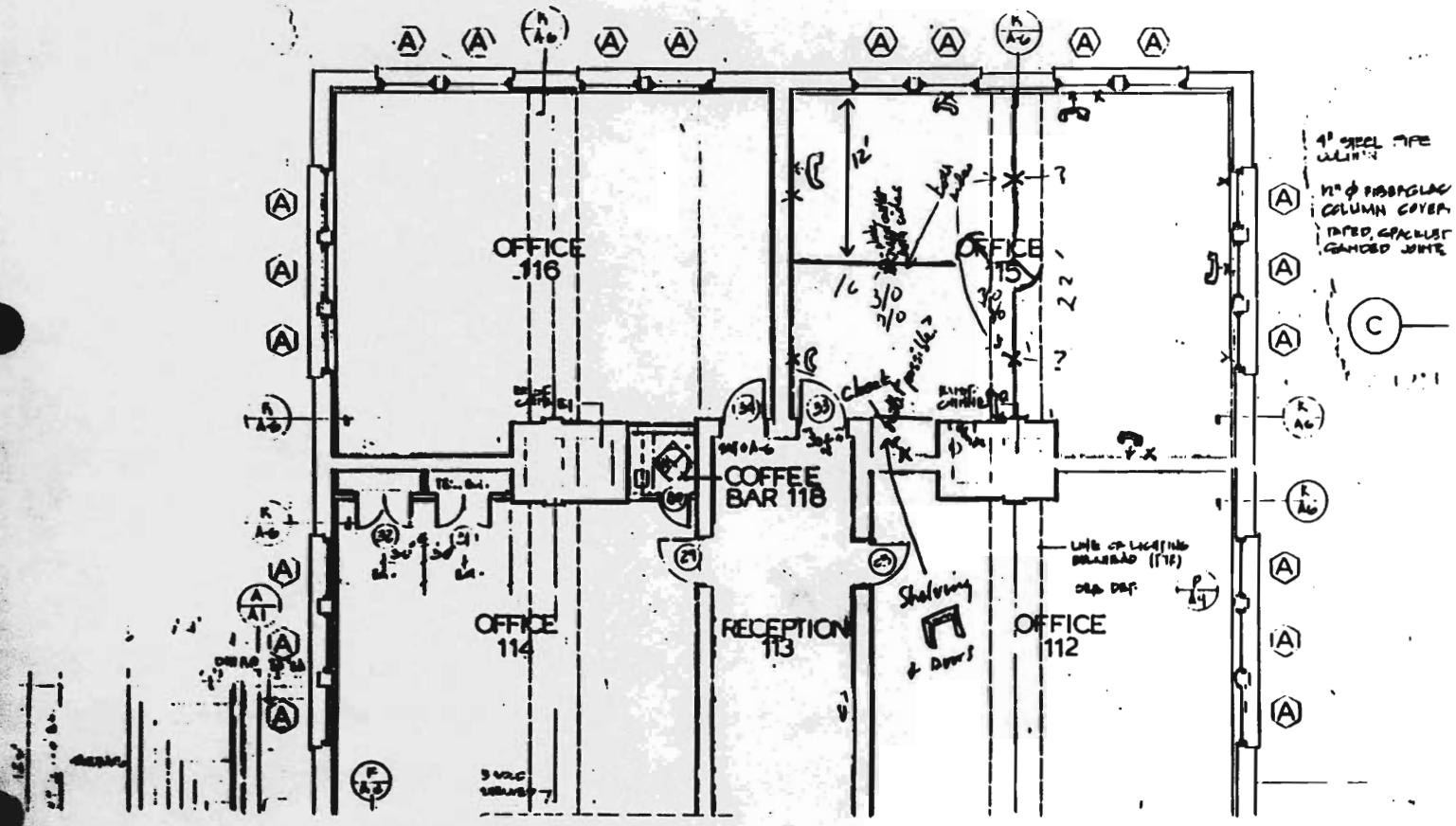
LESSOR
NATIONAL CONSERVATIVE FOUNDATION

BY: [illegible], Treasurer NCFTC

9104037291 6

John Tackman
486-2937

Exhibit A



9104087291

KINDNESS ASSOCIATES

GOVERNMENTAL AFFAIRS CONSULTANTS

THOMAS N. KINDNESS
JOHN S. SPARKMAN

1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314
(703) 684-2225

January 9, 1989

To: Mark Ortmeier
National Conservative Foundation

From: Thomas N. Kindness

Subject: New Lease

I appreciate the offer of a new lease, on a month-to-month basis; but I have made arrangements for new offices over in the District of Columbia (as projected in our discussion), and will be vacating Suite 115 at 1001 Prince Street by the 20th of January, the terminal date of the current lease.

My check for rent and parking from January 1 through January 20th is attached. The rent has been paid through December 31, 1988, at the rate of $938.44 for rent and $40 for one parking space, totaling $978.44 per month. Dividing this figure by 31 days ($31.56 per day) and multiplying by twenty days yields a figure of $631.20 which is due for January, the amount of my enclosed check.

When the premises have been vacated and found to be in order, please send the Foundation's check for the return of my deposit ($893.75) to:

Thomas N. Kindness
Suite 1100
1747 Pennsylvania Ave., N.W.
Washington, D.C. 20006

We expect to be removed from Suite 115 by January 15th; but I am not yet certain of the exact time of Lea Publishing Company's move into Suite 116 with Equinox Gas.

Tom Kindness

2140872918

NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

John T. Dolan
Chairman

(703) 548-0900

The National Conservative Foundation agrees to sublease space to Kindness Associates at 1001 Prince Street.

Rental rate shall be $15 per square foot. Approximate area to be rented is 715 square feet.

The term of the lease shall be for Two (2) years.

In consideration of this agreement, NCF will authorize the partitioning of the sublet space as designated by Kindness Associates. In the event that Kindness Assc. should not sign the formal sublease agreement for any reason, Kindness Asso. will absorb all costs NCF absorbs in partitioning the space.

A five percent (5%) annual rent increase will be included in the formal sublease agreement.

NCF will initially pay all costs of partitioning the space as designated by Kindness Asso. If Kindness Asso signs a lease with a term of greater than 4 years, NCF will be responsible for all construction costs. If the term is less than 4 years, Kindness Asso will pay 25% of the construction costs for each year less than 4 years. (e.g. if the term of the lease is for 3 years, NCF will pay 75% of the construction costs and Kindness Asso will pay 25% of the construction costs.)

1/6/87

NCF by: Leif Noren

Kindness Asso by: John Sparkman

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1-800-231-0610

Lea Publishing sublet from Equity and [illegible] 4-25-89 [illegible]

Key returned 4-28-89

NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

Maiselle Dolan Shortley
Chairman

(703) 548-0900

It is hereby agreed that as of December 6, , 1988, Lea Publishing, Co. with offices/residence at 1001 Prince Street, Alexandria, VA will rent 1 (one) parking space(s) # 39 from the National Conservative Foundation for the monthly rental fee of $50.00.

This $50.00 will be due the first day of each month beginning on December 6, 1988.** .

If the rental fee is not received by NCF by the 10th day of any given month, the vehicles parked in space(s) #39 shall be towed at the expense of the owners. This policy will be continued until full payment is received or this agreement is cancelled.

This agreement may be terminated upon 30 days written notice to the National Conservative Foundation by any of the parties to this agreement.

Maiselle Dolan Shortley 12/6/88

Maiselle Dolan Shortley / Date
Chairman
National Conservative Foundation
1001 Prince Street
Alexandria, VA 22314

Karen A. Swiatecki

For Lea Publishing, Co. Date

350-7166
Phone Number

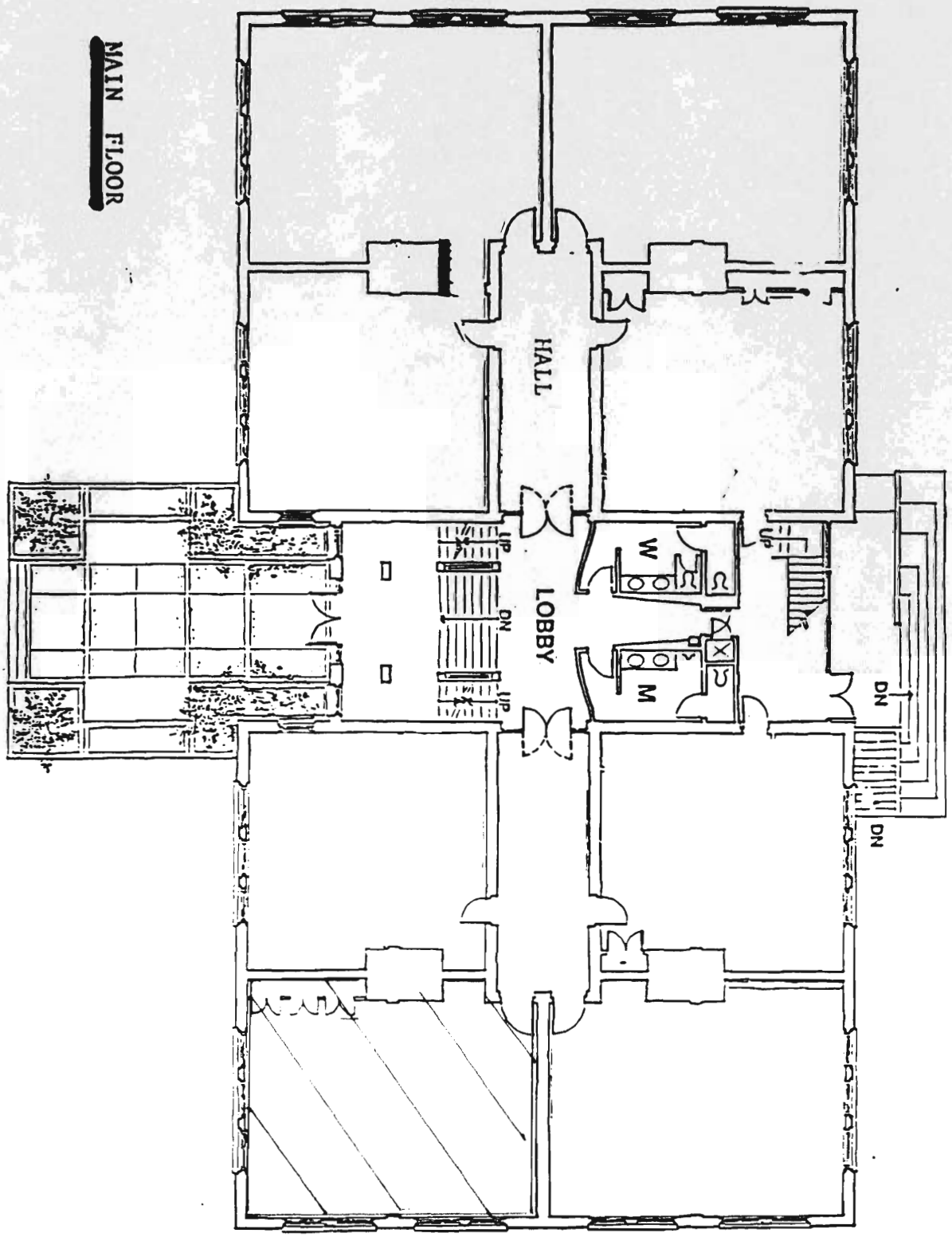
FORD ESCORT GT
Car Make

[illegible] PA.
Licence Number

**The first month's rent (December 1988) shall be prorated to $40.00 in consideration of the date of initiation of this agreement. The regular $50.00 fee will be due the first of each month hereafter.

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EXHIBIT "AA"



91040372921

Merich Mortgage
FIL

SUBLEASE AGREEMENT

SUBLEASE AGREEMENT, dated October 28, 1985, between **NATIONAL CONSERVATIVE FOUNDATION** ("Lessor"), a Virginia nonstock corporation with principal offices located at 1001 Prince Street, Alexandria, Virginia 22314, and Merich Mortgage ("Sublessee"), with its principal offices located at 1001 Prince Street, Alexandria, Virginia 22314.

W I T N E S S E T H:

WHEREAS, on February 23, 1983, Lessor entered into a Deed of Lease with Walter F. O'Connell in respect to the leasing of 1001 Prince Street, Alexandria, Virginia 22314, to be effective on December 1, 1983, being the date then projected that the premises would be available for occupancy by Lessor, containing approximately 21,500 gross rentable square feet; and

WHEREAS, Walter F. O'Connelll has granted Lessor permission pursuant to the terms of the Deed of Lease to enter into a Sublease Agreement to sublet the premises or any part thereof; and

WHEREAS, the Deed of Lease betwen Walter F. O'Connell and Lessor is now effective.

NOW, THEREFORE, in consideration of the following mutual covenants and other good and valuable consideration, the parties hereto agree as follows:

1. Sublease. The Lessor hereby sublets to the Sublessee and Sublesseehires from the Lessor the following described premises: approximately 715 square feet of office space located on the first floor, known as Suite 115, of 1001 Prince Street, Alexandria, Virginia 22314, to be used only for a business office, for the term and at the rental hereinafter stated. A floor plan of said office space is attached hereto and

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incorporated herein as Exhibit A. Such square footage includes allocated share of the common areas and operating expenses.

2. Master Lease. It is understood and agreed that this instrument is a Sublease Agreement by which lessor is subleasing to Sublessee for the term and at the rental hereinafter stated the premises which are part of the same premises leased to lessor in the aforesaid Deed of Lease dated February 23, 1983, which is hereinafter referred to as the "Master Lease." Said Master Lease is attached hereto and incorporated herein as Exhibit B. Except as otherwise specifically stated herein, Sublessee does hereby assume and agree to perform all of the duties and obligations imposed upon Lessor by the Master Lease for the term of this Sublease and it is agreed that Lessor shall have all the rights and powers, and assume all the obligations with respect to the subleased premises that are conferred and imposed upon the Lessor as identified in the Master Lease.

3. Parking. During the term of this Sublease, Lessor shall provide for Sublessee's use two (2) parking space(s) at $80 per month.

4. Rent. All rent and other charges which Sublessee is obligated to pay Lessor under any provision of the Sublease shall be paid timely to Lessor at Lessor's address without any set-off, counterclaim, or deduction whatsoever.

(a) Base Rent. The Sublessee agrees to pay a rental in the sum of $10,725, payable in equal monthly installments of $893.75 per month (or pro rata portion thereof for any part of a month). The rent for each month shall be paid in advance on the first day of each calendar month during their term hereof. On each subsequent year of the lease beginning on the first anniversary of lease commencement the base rent shall be raised by the sum of five percent.

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5. Security Deposit. The Sublessee has deposited with the Lessor the sum of $893.75 as security for the performance of the Sublessee of the terms of this Sublease. The Lessor may use, apply, or retain the whole or any part of the security so deposited to the extent required for the payment of any rent and additional rent or other sum as to which the Sublessee is in default or for any sum which the Lessor may expend or may be required to expend by reason of the Sublessee's default in respect of any of the terms of this Sublease, including, but not limited to, any damages or deficiency in the reletting of the subleased premises, whether such damages or deficiency accrued before or after summary proceedings or other reentry by Lessor. In the event that the Sublessee shall comply with all of the terms of this Sublease, the security deposit shall be returned to the Sublessee, without interest, after the date fixed as the end of the Sublease and after delivery of possession of the subleased premises to the Lessor. The Sublessee shall not assign or encumber the money deposited as security, and neither the Lessor nor its successors or assigns shall be bound by any such assignment or encumbrance.

6. Term. The term of this Sublease shall be for three (3) years, commencing on the 1st day of November, 1985 and expiring on the 31st day of October, 1988.*

7. Taxes. Sublessee will pay all taxes of every kind and description levied against its business, appliances, equipment and personal property.

8. Inspection. Lessor or the Lessor in the Master Lease shall have the right to enter the subleased premises at any reasonable time to inspect the condition of the premises.

9. Surrender. Upon termination of this Sublease, Sublessee will surrender the premises to Lessor in as good

*Sublessee shall have the right to terminate this lease with sixty (60) days written notice to lessor after August 31, 1986.

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condition as received at commencement of this Sublease, except for ordinary wear and tear, and damage by fire or casualty, and will indemnify Lessor from any and all claims made by the Lessor in the Master Lease due to any alterations of the premises made by Sublessee.

10. Liability Insurance. Sublessee will indemnify and save harmless Lessor and the Lessor in the Master Lease, their successors and assigns, from any and all claims, demands, actions, causes of action, and judgments, whether for personal injury or property damage, asserted by any person arising out of Sublessee's possession and use of the premises. Sublessee shall maintain liability insurance throughout the term of this Sublease, with an insurance company authorized to do business in the Commonwealth of Virginia, such policy to have liability limits of at least $500,000 for personal injury for one person, aggregate liability for all persons in any one action of at least One Million Dollars ($1,000,000.00) for property damage. The terms of such policy shall also conform to those terms set forth in paragraph 13 of the Master Lease with respect to the scope of coverage to be provided. Lessor and Lessor in the Master Lease shall be named co-insured in such insurance policy or policies. Such policies shall contain provision for ten days' notice to Lessor and Lessor in the Master Lease prior to cancellation.

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11. Default. Sublessee shall, without any previous demand therefor, pay to Lessor the said rent at the times and in the manner above provided. In the event of nonpayment of said rent, or any installment thereof, and if the same shall remain in default for ten days after becoming due, or if the subleased premises shall be deserted or vacated, Lessor or its agent shall without further notice have the right to and may enter the said premises as agents of Sublessee, and may relet the premises and receive the rent therefor upon such terms as shall be satisfactory to Lessor and all the rights of Sublessee to repossess the premises under this Sublease shall be forfeited. Such reentry by Lessor shall not operate to release Sublessee from any rent to be paid or covenants to be performed hereunder during the full term of this Sublease. In the case of violation by Sublessee of any of the covenants, agreements and conditions of this Sublease, other than the payment of the rent, and upon failure to discontinue such violation within ten days after written notice thereof to Sublessee this Sublease shall henceforth, at the option of Lessor, become null and void and Lessor may reenter without further notice or demand. Upon violation by Sublessee of any of the agreements, covenants, and conditions of this Sublease, all future installments of rent unpaid and all other monies due to and payable by Lessee shall at once become due and payable.

12. Use of Premises. As an inducement for Lessor to enter into this Sublease, Sublessee has represented and warranted that the sole and exclusive purpose of Lessee's leasing the premises is for the purpose of operating general business offices.

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13. Acceptance of Premises. Sublessee does hereby unconditionally and irrevocably warrant that authorized agents have inspected the premises and that Sublessee is satisfied with the present condition of the premises. Sublessee further accepts the premises on an as-is where-is basis and accepts full responsibility for all costs that may be incurred in remodeling to a condition satisfactory to meet their specifications. Remodeling must be approved by the Lessor prior to commencement.

14. Subleasing. Sublessee may not assign this Sublease or sublease the premises in whole or in part without the written permission of Lessor which will not be unreasonably withheld.

15. Notice. Any notice required or permitted under this Sublease shall be given in writing by first class certified mail, return receipt requested, as follows:

To:

1001 Prince Street
Alexandria, Virginia 22314

in the case of Sublessee; and

National Conservative Foundation
1001 Prince Street
Alexandria, Virginia 22314
ATTN: Mr. Leif Noren

in the case of the Lessor.

16. Hold Harmless: Sublessee agrees it will hold Lessor harmless and it will pay to Lessor any losses which Lessor may incur from any default of Sublessee under the terms and conditions of the Master Lease and/or this Sublease and from or as a result of Lessee's possession and use of the subleased premises.

17. Arbitration. Any controversy arising under, out of, in connection with, or relating to, this Sublease, and any consequent amendment thereof, or the breach thereof, shall be determined by arbitration in the City of Alexandria, Virginia, in accordance with the rules of the American Arbitration Association. Any award rendered therein shall be final and binding on each and all of the parties thereto and their representatives,

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and judgment may be entered thereon in any court having judriediction thereon.

18. Severability. If any provision or provisions of this Sublease shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not, in any way, be affected or impaired thereby.

19. Counterparts. This Sublease may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

20. Incorporation. All Exhibits and other documents referred to herein are incorporated in this Sublease by reference and shall become a part of this Sublease, except as otherwise conflicting with the provision hereof.

21. Waiver of Breach. The waiver by either Party of a breach of any provision of this Sublease by the other Party shall not operate or be construed as a waiver of any subsequent breach by the then breaching Party.

22. Modification. This Sublease may only be modified in writing, executed on behalf of Lessor and Sublessee. The term "Sublease" as used herein includes any future written amendments, modifications, or supplements made in accordance herewith.

23. Entire Agreement. This instrument contains the entire agreement between the parties hereto with respect to the transactions contemplated herein.

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IN WITNESS WHEREOF, the Lessor and Sublessee have executed this Lease as of the date first above written.

SUBLESSEE

[illegible] mortgage Services

By: [illegible]

LESSOR

NATIONAL CONSERVATIVE FOUNDATION

By: [illegible] 10/27/85

9104037229

W.B.

A S S O C I A T E S

October 28, 1985

Mr. Leif Norren
National Conservative Foundation
1001 Prince Street
Alexandria, VA 22314

Dear Leif:

As we discussed, it is our understanding that you will make available four additional parking spaces for a minimum of sixty days and as long as there are spaces available, at a per month rent of $40.00 each.

You will provide us with at least thirty days notice if any or all of these spaces become unavailable in order for us to make new arrangements.

Sincerely,

David Mause

Kent Rinker

Accepted by: [signature] 10/29/85
Date

9104087229 30

Merich File

Merich Mortgage Corporation

MEMORANDUM

Date: October 8, 1986

To: Leif Norren

From: J. Carol DeKraai

Subject: Cancellation of Parking Spaces

Due to the decrease in personnel at Merich Mortgage Corporation, we would like to relinquish three (3) of our assigned parking spaces.

We would like to keep the last three (3) spaces located from the Mental Health building out.

Thank you.

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EXHIBIT "BB"

91 0 4 0 6 7 2 9 3 2

MAIN FLOOR

Meese Memorandum File

SUBLEASE AGREEMENT

SUBLEASE AGREEMENT, dated January 25, 1987 between NATIONAL CONSERVATIVE FOUNDATION ("Lessor"), a Virginia nonstock corporation with principal offices located at 1001 Prince Street, Alexandria, Virginia 22314, and Meese, Rollins, Chapman ("Sublessee"), with its principal offices located at 1001 Prince Street, Alexandria, Virginia 22314.

W I T N E S S E T H:

WHEREAS, on February 23, 1983, Lessor entered into a Deed of Lease with Walter F. O'Connell in respect to the leasing of 1001 Prince Street, Alexandria, Virginia 22314, to be effective on December 1, 1983, being the date then projected that the premises would be available for occupancy by Lessor, containing approximately 21,500 gross rentable square feet; and

WHEREAS, Walter F. O'Connelll has granted Lessor permission pursuant to the terms of the Deed of Lease to enter into a Sublease Agreement to sublet the premises or any part thereof; and

WHEREAS, the Deed of Lease betwen Walter F. O'Connell and Lessor is now effective.

NOW, THEREFORE, in consideration of the following mutual covenants and other good and valuable consideration, the parties hereto agree as follows:

1. Sublease. The Lessor hereby sublets to the Sublessee and Sublesseehires from the Lessor the following described premises: approximately 697.5 square feet of office space located on the first floor, known as Suite #2 of 1001 Prince Street, Alexandria, Virginia 22314, to be used only for a business office, for the term and at the rental hereinafter stated. A floor plan of said office space is attached hereto and

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5. Security Deposit. The Sublessee has deposited with the Lessor the sum of $893.75 as security for the performance of the Sublessee of the terms of this Sublease. The Lessor may use, apply, or retain the whole or any part of the security so deposited to the extent required for the payment of any rent and additional rent or other sum as to which the Sublessee is in default or for any sum which the Lessor may expend or may be required to expend by reason of the Sublessee's default in respect of any of the terms of this Sublease, including, but not limited to, any damages or deficiency in the reletting of the subleased premises, whether such damages or deficiency accrued before or after summary proceedings or other reentry by Lessor. In the event that the Sublessee shall comply with all of the terms of this Sublease, the security deposit shall be returned to the Sublessee, without interest, after the date fixed as the end of the Sublease and after delivery of possession of the subleased premises to the Lessor. The Sublessee shall not assign or encumber the money deposited as security, and neither the Lessor nor its successors or assigns shall be bound by any such assignment or encumbrance.

6. Term. The term of this Sublease shall be for two (2) years, commencing on the 1st day of February, 1987 and expiring on the 31st day of January, 1989. *

7. Taxes. Sublessee will pay all taxes of every kind and description levied against its business, appliances, equipment and personal property.

8. Inspection. Lessor or the Lessor in the Master Lease shall have the right to enter the subleased premises at any reasonable time to inspect the condition of the premises.

9. Surrender. Upon termination of this Sublease, Sublessee will surrender the premises to Lessor in as good

*Sublessee shall have the right to terminate this lease with sixty (60) days written notice to lessor after August 31, 1986.

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11. Default. Sublessee shall, without any previous demand therefor, pay to Lessor the said rent at the times and in the manner above provided. In the event of nonpayment of said rent, or any installment thereof, and if the same shall remain in default for ten days after becoming due, or if the subleased premises shall be deserted or vacated, Lessor or its agent shall without further notice have the right to and may enter the said premises as agents of Sublessee, and may relet the premises and receive the rent therefor upon such terms as shall be satisfactory to Lessor and all the rights of Sublessee to repossess the premises under this Sublease shall be forfeited. Such reentry by Lessor shall not operate to release Sublessee from any rent to be paid or covenants to be performed hereunder during the full term of this Sublease. In the case of violation by Sublessee of any of the covenants, agreements and conditions of this Sublease, other than the payment of the rent, and upon failure to discontinue such violation within ten days after written notice thereof to Sublessee this Sublease shall henceforth, at the option of Lessor, become null and void and Lessor may reenter without further notice or demand. Upon violation by Sublessee of any of the agreements, covenants, and conditions of this Sublease, all future installments of rent unpaid and all other monies due to and payable by Lessee shall at once become due and payable.

12. Use of Premises. As an inducement for Lessor to enter into this Sublease, Sublessee has represented and warranted that the sole and exclusive purpose of Lessee's leasing the premises is for the purpose of operating general business offices.

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and judgment may be entered thereon in any court having jurisdiction thereon.

18. Severability. If any provision or provisions of this Sublease shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not, in any way, be affected or impaired thereby.

19. Counterparts. This Sublease may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

20. Incorporation. All Exhibits and other documents referred to herein are incorporated in this Sublease by reference and shall become a part of this Sublease, except as otherwise conflicting with the provision hereof.

21. Waiver of Breach. The waiver by either Party of a breach of any provision of this Sublease by the other Party shall not operate or be construed as a waiver of any subsequent breach by the then breaching Party.

22. Modification. This Sublease may only be modified in writing, executed on behalf of Lessor and Sublessee. The term "Sublease" as used herein includes any future written amendments, modifications, or supplements made in accordance herewith.

23. Entire Agreement. This instrument contains the entire agreement between the parties hereto with respect to the transactions contemplated herein.

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WOOD

ASSOCIATES

October 28, 1985

Mr. Leif Norren
National Conservative Foundation
1001 Prince Street
Alexandria, VA 22314

Dear Leif:

As we discussed, it is our understanding that you will make available four additional parking spaces for a minimum of sixty days and as long as there are spaces available, at a per month rent of $40.00 each.

You will provide us with at least thirty days notice if any or all of these spaces become unavailable in order for us to make new arrangements.

Sincerely,

David Haase

Kent Rinker

Accepted by: [signature] 10/29/85
Date

9104087229937

Mailed 1/31/89

NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

Maiselle Dolan Shortley
Chairman

(703) 548-0900

January 30, 1989

Mr. Brad Pospichel
Meuse, Rinker, Chapman, Endres & Brooks
90 N. High Street
Columbus, OH 43215

Dear Mr. Pospichel:

I have enclosed two copies of the letter which we discussed over the phone this morning in regards to extending your tenancy with us. Both copies have been signed by our Chairman and will require yours as well in the space provided.

Please retain one of the copies for your records and return the other to me using the envelope I have enclosed for you. I will inform Mr. Lewis in your offices here that we have talked and that all is in order.

Please give me a call if I might be of further assistance.

Thank you very much.

Sincerely,

Mark Ortmeier
Building Manager

Enclosure: (2 copies letter extending tenancy)

9104037293 8

NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

Maiselle Dolan Shortley
Chairman

(703) 548-0900

January 30, 1989

Mr. Brad Pospichel
Meuse, Rinker, Chapman, Endres & Brooks
90 N. High Street
Columbus, OH 43215

Dear Mr. Pospichel:

This letter will confirm that, even though the term of Meuse, Rinker, Chapman, Endres & Brooks' lease expires on January 31, 1989, you may continue your tenancy on a month-to-month basis under the same terms and conditions of the lease except that your tenancy may be terminated upon thirty (30) days written notice from either party.

Maiselle Dolan Shortley

National Conservative Foundation
1001 Prince Street
Alexandria, VA 22314
By: Maiselle Dolan Shortley
Chairman

Meuse, Rinker, Chapman, Endres
& Brooks
90 N. High Street
Columbus, OH 43215
By: Brad Pospichel

9104037293 9

Neuse, Rinker, Chapman, Endres & Brooks

A PRIVATE INVESTMENT BANKER

February 7, 1989

Mr. Mark Ortmeier
National Conservative Foundation
1001 Prince Street
Alexandria, VA 22314

Dear Mr. Ortmeier:

This letter is to serve as our thirty days written notice which is required to terminate our month-to-month lease on Suite 112, 1001 Prince Street. We will be terminating the lease as of April 1, 1989. If you have any questions, please call me at (614) 227-7739.

Sincerely,

Brad L. Pospichel
Vice President & Controller

9104037290

90 NORTH HIGH STREET, COLUMBUS, OHIO 43215 (614) 221-0722

NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

(703) 548-0900

January 30, 1989

Mr. Brad Pospichel
Meuse, Rinker, Chapman, Endres & Brooks
90 N. High Street
Columbus, OH 43215

Dear Mr. Pospichel:

This letter will confirm that, even though the term of Meuse, Rinker, Chapman, Endres & Brooks' lease expires on January 31, 1989, you may continue your tenancy on a month-to-month basis under the same terms and conditions of the lease except that your tenancy may be terminated upon thirty (30) days written notice from either party.

National Conservative Foundation
1001 Prince Street
Alexandria, VA 22314
By: Maiselle Dolan Shortley
Chairman

Meuse, Rinker, Chapman, Endres
& Brooks
90 N. High Street
Columbus, OH 43215
By: Brad Pospichel

Copy:

0104087294 1

WJD

A S S O C I A T E S

October 28, 1985

Mr. Leif Norren
National Conservative Foundation
1001 Prince Street
Alexandria, VA 22314

Dear Leif:

As we discussed, it is our understanding that you will make available four additional parking spaces for a minimum of sixty days and as long as there are spaces available, at a per month rent of $40.00 each.

You will provide us with at least thirty days notice if any or all of these spaces become unavailable in order for us to make new arrangements.

Sincerely,

David Meuse

Kent Rinker

Accepted by: Leif Norren 10/29/85
Date

1/13/88

Stanley Meuse Reiber & Chapman also Merrick Mortgage told me they have relinquished one parking space i.e. # 19. So they only have 2 spaces now. They said a memo from their headquarters said - it was supposed to call you. would you [illegible]

9104087229942

NATIONAL CONSERVATIVE FOUNDATION
[redacted] PRINCE STREET
ALEXANDRIA, VIRGINIA 22313
(703) [redacted]

John T. (Terry) Dolan
Founder

Maiselle Dolan Shortley
Chairman

April 3, 1989

Miss Laurie Martinson
Virginia Tech Foundation, Inc.
233 Burruss Hall
Blacksburg, VA 24061

Dear Miss Martinson:

As of March 31, 1989 (last Friday) the Meuse, Rinker, Chapman, Endres & Brooks Company has terminated their tenancy in our building. They returned all of their office keys to me on that date and inspection of their offices proved satisfactory, i.e. they are in excellent condition. All of their furnishings, etc., have been removed as of this date.

As provided in their lease with us, we will need to return their damage deposits to them as soon as possible. This sum comes to $893.75 which is to be paid without interest. I have enclosed a copy of their lease and termination notice for your files.

The check for the $893.75 should be made payable to:

Meuse, Rinker, Chapman, Endres & Brooks

Please mail this check to:

ATTN: Miss Sher Webster
Meuse, Rinker, Chapman, Endres & Brooks
90 North High Street
Columbus, OH 43215

Please let me know if you have any questions on this and I will be happy to help resolve them. Also, I would appreciate having you let me know once the check has been sent off just so that I can make notation in the lease files and be prepared in the event I should receive any correspondence from the Meuse, Rinker people in its regard.

Thanks.

Sincerely,

Mark Ortmeier
Building Manager

Enclosures:

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9104087229944

Meuse, Rinker, Chapman, Endres & Brooks

A PRIVATE INVESTMENT BANKER

February 7, 1989

Mr. Mark Ortmeier
National Conservative Foundation
1001 Prince Street
Alexandria, VA 22314

Dear Mr. Ortmeier:

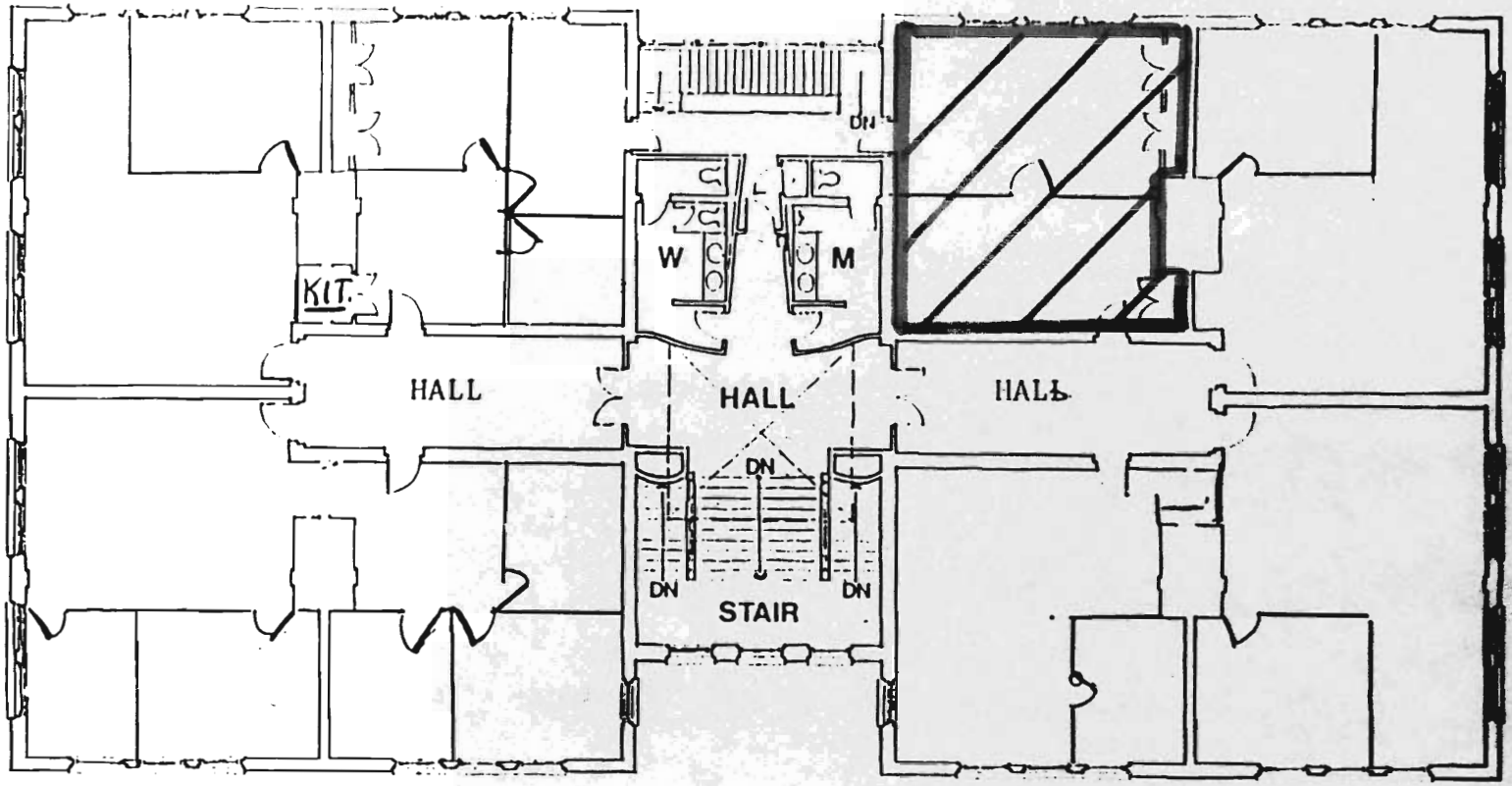
This letter is to serve as our thirty days written notice which is required to terminate our month-to-month lease on Suite 112, 1001 Prince Street. We will be terminating the lease as of April 1, 1989. If you have any questions, please call me at (614) 227-7739.

Sincerely,

Brad L. Pospichel
Vice President & Controller

90 NORTH HIGH STREET, COLUMBUS, OHIO 43215 (614) 221-0722

9104087 2945



SECOND FLOOR

EXHIBIT "CC"

LEASE AGR[illegible]

This is a LEASE AGREEMENT, dated 11-30-88, between the NATIONAL CONSERVATIVE FOUNDATION ("Lessor"), a Virginia nonstock corporation with its principal offices located at 1001 Prince Street, Alexandria, Virginia 22314 and The National Council for Better Education, 1001 Prince Street, Suite 204, Alexandria, VA 22314. ("Lessee").

1. Term: The term of this Lease shall be for Six (6) months, commencing on the 1st day of December, 1988, and expiring on the 31st day of May, 1989. After this date, the Lease will be on a month-to-month basis, with thirty (30) days written notice of termination of Lease, by either the Lessor or the Lessee to one another.

2. Rent: Lessee agrees to pay rent in the sum of $ ~~[illegible]~~ $550.00 per month (or pro-rata portion thereof for any part of a month), for premises described as: Approximately 712 Sq. Ft. of office space on the second floor, known as Suite 204 of 1001 Prince Street, Alexandria, Virginia 22314. Such square footage includes the allocated share of the common areas and operating expenses.

Rent is due and payable by the first of each month that it is due. All rent, and other charges which Lessee is obligated to pay Lessor under any provision of this Lease, is due by the first of any month, paid to Lessor at Lessor's address without any set-off, counterclaim, or deduction whatsoever. A Ten Percent (10%) surcharge shall be charged should rent be more than ten (10) days late.

3. Parking: During the term of this Lease, Lessor shall provide for Lessee's use 2 parking space(s) at $50 per month per space: a total of ~~$50.00~~ $50.00 per month.

4. Security Deposit: Lessee has deposited with the Lessor the sum of $ 0.00. The Lessor may use, apply, or retain the whole or any part of the security so deposited to the extent required for the payment of any rent and additional rent or other sum as to which the Lessee is in default or for any sum which the Lessor may expend or may be required to expend by reason of the Lessee's default in respect of any of the terms of this Lease, including, but not limited to, any damages or deficiency in the reletting of the leased premises, whether such damages or deficiency accrued before or after summary proceedings or other re-entry by Lessor. In the event that the Lessee shall comply with all of the terms of this Lease, the Security Deposit shall be returned to the Lessee, without interest, after the date fixed as the end of the Lease and after delivery of possession of leased premises to the Lessor. The Lessee shall not assign or encumber the money deposited as security, and neither the Lessor nor its successors or assigns shall be bound by any such assignment or encumbrance.

5. Taxes: Lessee will pay all taxes of every kind and description levied against its business, appliances, equipment and personal property.

6. Inspection: Lessor shall have the right to enter the leased premises at any reasonable time to inspect the condition of the premises.

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7. **Surrender:** Upon termination of this Lease, Lessee will surrender the premises to Lessor in as good condition as received at commencement of this Lease, except for ordinary wear and tear, and damage by fire or casualty.

8. **Liability Insurance:** Lessee will indemnify and save harmless Lessor, its successors and assigns, from any and all claims, demands, actions, causes of action, and judgments, whether for personal injury or property damage, asserted by any person arising out of Lessee's possession and use of the premises. Lessee shall maintain liability insurance throughout the term of this Lease, with an insurance company authorized to do business in the Commonwealth of Virginia, such policy to have liability limits of at least five hundred thousand ($500,000) for personal injury for one person, aggregate liability for all persons in any one action of at least one million dollars ($1,000,000) for property damage. Lessor shall be named co-insured in such insurance policy or policies. Such policies shall contain provision for ten days' notice to Lessor prior to cancellation.

9. **Default:** Lessee shall, without any previous demand therefor, pay to Lessor the said rent at the times and in the manner above provided. In the event of non-payment of said rent, and if the same shall remain in default for ten days after becoming due, or if the leased premises shall be deserted or vacated, Lessor or its agent shall without further notice have the right to and may enter the said premises and may re-let the premises and receive the rent therefor upon such terms as shall be satisfactory to Lessor, and all rights of Lessee to repossess the premises under this Lease shall be forfeited. Such re-entry by Lessor shall not operate to release Lessee from any rent to be paid or covenants to be performed hereunder during the full term of the Lease. In the case of violation by Lessee of any of the covenants, agreements and conditions of this Lease, other than the payment of the rent, and upon failure to discontinue such violation within ten days after written notice thereof to Lessee, this Lease shall henceforth, at the option of the Lessor, become null and void and Lessor may re-enter without further notice or demand. Upon violation by Lessee of any of the agreements, covenants, and conditions of this Lease, all future installments of rent unpaid and all other monies due to and payable to Lessee shall at once become due and payable.

10. **Use of Premises:** As an inducement for Lessor to enter into this Lease, Lessee has represented and warranted that the sole and exclusive purpose of Lessee's leasing the premises is for the purpose of operating general business offices.

11. **Acceptance of Premises:** Lessee does hereby unconditionally and irrevocably warrant that authorized agents have inspected the premises and that Lessee is satisfied with the present condition of the premises. Lessee further accepts the premises on an as-is and where-is basis and accepts full responsibility for all costs that may be incurred in remodeling to a condition satisfactory to meet their specifications. Remodeling must be approved by the Lessor prior to commencement.

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12. **Subleasing:** Lessee may not assign this Lease or sublease the premises in whole or in part without the written permission of Lessor which will not be unreasonably withheld.

13. **Hold Harmless:** Lessee agrees it will hold Lessor harmless and it will pay to Lessor any losses which Lessor may incur from any default of Lessee under the terms and conditions of this Lease and from or as a result of Lessee's possession and use of the leased premises.

14. **Arbitration:** Any controversy arising under, out of, in connection with, or relating to, this Lease, and any consequent amendment thereof, or the breach thereof, shall be determined by arbitration in the City of Alexandria, Virginia, in accordance with the rules of the American Arbitration Association. Any award rendered therein shall be final and binding on each and all of the parties thereto and their representatives, and judgment may be entered thereon in any court having jurisdiction thereon.

15. **Modification:** This Lease may only be modified in writing, executed on behalf of Lessor and Lessee. The term "Lease" as used herein includes any future written amendments, modifications, or supplements made in accordance herewith.

16. **Addenda:** There (are, are not) addenda attached to this Lease. As with any written-in changes, the addenda shall be initialed by both Lessee and Lessor.

IN WITNESS WHEREOF, the Lessor and the Lessee have executed this Lease as of the date first above written.

LESSOR:

NATIONAL CONSERVATIVE FOUNDATION

Natalie Dolan Shortley, Chairman

11/8/88
date

LESSEE:

THE NATIONAL COUNCIL FOR BETTER EDUCATION

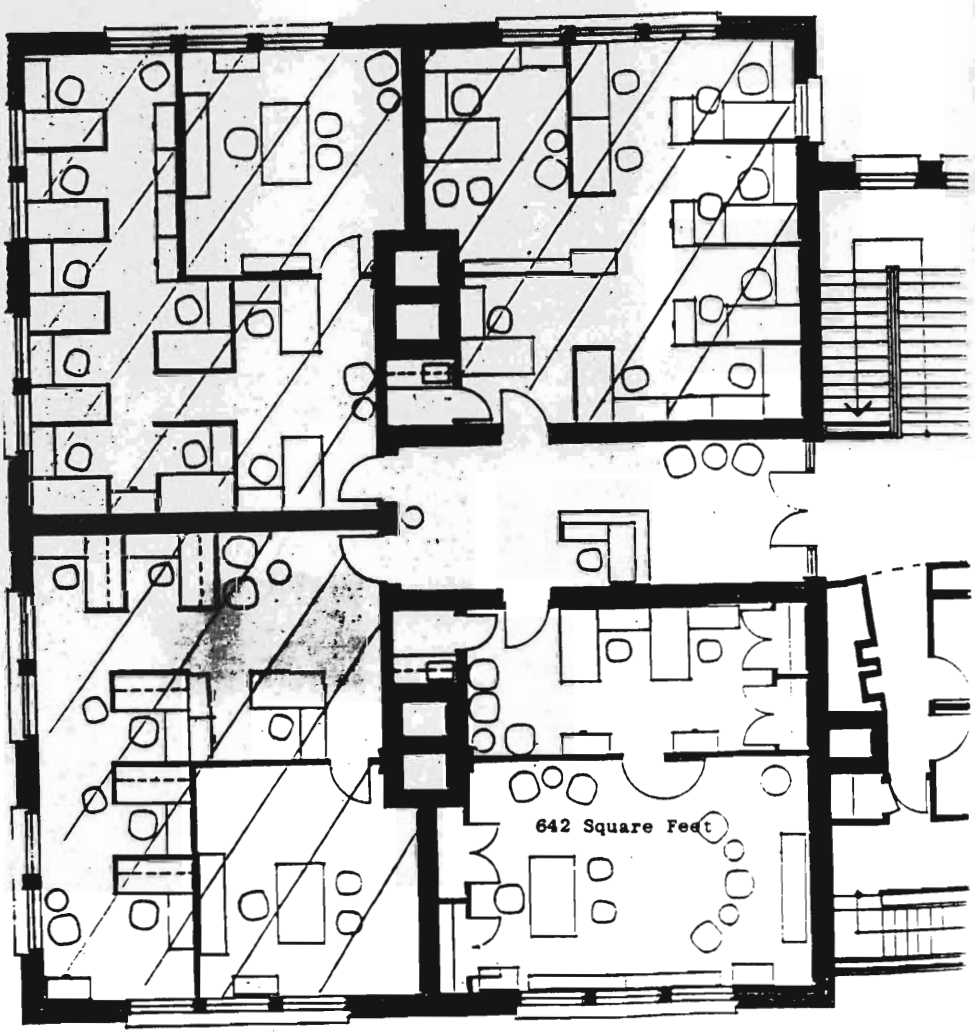
Sally D. Reed, Chairma NCBE

Sally Reed, Chairman

11-30-88
date

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EXHIBIT A



Office space: 642 Sq. Ft.

Common area hall: 70 Sq. Ft.

Total Sq. Ft.: 712 Sq. Ft.

9104087229949

NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22313
(703) 548-0900

John T. (Terry) Dolan
Founder

Maiselle Dolan Shortley
Chairman

February 15, 1989

Ms Sally Reed
Chairman
The National Council for
Better Education
1001 Prince Street
Alexandria, VA 22314

Dear Ms. Reed:

In reviewing your lease, we noticed an error which was made in the listing of your monthly rental fees. This letter will clarify and confirm that your monthly rental fee for office space is $750.00 and your monthly rental fee for your two parking spaces is $50.00 per space (a total of $100.00).

We apologize for this oversight and would appreciate having you attach a copy of this letter to your lease for future reference.

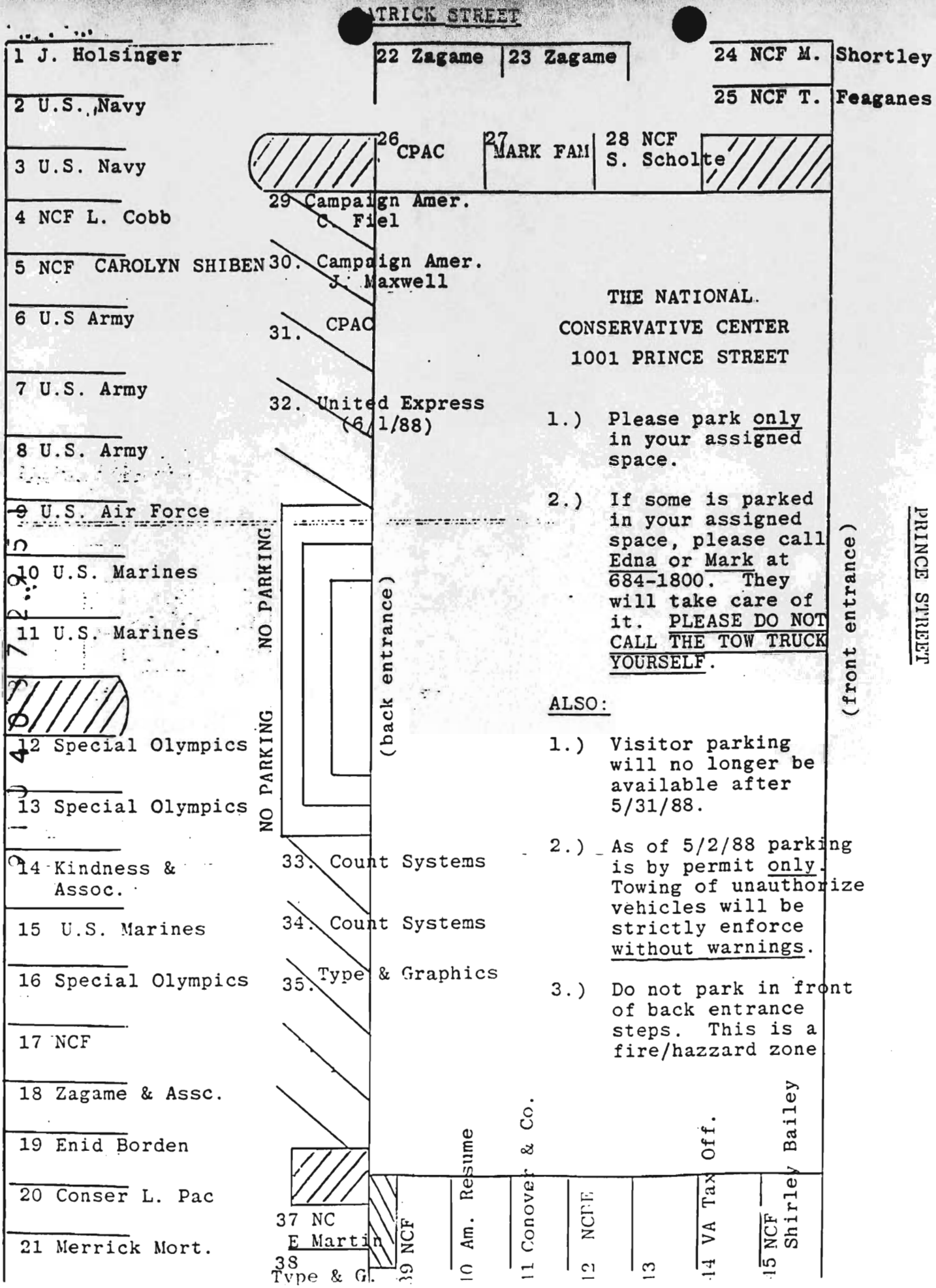
Thank you very much.

Sincerely,

Maiselle Dolan Shortley 2/15/89

The National Conservative Foundation Date
1001 Prince Street
Alexandria, VA 22314
By: Maiselle Dolan Shortley
Chairman

21040872950


ATRICK STREET
1 J. Holsinger
2 U.S. Navy
3 U.S. Navy
4 NCF L. Cobb
5 NCF CAROLYN SHIBEN
6 U.S Army
7 U.S. Army
8 U.S. Army
9 U.S. Air Force
10 U.S. Marines
11 U.S. Marines
12 Special Olympics
13 Special Olympics
14 Kindness & Assoc.
15 U.S. Marines
16 Special Olympics
17 NCF
18 Zagame & Assc.
19 Enid Borden
20 Conser L. Pac
21 Merrick Mort.
22 Zagame
23 Zagame
24 NCF M. Shortley
25 NCF T. Feaganes
26 CPAC
27 MARK FAM
28 NCF S. Scholte
29 Campaign Amer. C. Fiel
30. Campaign Amer. J. Maxwell
31. CPAC
32. United Express (6/1/88)
33. Count Systems
34. Count Systems
35. Type & Graphics
37 NC E Martin
38 Type & G.
39 NCF
10 Am. Resume
11 Conover & Co.
12 NCFE
13
14 VA Tax Off.
15 NCF Shirley Bailey
NO PARKING
NO PARKING
(back entrance)
(front entrance)
PRINCE STREET
THE NATIONAL CONSERVATIVE CENTER
1001 PRINCE STREET
1.) Please park only in your assigned space.
2.) If some is parked in your assigned space, please call Edna or Mark at 684-1800. They will take care of it. PLEASE DO NOT CALL THE TOW TRUCK YOURSELF.
ALSO:
1.) Visitor parking will no longer be available after 5/31/88.
2.) As of 5/2/88 parking is by permit only. Towing of unauthorize vehicles will be strictly enforce without warnings.
3.) Do not park in front of back entrance steps. This is a fire/hazzard zone

NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

Maiselle Dolan Shortley
Chairman

(703) 548-0900

2104087229952

January 9, 1989

Ms. Sally Reed
Chairman
NCBE
1001 Prince Street
Alexandria, VA 22314

Dear Sally:

I apologize for the misunderstanding regarding the parking space earlier today. It was my assistant's understanding at the time that you needed the space only for the one particular day but I can make it available to you for the two week period you mentioned at the prorated rate of $1.61 per day ($50.00 divided by 31 days of January). Fourteen days would come to $22.54. This will cover the period of January 9, to January 22, 1989. If you require the use of space #17 after this date please let me know.

I would appreciate it if you would direct your check for the parking fee to my attention once it is available and I will see that our accountant receives it.

Thank you very much and once again, I apologize for the misunderstanding.

Sincerely,

Mark Ortmeier
Building Manager

P.S. Since parking space #17 has been our "visitor's" space in the past you may find other cars parking in this space from time to time. I would appreciate it if you would bring these instances to my personal attention and I will see that they are resolved post haste. Thanks.

cc: Shirley Bailey

NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

Maiselle Dolan Shortley
Chairman

(703) 548-0900

It is hereby agreed that as of December 1, , 1988, The Nat'l Council for Better Education with offices/residence at 1001 Prince Street, Alexandria, VA will rent 1 additional parking space(s) # 43 from the National Conservative Foundation for the monthly rental fee of $50.00.

This $50.00 will be due the first day of each month beginning on December 1, 1988.

If the rental fee is not received by NCF by the 10th day of any given month, the vehicles parked in space(s) #43 shall be towed at the expense of the owners. This policy will be continued until full payment is received or this agreement is cancelled.

This agreement may be terminated upon 30 days written notice to the National Conservative Foundation by any of the parties to this agreement.

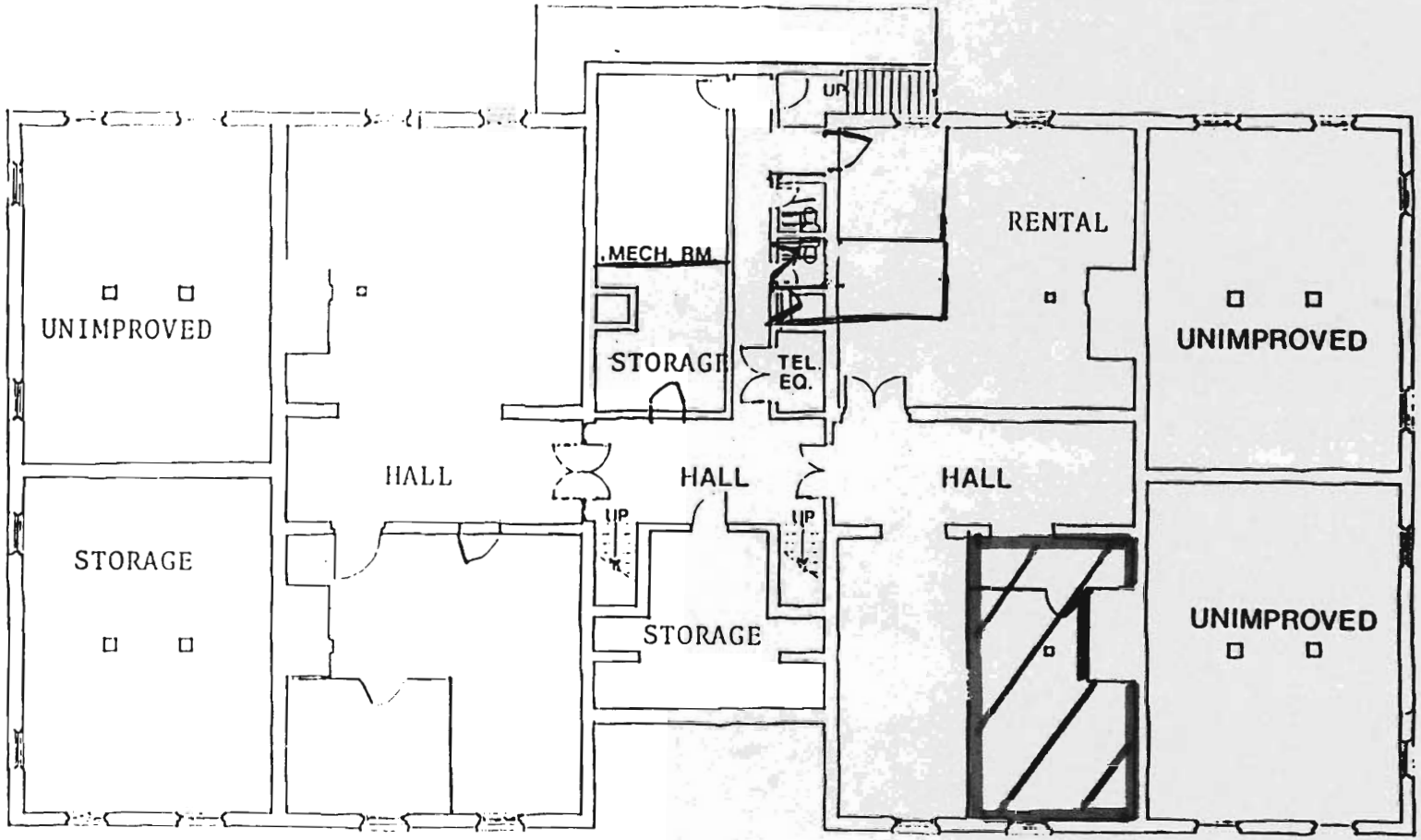
Maiselle Dolan Shortley 11/29/88 Sally D. Reed, Chairman

Maiselle Dolan Shortley Date Date
Chairman
National Conservative Foundation
1001 Prince Street
Alexandria, VA 22314

NCBE 12-1-88

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LOWER LEVEL

EXHIBIT "DD"

Liz will be out the end of March

SUBLEASE AGREEMENT

SUBLEASE AGREEMENT, dated between NATIONAL CONSERVATIVE FOUNDATION ("Lessor"), a Virginia nonstock corporation with principal offices located at 1001 Prince Street, Alexandria, Virginia 22314, and CRAIG SHIRLEY AKA ("Sublessee"), with its principal offices located at 1001 Prince Street, Alexandria, Virginia 22314.

W I T N E S S E T H:

WHEREAS, on February 23, 1983, Lessor entered into a Deed of Lease with Walter F. O'Connell in respect to the leasing of 1001 Prince Street, Alexandria, Virginia 22314, to be effective on December 1, 1983, being the date then projected that the premises would be available for occupancy by Lessor, containing approximately 21,500 gross rentable square feet; and

WHEREAS, Walter F. O'Connell has granted Lessor permission pursuant to the terms of the Deed of Lease to enter into a Sublease Agreement to sublet the premises or any part thereof; and

WHEREAS, the Deed of Lease betwen Walter F. O'Connell and Lessor is now effective.

NOW, THEREFORE, in consideration of the following mutual covenants and other good and valuable consideration, the parties hereto agree as follows:

1. Sublease. The Lessor hereby sublets to the Sublessee and Sublesseehires from the Lessor the following described premises: approximately 702 square feet of office space located on the first floor, known as Suite 100 of 1001 Prince Street, Alexandria, Virginia 22314, to be used only for a business office, for the term and at the rental hereinafter stated. A floor plan of said office space is attached hereto and

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incorporated herein as Exhibit A. Such square footage includes allocated share of the common areas and operating expenses.

2. Master Lease. It is understood and agreed that this instrument is a Sublease Agreement by which lessor is subleasing to Sublessee for the term and at the rental hereinafter stated the premises which are part of the same premises leased to lessor in the aforesaid Deed of Lease dated February 23, 1983, which is hereinafter referred to as the "Master Lease." Said Master Lease is attached hereto and incorporated herein as Exhibit B. Except as otherwise specifically stated herein, Sublessee does hereby assume and agree to perform all of the duties and obligations imposed upon Lessor by the Master Lease for the term of this Sublease and it is agreed that Lessor shall have all the rights and powers, and assume all the obligations with respect to the subleased premises that are conferred and imposed upon the Lessor as identified in the Master Lease.

3. Parking. During the term of this Sublease, Lessor shall provide for Sublessee's use Two(2) parking space(s) at $40 per month.

4. Rent. All rent and other charges which Sublessee is obligated to pay Lessor under any provision of the Sublease shall be paid timely to Lessor at Lessor's address without any set-off, counterclaim, or deduction whatsoever.

(a) Base Rent. The Sublessee agrees to pay a rental in the sum of $19530.00 payable in equal monthly installments of $1777.50 per month (or pro rata portion thereof for any part of a month). The rent for each month shall be paid in advance on the first day of each calendar month during their term hereof. On each subsequent year of the lease beginning on the first anniversary of lease commencement the base rent shall be raised by the sum of five percent. A 10% late fee will be charged if rent is not received by the 10th of the month for which it is due.

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5. Security Deposit. The Sublessee Will Deposit with the Lessor the sum of $777.50 as security for the performance of the Sublessee of the terms of this Sublease. The Lessor may use, apply, or retain the whole or any part of the security so deposited to the extent required for the payment of any rent and additional rent or other sum as to which the Sublessee is in default or for any sum which the Lessor may expend or may be required to expend by reason of the Sublessee's default in respect of any of the terms of this Sublease, including, but not limited to, any damages or deficiency in the reletting of the subleased premises, whether such damages or deficiency accrued before or after summary proceedings or other reentry by Lessor. In the event that the Sublessee shall comply with all of the terms of this Sublease, the security deposit shall be returned to the Sublessee, without interest, after the date fixed as the end of the Sublease and after delivery of possession of the subleased premises to the Lessor. The Sublessee shall not assign or encumber the money deposited as security, and neither the Lessor nor its successors or assigns shall be bound by any such assignment or encumbrance.

6. Term. The term of this Sublease shall be for MONTH TO MONTH commencing on the 1ST DAY of JANUARY, 1987. and expiring WITH 60 DAYS WRITTEN NOTICE

7. Taxes. Sublessee will pay all taxes of every kind and description levied against its business, appliances, equipment and personal property.

8. Inspection. Lessor or the Lessor in the Master Lease shall have the right to enter the subleased premises at any reasonable time to inspect the condition of the premises.

9. Surrender. Upon termination of this Sublease, Sublessee will surrender the premises to Lessor in as good

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condition as received at commencement of this Sublease, except for ordinary wear and tear, and damage by fire or casualty, and will indemnify Lessor from any and all claims made by the Lessor in the Master Lease due to any alterations of the premises made by Sublessee.

10. Liability Insurance. Sublessee will indemnify and save harmless Lessor and the Lessor in the Master Lease, their successors and assigns, from any and all claims, demands, actions, causes of action, and judgments, whether for personal injury or property damage, asserted by any person arising out of Sublessee's possession and use of the premises. Sublessee shall maintain liability insurance throughout the term of this Sublease, with an insurance company authorized to do business in the Commonwealth of Virginia, such policy to have liability limits of at least $500,000 for personal injury for one person, aggregate liability for all persons in any one action of at least One Million Dollars ($1,000,000.00) for property damage. The terms of such policy shall also conform to those terms set forth in paragraph 13 of the Master Lease with respect to the scope of coverage to be provided. Lessor and Lessor in the Master Lease shall be named co-insured in such insurance policy or policies. Such policies shall contain provision for ten days' notice to Lessor and Lessor in the Master Lease prior to cancellation.

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11. Default. Sublessee shall, without any previous demand therefor, pay to Lessor the said rent at the times and in the manner above provided. In the event of nonpayment of said rent, or any installment thereof, and if the same shall remain in default for ten days after becoming due, or if the subleased premises shall be deserted or vacated, Lessor or its agent shall without further notice have the right to and may enter the said premises as agents of Sublessee, and may relet the premises and receive the rent therefor upon such terms as shall be satisfactory to Lessor and all the rights of Sublessee to repossess the premises under this Sublease shall be forfeited. Such reentry by Lessor shall not operate to release Sublessee from any rent to be paid or covenants to be performed hereunder during the full term of this Sublease. In the case of violation by Sublessee of any of the covenants, agreements and conditions of this Sublease, other than the payment of the rent, and upon failure to discontinue such violation within ten days after written notice thereof to Sublessee this Sublease shall henceforth, at the option of Lessor, become null and void and Lessor may reenter without further notice or demand. Upon violation by Sublessee of any of the agreements, covenants, and conditions of this Sublease, all future installments of rent unpaid and all other monies due to and payable by Lessee shall at once become due and payable.

12. Use of Premises. As an inducement for Lessor to enter into this Sublease, Sublessee has represented and warranted that the sole and exclusive purpose of Lessee's leasing the premises is for the purpose of operating general business offices.

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13. Acceptance of Premises. Sublessee does hereby unconditionally and irrevocably warrant that authorized agents have inspected the premises and that Sublessee is satisfied with the present condition of the premises. Sublessee further accepts the premises on an as-is where-is basis and accepts full responsibility for all costs that may be incurred in remodeling to a condition satisfactory to meet their specifications. Remodeling must be approved by the Lessor prior to commencement.

14. Subleasing. Sublessee may not assign this Sublease or sublease the premises in whole or in part without the written permission of Lessor which will not be unreasonably withheld.

15. Notice. Any notice required or permitted under this Sublease shall be given in writing by first class certified mail, return receipt requested, as follows:

To:
CRAIG SHIRLEY + ASSO
1001 Prince Street
Alexandria, Virginia 22314

in the case of Sublessee; and

National Conservative Foundation
1001 Prince Street
Alexandria, Virginia 22314
ATTN: Mr. Leif Noren

in the case of the Lessor.

16. Hold Harmless: Sublessee agrees it will hold Lessor harmless and it will pay to Lessor any losses which Lessor may incur from any default of Sublessee under the terms and conditions of the Master Lease and/or this Sublease and from or as a result of Lessee's possession and use of the subleased premises.

17. Arbitration. Any controversy arising under, out of, in connection with, or relating to, this Sublease, and any consequent amendment thereof, or the breach thereof, shall be determined by arbitration in the City of Alexandria, Virginia, in accordance with the rules of the American Arbitration Association. Any award rendered therein shall be final and binding on each and all of the parties thereto and their representatives,

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and judgment may be entered thereon in any court having jurisdiction thereon.

18. Severability. If any provision or provisions of this Sublease shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not, in any way, be affected or impaired thereby.

19. Counterparts. This Sublease may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

20. Incorporation. All Exhibits and other documents referred to herein are incorporated in this Sublease by reference and shall become a part of this Sublease, except as otherwise conflicting with the provision hereof.

21. Waiver of Breach. The waiver by either Party of a breach of any provision of this Sublease by the other Party shall not operate or be construed as a waiver of any subsequent breach by the then breaching Party.

22. Modification. This Sublease may only be modified in writing, executed on behalf of Lessor and Sublessee. The term "Sublease" as used herein includes any future written amendments, modifications, or supplements made in accordance herewith.

23. Entire Agreement. This instrument contains the entire agreement between the parties hereto with respect to the transactions contemplated herein.

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IN WITNESS WHEREOF, the Lessor and Sublessee have executed this Lease as of the date first above written.

SUBLESSEE

CRAIG SHIPLEY & ASSOC.

BY: _____

LESSOR

NATIONAL CONSERVATIVE FOUNDATION

BY: _____

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EXHIBIT "EE"

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SUBLEASE AGREEMENT

SUBLEASE AGREEMENT, dated November 7, 1983, between **NATIONAL CONSERVATIVE FOUNDATION** ("Lessor"), a Virginia nonstock corporation with principal offices located at 1001 Prince Street, Alexandria, Virginia 22314, and Cheryl Smith, C.P.A. ("Sublessee"), with its principal offices located at 1001 Prince Street, Alexandria, Virginia 22314.

W I T N E S S E T H:

WHEREAS, on February 23, 1983, Lessor entered into a Deed of Lease with Walter F. O'Connell in respect to the leasing of 1001 Prince Street, Alexandria, Virginia 22314, to be effective on December 1, 1983, being the date then projected that the premises would be available for occupancy by Lessor, containing approximately 21,500 gross rentable square feet; and

WHEREAS, Walter F. O'Connell has granted Lessor permission pursuant to the terms of the Deed of Lease to enter into a Sublease Agreement to sublet the premises or any part thereof; and

WHEREAS, the Deed of Lease between Walter F. O'Connell and Lessor is now effective.

NOW, THEREFORE, in consideration of the following mutual covenants and other good and valuable consideration, the parties hereto agree as follows:

1. Sublease. The Lessor hereby sublets to the Sublessee and Sublessee hires from the Lessor the following described premises: approximately 700 square feet of office space located on the 1st floor, known as Suite 101, of 1001 Prince Street, Alexandria, Virginia 22314, to be used only for a business office, for the term and at the rental hereinafter stated. A floor plan of said office space is attached hereto and incorporated herein as Exhibit A.

2. Master Lease. It is understood and agreed that this instrument is a Sublease Agreement by which lessor is subleasing to Sublessee for the term and at the rental hereinafter stated the premises which are part of the same premises leased to Lessor in the aforesaid Deed of Lease dated February 23, 1983, which is hereinafter referred to as the "Master Lease." Said Master Lease is attached hereto and incorporated herein as Exhibit B. Except as otherwise specifically stated herein, Sublessee does hereby assume and agree to perform all of the duties and obligations imposed upon Lessor by the Master Lease for the term of this Sublease and it is agreed that Lessor shall have all the rights and powers, and assume all the obligations with respect to the subleased premises that are conferred and imposed upon the Lessor as identified in the Master Lease.

3. Parking. During the term of this Sublease, Lessor shall provide for Sublessee's use one (1) parking space on the surface at no charge. MARKED "RESERVED for Cheez C.L. Smith"

4. Rent. All rent and other charges which Sublessee is obligated to pay Lessor under any provision of the Sublease shall be paid timely to Lessor at Lessor's address without any set-off, counterclaim, or deduction whatsoever.

(a) Base Rent. The Sublessee agrees to pay a rental in the sum of $ 11,550.00 beginning January 1, 1986, payable in equal monthly installments of $ 962.50 per month (or pro rata portion thereof for any part of a month). The rent for each month shall be paid in advance on the first day of each calendar month during the term hereof.

(b) Additional Rent. As additional rent, during the term of this Lease or any extension or renewal, the Sublessee shall pay a pro rata share of all the operational expenses of the premises, including, but not limited to, all real property taxes, insurance premiums, maintenance costs and assessments or charges incurred by Lessor or assessed against the property. It being the intent of the Sublessee and Lessor that the Sublessee shall

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be responsible for the payment of all the expenses incurred by Lessor by virtue of or attributable to the occupancy by the Sublessee of the premises described herein. To determine the pro rata share of such charges, the Treasurer or other appropriate officer or agent of Lessor shall periodically determine the charges to be billed to it by Walter F. O'Connell under the Additional Rent clause [Paragraph 4(b)] of the Master Lease. The Sublessee shall remit to Lessor the Sublessee's share of said charges, determined by the ratio of the number of square feet occupied by the Sublessee, plus a pro rata allocation of common and unrented square footage, to the total number of rentable square feet of the property. Said ratio shall then be applied to the charges due from the Lessor under the Additional Rent clause of the Master Lease to determine the amounts due from the Sublessee under this clause. The parties hereto have determined that said ratio, at time of execution, is 3.3%. Notice of assessments under this clause may be contained in monthly or other periodic statements prepared by Lessor. Payments therefore shall be due no later than the date of payments of the additional rent by Lessor under the Master lease.

5. Security Deposit. The Sublessee has deposited with the Lessor the sum of $962.50 as security for the performance of the Sublessee of the terms of this Sublease. The Lessor may use, apply, or retain the whole or any part of the security so deposited to the extent required for the payment of any rent and additional rent or other sum as to which the Sublessee is in default or for any sum which the Lessor may expend or may be required to expend by reason of the Sublessee's default in respect of any of the terms of this Sublease, including, but not limited to, any damages or deficiency in the reletting of the subleased premises, whether such damages or deficiency accrued before or after summary proceedings or other reentry by Lessor. In the event that the Sublessee shall comply with all of the terms of this Sublease, the security deposit shall be returned to

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the Sublessee, without interest, after the date fixed as the end of the Sublease and after delivery of possession of the subleased premises to the Lessor. The Sublessee shall not assign or encumber the money deposited as security, and neither the Lessor nor its successors or assigns shall be bound by any such assignment or encumbrance.

6. Term. The term of this Sublease shall be for three (3) years, commencing on the 1st day of November, 1985 and expiring on the 31st day of October, 1988.

7. Taxes. Sublessee will pay all taxes of every kind and description levied against its business, appliances, equipment and personal property.

8. Inspection. Lessor or the Lessor in the Master Lease shall have the right to enter the subleased premises at any reasonable time to inspect the condition of the premises.

9. Surrender. Upon termination of this Sublease, Sublessee will surrender the premises to Lessor in as good condition as received at commencement of this Sublease, except for ordinary wear and tear, and damage by fire or casualty, and will indemnify Lessor from any and all claims made by the Lessor in the Master Lease due to any alterations of the premises made by Sublessee.

10. Liability Insurance. Sublessee will indemnify and save harmless Lessor and the Lessor in the Master Lease, their successors and assigns, from any and all claims, demands, actions, causes of action, and judgments, whether for personal injury or property damage, asserted by any person arising out of Sublessee's possession and use of the premises. Sublessee shall upon occupancy and then maintain liability insurance throughout the term of this Sublease, with an insurance company authorized to do business in the Commonwealth of Virginia, such policy to have liability limits of at least $1,000,000 for personal injury for one person, aggregate liability for all persons in any one action of at least One

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Million Dollars ($1,000,000) for property damage. The terms of such policy shall also conform to those terms set forth in paragraph 13 of the Master Lease with respect to the scope of coverage to be provided. Lessor and Lessor in the Master Lease shall be named co-insured in such insurance policy or policies. Such policies shall contain provision for ten days' notice to Lessor and Lessor in the Master Lease prior to cancellation.

11. Default. Sublessee shall, without any previous demand therefor, pay to Lessor the said rent at the times and in the manner above provided. In the event of nonpayment of said rent, or any installment thereof, and if the same shall remain in default for ten days after becoming due, or if the subleased premises shall be deserted or vacated, Lessor or its agent shall without further notice have the right to and may enter the said premises as agents of Sublessee, and may relet the premises and receive the rent therefor upon such terms as shall be satisfactory to Lessor and all the rights of Sublessee to repossess the premises under this Sublease shall be forfeited. Such reentry by Lessor shall not operate to release Sublessee from any rent to be paid or covenants to be performed hereunder during the full term of this Sublease. In the case of violation by Sublessee of any of the covenants, agreements and conditions of this Sublease, other than the payment of the rent, and upon failure to discontinue such violation within ten days after written notice thereof to Sublessee this Sublease shall henceforth, at the option of Lessor, become null and void and Lessor may reenter without further notice or demand. Upon violation by Sublessee of any of the agreements, covenants, and conditions of this Sublease, all future installments of rent unpaid and all other monies due to and payable by Lessee shall at once become due and payable.

12. Use of Premises. As an inducement for Lessor to enter into this Sublease, Sublessee has represented and warranted that the sole and exclusive purpose of Lessee's leasing the premises is for the purpose of operating general business offices.

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13. Acceptance of Premises. ~~Sublessee does hereby unconditionally and irrevocably warrant that authorized agents have inspected the premises and that Sublessee is satisfied with the present condition of the premises.~~ Sublessee further accepts the premises on an as-is where-is basis and accepts full responsibility for all costs that may be incurred in remodeling to a condition satisfactory to meet their specifications. Remodeling must be approved by the Lessor prior to commencement.

14. Subleasing. Sublessee may not assign this Sublease or sublease the premises in whole or in part without the written permission of Lessor which will not be unreasonably withheld.

15. Notice. Any notice required or permitted under this Sublease shall be given in writing by first class certified mail, return receipt requested, as follows:

To:
Cheryl Smith, C.P.A.
1001 Prince Street, Suite 101
Alexandria, Virginia 22314

in the case of Sublessee; and

National Conservative Foundation
1001 Prince Street
Alexandria, Virginia 22314
ATTN: Mr. Leif Noren

in the case of the Lessor.

16. Hold Harmless: Sublessee agrees it will hold Lessor harmless and it will pay to Lessor any losses which Lessor may incur from any default of Sublessee under the terms and conditions of the Master Lease and/or this Sublease and from or as a result of Lessee's possession and use of the subleased premises.

17. Arbitration. Any controversy arising under, out of, in connection with, or relating to, this Sublease, and any consequent amendment thereof, or the breach thereof, shall be determined by arbitration in the City of Alexandria, Virginia, in accordance with the rules of the American Arbitration Association. Any award rendered therein shall be final and binding on each and all of the parties thereto and their representatives,

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and judgment may be entered thereon in any court having judrisdiction thereon.

18. Severability. If any provision or provisions of this Sublease shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not, in any way, be affected or impaired thereby.

19. Counterparts. This Sublease may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

20. Incorporation. All Exhibits and other documents referred to herein are incorporated in this Sublease by reference and shall become a part of this Sublease, except as otherwise conflicting with the provision hereof.

21. Waiver of Breach. The waiver by either Party of a breach of any provision of this Sublease by the other Party shall not operate or be construed as a waiver of any subsequent breach by the then breaching Party.

22. Modification. This Sublease may only be modified in writing, executed on behalf of Lessor and Sublessee. The term "Sublease" as used herein includes any future written amendments, modifications, or supplements made in accordance herewith.

23. Entire Agreement. This instrument contains the entire agreement between the parties hereto with respect to the transactions contemplated herein.

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IN WITNESS WHEREOF, the Lessor and Sublessee have executed this Lease as of the date first above written.

Subject to the provisions in the enclosed covered letter.

SUBLESSEE

Cheryl L Smith, CPA

By: _____

LESSOR

NATIONAL CONSERVATIVE FOUNDATION

By: _____

COMMONWEALTH OF VIRGINIA)
CITY OF ALEXANDRIA) to wit:

I, the undersigned, a Notary Public in and for the City aforesaid, in the Commonwealth of Virginia, do hereby certify that Cheryl L Smith, who is the owner of Cheryl L Smith CPA, and whose name is signed to the foregoing writing bearing date the 7 day of December, 1985, has acknowledged the same before me in my County and State aforesaid as and for the act of the Corporation.

GIVEN under my hand and seal this 7th day of December, 1985.

_____
Notary Public

My commission expires: March 3, 1986

COMMONWEALTH OF VIRGINIA)
CITY OF ALEXANDRIA) to wit:

I, the undersigned, a Notary Public in and for the City aforesaid, in the Commonwealth of Virginia, do hereby certify that Lee A. Cox, who is the Treasurer of NATIONAL CONSERVATIVE FOUNDATION, and whose name is signed to the foregoing writing bearing date the 4th day of December, 1985, has acknowledged the same before me in my County and State aforesaid as and for the act of the Corporation.

GIVEN under my hand and seal this 4th day of December, 1985.

_____
Notary Public

My commission expires: June 30, 1989

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MEMORANDUM

TO: National Conservative Foundation

FROM: Cheryl L. Smith

RE: Sublease of 1001 Prince Street, Suite 1010

This is to change the above referenced sublease dated November 7, 1987, and to delete the name of Cheryl L. Smith, from said sublease and to replace it with the name of John Holsinger. Mr. Holsinger agrees to be bound by the terms and conditions of the sublease agreement.

AGREED:

Cheryl L. Smith

John W. Holsinger

National Conservative Foundation
Maiselle D. Shortley

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SUBLEASE AGREEMENT

SUBLEASE AGREEMENT, dated November 1, 1985, between **NATIONAL CONSERVATIVE FOUNDATION** ("Lessor"), a Virginia nonstock corporation with principal offices located at 1001 Prince Street, Alexandria, Virginia 22314, and John Holsinger (Chief Exec. Officer) ("Sublessee"), with its principal offices located at 1001 Prince Street, Alexandria, Virginia 22314.

W I T N E S S E T H:

WHEREAS, on February 23, 1983, Lessor entered into a Deed of Lease with Walter F. O'Connell in spect to the leasing of 1001 Prince Street, Alexa 2314, to be effective on December projected that the premises would t ssor, containing approximately 21, and

WHEREAS, d Lessor permission pursuant to th enter into a Sublease Agreement t rt thereof; and

Initial the cross-sign last page

WHEREAS, th n Walter F. O'Connell and Lessor is now effe

NOW, THEREFORE, in consideration of the following mutual covenants and other good and valuable consideration, the parties hereto agree as follows:

1. Sublease. The Lessor hereby sublets to the Sublessee and Sublessee hires from the Lessor the following described premises: approximately 700 square feet of office space located on the 1st floor, known as Suite 101, of 1001 Prince Street, Alexandria, Virginia 22314, to be used only for a business office, for the term and at the rental hereinafter stated. A floor plan of said office space is attached hereto and incorporated herein as Exhibit A.

2. Master Lease. It is understood and agreed that this instrument is a Sublease Agreement by which lessor is subleasing to Sublessee for the term and at the rental hereinafter stated the premises which are part of the same premises leased to Lessor in the aforesaid Deed of Lease dated February 23, 1983, which is hereinafter referred to as the "Master Lease." Said Master Lease is attached hereto and incorporated herein as Exhibit B. Except as otherwise specifically stated herein, Sublessee does hereby assume and agree to perform all of the duties and obligations imposed upon Lessor by the Master Lease for the term of this Sublease and it is agreed that Lessor shall have all the rights and powers, and assume all the obligations with respect to the subleased premises that are conferred and imposed upon the Lessor as identified in the Master Lease.

3. Parking. During the term of this Sublease, Lessor shall provide for Sublessee's use one (1) parking space on the surface at no charge. marked "Reserved for Cheryl L Smith"

4. Rent. All rent and other charges which Sublessee is obligated to pay Lessor under any provision of the Sublease shall be paid timely to Lessor at Lessor's address without any set-off, counterclaim, or deduction whatsoever.

(a) Base Rent. The Sublessee agrees to pay a rental in the sum of $ 11,550.00 (beginning January 1, 1986), payable in equal monthly installments of $ 962.50 per month (or pro rata portion thereof for any part of a month). The rent for each month shall be paid in advance on the first day of each calendar month during the term hereof.

(b) Additional Rent. As additional rent, during the term of this Lease or any extension or renewal, the Sublessee shall pay a pro rata share of all the operational expenses of the premises, including, but not limited to, all real property taxes, insurance premiums, maintenance costs and assessments or charges incurred by Lessor or assessed against the property. It being the intent of the Sublessee and Lessor that the Sublessee shall

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be responsible for the payment of all the expenses incurred by Lessor by virtue of or attributable to the occupancy by the Sublessee of the premises described herein. To determine the pro rata share of such charges, the Treasurer or other appropriate officer or agent of Lessor shall periodically determine the charges to be billed to it by Walter F. O'Connell under the Additional Rent clause [Paragraph 4(b)] of the Master Lease. The Sublessee shall remit to Lessor the Sublessee's share of said charges, determined by the ratio of the number of square feet occupied by the Sublessee, plus a pro rata allocation of common and unrented square footage, to the total number of rentable square feet of the property. Said ratio shall then be applied to the charges due from the Lessor under the Additional Rent clause of the Master Lease to determine the amounts due from the Sublessee under this clause. The parties hereto have determined that said ratio, at time of execution, is 3.3%. Notice of assessments under this clause may be contained in monthly or other periodic statements prepared by Lessor. Payments therefore shall be due no later than the date of payments of the additional rent by Lessor under the Master lease.

5. Security Deposit. The Sublessee has deposited with the Lessor the sum of $ 962.50 as security for the performance of the Sublessee of the terms of this Sublease. The Lessor may use, apply, or retain the whole or any part of the security so deposited to the extent required for the payment of any rent and additional rent or other sum as to which the Sublessee is in default or for any sum which the Lessor may expend or may be required to expend by reason of the Sublessee's default in respect of any of the terms of this Sublease, including, but not limited to, any damages or deficiency in the reletting of the subleased premises, whether such damages or deficiency accrued before or after summary proceedings or other reentry by Lessor. In the event that the Sublessee shall comply with all of the terms of this Sublease, the security deposit shall be returned to

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the Sublessee, without interest, after the date fixed as the end of the Sublease and after delivery of possession of the subleased premises to the Lessor. The Sublessee shall not assign or encumber the money deposited as security, and neither the Lessor nor its successors or assigns shall be bound by any such assignment or encumbrance.

6. Term. The term of this Sublease shall be for three (3) years, commencing on the 1st day of November, 1985 and expiring on the 31st day of October, 1988.

7. Taxes. Sublessee will pay all taxes of every kind and description levied against its business, appliances, equipment and personal property.

8. Inspection. Lessor or the Lessor in the Master Lease shall have the right to enter the subleased premises at any reasonable time to inspect the condition of the premises.

9. Surrender. Upon termination of this Sublease, Sublessee will surrender the premises to Lessor in as good condition as received at commencement of this Sublease, except for ordinary wear and tear, and damage by fire or casualty, and will indemnify Lessor from any and all claims made by the Lessor in the Master Lease due to any alterations of the premises made by Sublessee.

10. Liability Insurance. Sublessee will indemnify and save harmless Lessor and the Lessor in the Master Lease, their successors and assigns, from any and all claims, demands, actions, causes of action, and judgments, whether for personal injury or property damage, asserted by any person arising out of Sublessee's possession and use of the premises. Sublessee shall maintain liability insurance upon occupancy and then throughout the term of this Sublease, with an insurance company authorized to do business in the Commonwealth of Virginia, such policy to have liability limits of at least $1,000,000 for personal injury for one person, aggregate liability for all persons in any one action of at least One

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Million Dollars ($1,000,000.00) for property damage. The terms of such policy shall also conform to those terms set forth in paragraph 13 of the Master Lease with respect to the scope of coverage to be provided. Lessor and Lessor in the Master Lease shall be named co-insured in such insurance policy or policies. Such policies shall contain provision for ten days' notice to Lessor and Lessor in the Master Lease prior to cancellation.

11. Default. Sublessee shall, without any previous demand therefor, pay to Lessor the said rent at the times and in the manner above provided. In the event of nonpayment of said rent, or any installment thereof, and if the same shall remain in default for ten days after becoming due, or if the subleased premises shall be deserted or vacated, Lessor or its agent shall without further notice have the right to and may enter the said premises as agents of Sublessee, and may relet the premises and receive the rent therefor upon such terms as shall be satisfactory to Lessor and all the rights of Sublessee to repossess the premises under this Sublease shall be forfeited. Such reentry by Lessor shall not operate to release Sublessee from any rent to be paid or covenants to be performed hereunder during the full term of this Sublease. In the case of violation by Sublessee of any of the covenants, agreements and conditions of this Sublease, other than the payment of the rent, and upon failure to discontinue such violation within ten days after written notice thereof to Sublessee this Sublease shall henceforth, at the option of Lessor, become null and void and Lessor may reenter without further notice or demand. Upon violation by Sublessee of any of the agreements, covenants, and conditions of this Sublease, all future installments of rent unpaid and all other monies due to and payable by Lessee shall at once become due and payable.

12. Use of Premises. As an inducement for Lessor to enter into this Sublease, Sublessee has represented and warranted that the sole and exclusive purpose of Lessee's leasing the premises is for the purpose of operating general business offices.

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13. Acceptance of Premises. ~~Sublessee does hereby unconditionally and irrevocably warrant that authorized agents have inspected the premises and that Sublessee is satisfied with the present condition of the premises.~~ Sublessee further accepts the premises on an as-is where-is basis and accepts full responsibility for all costs that may be incurred in remodeling to a above that stipulated in Exhibit B condition satisfactory to meet their specifications. Remodeling must be approved by the Lessor prior to commencement.

14. Subleasing. Sublessee may not assign this Sublease or sublease the premises in whole or in part without the written permission of Lessor which will not be unreasonably withheld. Landlord understands that tenant intends to sublet a portion of the space.

15. Notice. Any notice required or permitted under this Sublease shall be given in writing by first class certified mail, return receipt requested, as follows:

To:
Cheryl Smith, C.P.A.
1001 Prince Street, Suite 101
Alexandria, Virginia 22314

in the case of Sublessee; and

National Conservative Foundation
1001 Prince Street
Alexandria, Virginia 22314
ATTN: Mr. Leif Noren

in the case of the Lessor.

16. Hold Harmless: Sublessee agrees it will hold Lessor harmless and it will pay to Lessor any losses which Lessor may incur from any default of Sublessee under the terms and conditions of the Master Lease and/or this Sublease and from or as a result of Lessee's possession and use of the subleased premises.

17. Arbitration. Any controversy arising under, out of, in connection with, or relating to, this Sublease, and any consequent amendment thereof, or the breach thereof, shall be determined by arbitration in the City of Alexandria, Virginia, in accordance with the rules of the American Arbitration Association. Any award rendered therein shall be final and binding on each and all of the parties thereto and their representatives,

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and judgment may be entered thereon in any court having jurisdiction thereon.

18. Severability. If any provision or provisions of this Sublease shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not, in any way, be affected or impaired thereby.

19. Counterparts. This Sublease may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

20. Incorporation. All Exhibits and other documents referred to herein are incorporated in this Sublease by reference and shall become a part of this Sublease, except as otherwise conflicting with the provision hereof.

21. Waiver of Breach. The waiver by either Party of a breach of any provision of this Sublease by the other Party shall not operate or be construed as a waiver of any subsequent breach by the then breaching Party.

22. Modification. This Sublease may only be modified in writing, executed on behalf of Lessor and Sublessee. The term "Sublease" as used herein includes any future written amendments, modifications, or supplements made in accordance herewith.

23. Entire Agreement. This instrument contains the entire agreement between the parties hereto with respect to the transactions contemplated herein.

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IN WITNESS WHEREOF, the Lessor and Sublessee have executed this Lease as of the date first above written.

Subject to 1 & 2 in consent letter

SUBLESSEE

John W Holsinger

By: John W. Holsinger

LESSOR

NATIONAL CONSERVATIVE FOUNDATION

By: _____

COMMONWEALTH OF VIRGINIA)
CITY OF ALEXANDRIA) to wit:

I, the undersigned, a Notary Public in and for the City aforesaid, in the Commonwealth of Virginia, do hereby certify that _____, who is the _____ of _____, and whose name is signed to the foregoing writing bearing date the _____ day of _____, 19____, has acknowledged the same before me in my County and State aforesaid as and for the act of the Corporation.

GIVEN under my hand and seal this _____ day of _____, 19____.

_____
Notary Public

My commission expires:

COMMONWEALTH OF VIRGINIA)
CITY OF ALEXANDRIA) to wit:

I, the undersigned, a Notary Public in and for the City aforesaid, in the Commonwealth of Virginia, do hereby certify that _____, who is the _____ of NATIONAL CONSERVATIVE FOUNDATION, and whose name is signed to the foregoing writing bearing date the _____ day of _____, 19____, has acknowledged the same before me in my County and State aforesaid as and for the act of the Corporation.

GIVEN under my hand and seal this _____ day of _____, 19____.

_____
Notary Public

My commission expires:

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NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

Maiselle Dolan Shortley
Chairman

(703) 548-0900

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October 31, 1983

Mr. John W. Holsinger
John Holsinger, P.C.
1001 Prince Street
Alexandria, VA 22314

Dear Mr. Holsinger,

As you may know, your lease with us expires today. Since we have not received notice from you regarding your intentions to either continue your tenancy with us or to secure other office space elsewhere, I thought it best to inquire at this point. We, of course, hope that you will decide to retain your current office space with us and to this extent we would like to make the following offer.

Because of the current sale status of our building, we would like to propose that you continue your existing lease on a month-to month basis at the current monthly rental rate until the status of the building is decided. During this period, the lease may be terminated by either party upon sixty (60) day written notice being provided.

If you are amenable to this proposal, please sign this page where indicated below in consent and keep a copy of it as an addendum to your current lease. If you would return the second copy to me I would appreciate it. Of course, if you would like to discuss this situation further, please feel free to speak with my assistant Mark Ortmeier at 684-1800.

Thank you very much.

Maiselle Dolan Shortley 10/31/83
Maiselle Dolan Shortley Date
Chairman
The National Conservative
1001 Prince Street
Alexandria, VA 22314

John W. Holsinger 11/7/83
John W. Holsinger Date
John Holsinger, P.C.
1001 Prince Street
Alexandria, VA 22314

NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

Maiselle Dolan Shortley
Chairman

(703) 548-0900

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January 5, 1989

To: Mr. Holsinger

From: Mark Ortmeier

Subject: Extra Parking Space

Thank you for your interest in renting an extra parking space from us. I have enclosed the two copies of the parking agreement which I mentioned over the phone which our Chairman has already signed along with other materials pertinent to the parking situation in our lot -- parking decals particularly.

If everything is to your satisfaction, please return one copy of the signed agreement and first rental check to me and everything will be taken care of.

Once again, thanks for your interest.

Attachments: 2 copies parking agreement
1 parking decal
4 visitor decals
2 violator stickers
1 parking lot regulations

NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

Maiselle Dolan Shortley
Chairman

(703) 548-0900

It is hereby agreed that as of Junaury 6, 1989, John Holsinger, P.C. with offices at 1001 Prince Street, Alexandria, VA will rent one additional parking space, #20, from the National Conservative Foundation for the monthly rental fee of $50.00.

This $50.00 will be due the first day of each month beginning on February 1, 1989. In consideration of the date of execution of this agreement, the rental fee for January, 1989, only shall be due upon signing of this agreement and shall be prorated to $42.00 to account for the days of January not covered by this agreement.

If the rental fee is not received by NCF by the 10th day of any given month, the vehicles parked in space #20 shall be towed at the expense of the owners. This policy will be continued until full payment is received or this agreement is cancelled.

This agreement may be terminated upon 30 days written notice by any of the parties to this agreement.

Maiselle Dolan Shortley 1/5/89
Maiselle Dolan Shortley Date
Chairman
The National Conservative
1001 Prince Street
Alexandria, VA 22314

Mr. John W. Holsinger 1/5/89
Mr. John W. Holsinger Date
John Holsinger, P.C.
1001 Prince Street
Alexandria, VA 22314

Attachments: 1.) Parking Map
2.) Parking Lot Rules
3.) Parking Decal and Visitor Decals

cc: Shirley Bailey

2140837293 83

Cheryl Smith CPA

MVR L&C
MOUNT VERNON REALTY
LAND & COMMERCIAL
428 S. Washington Street
Alexandria, Virginia 22314
703-549-1530

October 17, 1985

Mr. Lief Noren
National Conservative Political
Action Committee
1001 Prince Street
Alexandria, VA 22314

Dear Mr. Noren:

I have been authorized by Cheryl Smith, C.P.A., 510 King Street, Suite 300, Alexandria, VA to submit this letter of intent to lease space at 1001 Prince Street, Alexandria, VA under the following terms and conditions:

PROPERTY:	1001 Prince Street Alexandria, VA
AREA:	A portion of the first floor consisting of approximately 700 square feet.
BASE RENTAL RATE:	$962.50 per month - full service
RENTAL ESCALATION AND ADJUSTMENTS:	1. The base rental rate shall be adjusted annually beginning in year two (2) of the lease to reflect 50% of any increases in the Consumer Price Index. 2. In addition, Tenant agrees to pay its prorata share of increases in operating expenses and taxes of the building.
LEASE TERM:	The term shall be three years.
OCCUPANCY:	As soon as Landlord completes requested improvements.
RENT COMMENCEMENT:	January 1, 1986
TENANT IMPROVEMENTS:	(1) Landlord shall provide additional improvements as outlined in Exhibit A at its sole expense and responsibility.

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(2) Landlord shall provide a directory on main wall of 1st floor for 1st floor tenants.

CONTINGENCIES:

(1) Subject to Landlord's approval for Tenant to sublease any surplus space.

(2) Subject to approval of long-form lease.

(3) Carpet cleaned and walls painted as needed.

PARKING:

Tenant requests the use of one (1) parking space at no charge in the rear of the building during the term of its lease.

Please indicate your approval of this letter of intent by signing below and returning one (1) copy to me at your earliest convenience so we may proceed with the drafting of the lease documents.

With best regards,

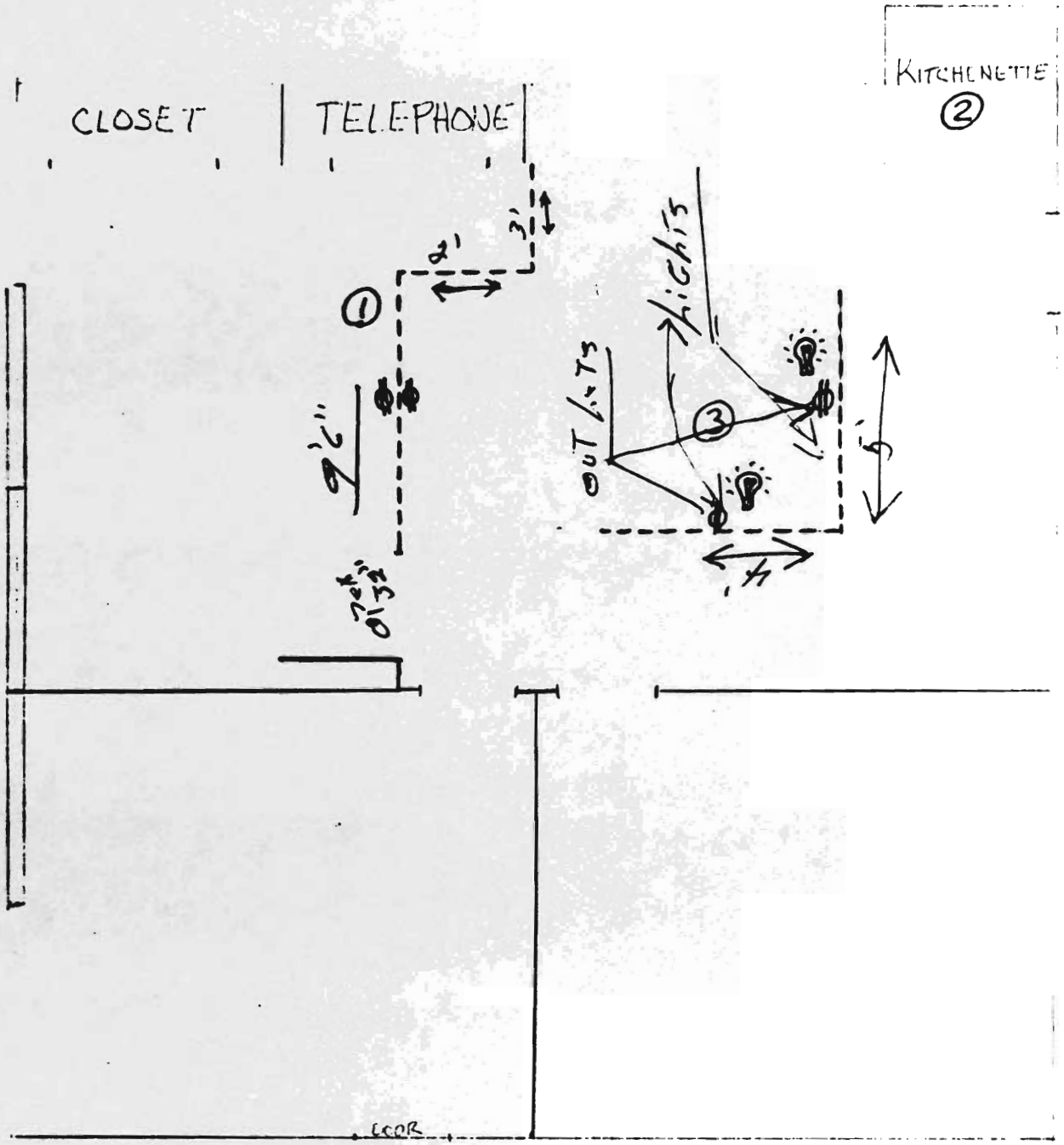
William G Smith

William G. Smith
Commercial Division

WGS/dmm

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EXHIBIT "A"



1. NEW PARTITION WALL 8' HIGH WITH DOOR & ELECT. OUTLETS (ϕ) AS SHOWN.
2. KITCHENETTE TOP CABINE RAISED 18".
3. "L" SHAPED RECEPTION COUNTER 45" HIGH WITH ELECT. OUTLETS AND TASK LIGHTING AS SHOWN

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Cheryl L. Smith
Certified Public Accountant
Certified Financial Planner
510 King Street, Suite 300
Alexandria, Virginia 22314

703/684-4706

November 7, 1985

To: William Smith

From: Cheryl Smith

Re: Sublease Agreement

Enclosed please find two executed copies of the sublease agreement between NCF and my firm. These copies were executed subject to the following conditions:

1. That the landlord wire the partition wall inside my office and the reception area for wall lighting fixtures. I will provide the light fixtures.

2. That a copy of the Master Lease be provided me within three working days and I may then cancel this Sublease Agreement within two working days if there are unacceptable provisions in the Master Lease.

I deleted the first sentence of paragraph 13 on page 6 since the tenant alterations have not been completed, nor approved at this time.

I also enclose a copy of my financial statements and references.

I also enclose my check for the rent deposit, which must be returned to me if the landlord does not accept the lease or in the event the Master Lease is not acceptable to me.

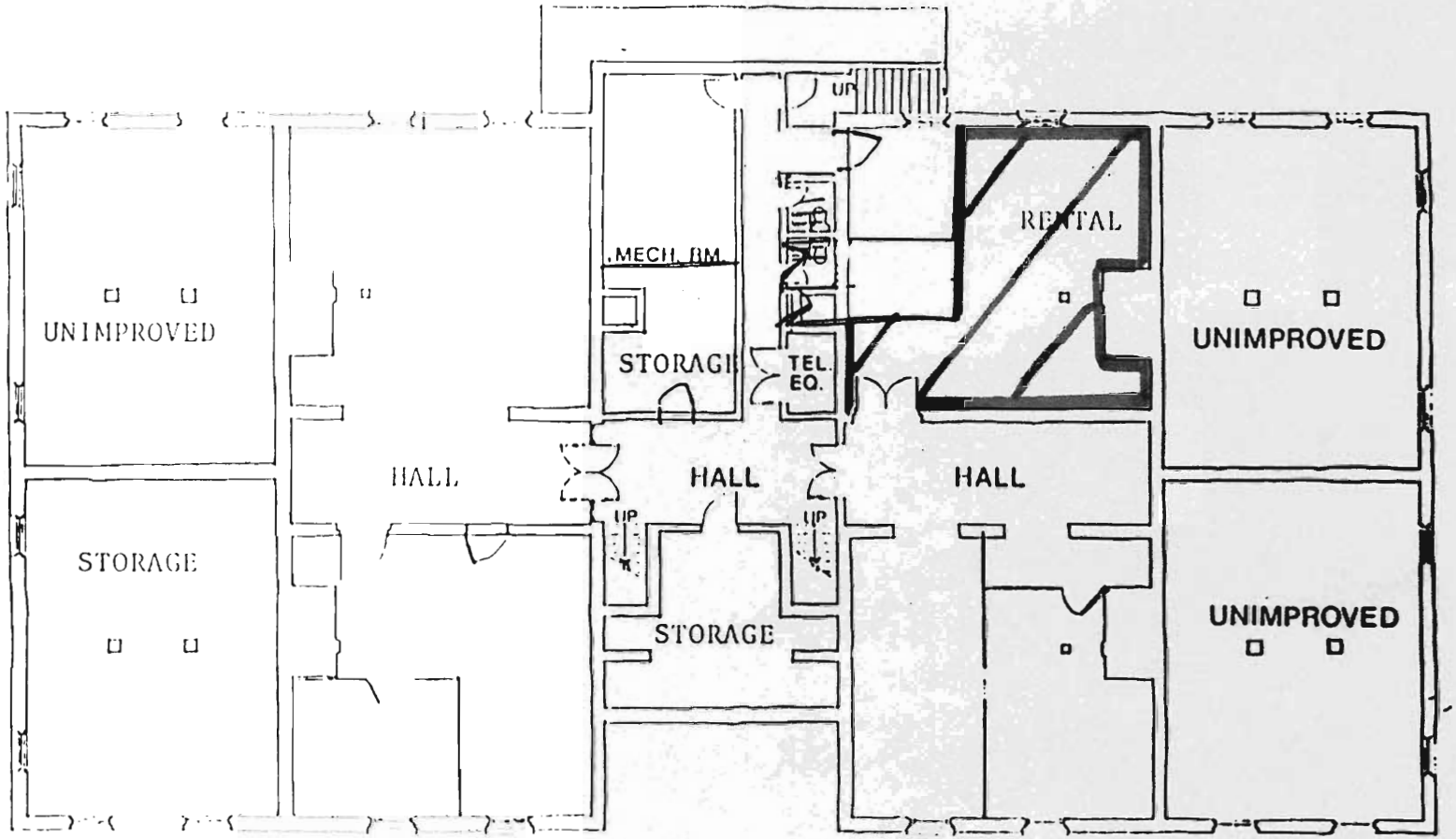
Very truly yours,

Cheryl L. Smith

Enclosures:
Copies of Sublease Agreement
Financial Statements
References
Check for rent deposit

9 1 5 4 0 8 7 2 9 8 7

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LOWER LEVEL

EXHIBIT "F"

SUBLEASE AGREEMENT, dated April 11, 1988, between NATIONAL CONSERVATIVE FOUNDATION ("Lessor"), with its principal offices located at 1001 Prince Street, Alexandria, Virginia 22314 and SHAHROKH M. TABATABAI-HAMADANI, QUMARS PAJOOHI AND JALAL BEHBOODPOUR ("Sublessees"), doing business as United Express, with its principal offices currently at 911 Duke Street, Alexandria, Virginia, 22314. Alexandria, Virginia

WITNESSETH:

WHEREAS, on February 23, 1983, Lessor entered into a Deed of Lease with Walter F. O'Connell in respect to the leasing of 1001 Prince Street, Alexandria, Virginia 22314, to be effective on December 1, 1983, being the date then projected that the premises would be available for occupancy by Lessor, containing approximately 21,500 gross rentable square feet; and

WHEREAS, Walter F. O'Connell has granted Lessor permission pursuant to the terms of the Deed of Lease to enter into a Sublease Agreement to sublet the premises or any part thereof; and

WHEREAS, the Deed of Lease between Walter F. O'Connell and Lessor is now effective.

NOW, THEREFORE, in consideration of the following mutual covenants and other good and valuable consideration, the parties hereto agree as follows:

1. Sublease. The Lessor hereby sublets to the Sublessee and Sublessee hires from the Lessor the following described premises: Northeast corner of the ground floor of 1001 Prince Street, Alexandria, Virginia 22314, to be used only for a business office, for the term and at the rental hereinafter stated. A floor plan of said office space is attached hereto and incorporated herein as Exhibit A.

2. Master Lease. It is understood and agreed that this instrument is a Sublease Agreement by which Lessor is subleasing to Sublessee for the term

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and at the rental hereinafter stated the premises which are part of the same premises leased to Lessor in the aforesaid Deed of Lease dated February 23, 1983, which is hereinafter referred to as the "Master Lease." Said Master Lease is attached hereto and incorporated herein as Exhibit B. Except as otherwise specifically stated herein, Sublessee does hereby assume and agree to perform all of the duties and obligations imposed upon Lessor by the Master Lease for the term of this Sublease and it is agreed that Lessor shall have all the rights and powers, and assume all the obligations with respect to the subleased premises that are conferred and imposed upon the Lessor as identified in the Master Lease.

3. Parking. During the term of this sublease, Lessor shall provide for Sublessee's use, at Sublessee's option, two (2) parking space(s) at $50.00 per month.

4. Rent. All rent and other charges which Sublessee is obligated to pay Lessor under any provision of the Sublease shall be paid promptly to Lessor at Lessor's address without any set-off, counterclaim, or deduction whatsoever. After five (5) days a late rent charge of ten percent (10%) shall be due and payable in any month in which Sublessee does not pay promptly.

(a) Base Rent. The Sublessee agrees to pay a base rental in the sum of six thousand six hundred dollars ($6,600.00) for the first year payable in equal monthly installments of five hundred fifty dollars ($550.00) per month (or pro-rata portion thereof for any part of a month). The rent for each month shall be paid in advance on the first day of each calendar month during their term hereof. On each subsequent year of the lease beginning on the first day of March the base rent shall be raised by the sum of five percent.

5. Security Deposit. Sublessee hereby deposits with the Lessor ~~the sum~~ the sum of five hundred fifty dollars ($550.00) as security for the performance of the Sublessee of the terms of this Sublease. The Lessor may use, apply, or retain the whole or any part of the security so deposited to the extent required for the payment of any rent and additional rent or other sum as to which the Sublessee is in default or for any sum which the Lessor may expend or may be required to expend by reason of the Sublessee's default in respect of any of the terms of this Sublease, including, but not limited to, any damages

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or deficiency in the reletting of the subleased premises, whether such damages or deficiency accrued before or after summary proceedings or other re-entry by Lessor. In the event that the Sublessee shall comply with all of the terms of this Sublease, the security deposit shall be returned to the Sublessee, without interest, after the date fixed as the end of the Sublease and after delivery of possession of the subleased premises to the Lessor. The Sublessee shall not assign or encumber the money deposited as security, and neither the Lessor nor its successors or assigns shall be bound by any such assignment or encumbrance.

6. Term. The term of this Sublease shall be for two (2) years, commencing on the 30th day of April, 1988, and expiring on the 29th day of April, 1990.

7. Taxes. Sublessee will pay all taxes of every kind and description levied against its business, appliances, equipment and personal property.

8. Inspection. Lessor or the Lessor in the Master Lease shall have the right to enter the subleased premises at any reasonable time to inspect the condition of the premises.

9. Surrender. Upon termination of this Sublease, Sublessee will surrender the premises to Lessor in as good condition as received at commencement of this Sublease, except for ordinary wear and tear, and damage by fire or casualty, and will indemnify Lessor from any and all claims made by the Lessor in the Master Lease due to any alterations of the premises made by Sublessee.

10. Liability insurance. Sublessee will indemnify and save harmless Lessor and the Lessor in the Master Lease, their successors and assigns, from any and all claims, demands, actions, causes of action, and judgments, whether for personal injury or property damage, asserted by any person arising out of Sublessee's possession and use of the premises. Sublessee shall maintain liability insurance throughout the term of this Sublease, with an insurance company authorized to do business in the Commonwealth of Virginia, such policy to have liability limits of at least five hundred thousand ($500,000) for personal injury for one person, aggregate liability for all persons in any one action of at least one million Dollars ($1,000,000) for property damage. The terms of such policy shall also conform to those terms set forth in paragraph

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of the Master Lease with respect to the scope of coverage to be provided. Lessor and Lessor in the Master Lease shall be named co-insured in such insurance policy or policies. Such policies shall contain provision for ten days' notice to Lessor and Lessor in the Master Lease prior to cancellation.

11. Default. Sublessee shall, without any previous demand therefor, pay to Lessor the said rent at the times and in the manner above provided. In the event of nonpayment of said rent, or any installment thereof, and if the same shall remain in default for ten days after becoming due, or if the subleased premises shall be deserted or vacated, Lessor or its agent shall without further notice have the right to and may enter the said premises as agents of Sublessee, and may re-let the premises and receive the rent therefor upon such terms as shall be satisfactory to Lessor and all the rights of Sublessee to repossess the premises under this Sublease shall be forfeited. Such re-entry by Lessor shall not operate to release Sublessee from any rent to be paid or covenants to be performed hereunder during the full term of the Sublease. In the case of violation by Sublessee of any of the covenants, agreements and conditions of this Sublease, other than the payment of the rent, and upon failure to discontinue such violation within ten days after written notice thereof to Sublessee this Sublease shall henceforth, at the option of Lessor, become null and void and Lessor may re-enter without further notice or demand. Upon violation by Sublessee of any of the agreements, covenants, and conditions of this Sublease, all future installments of rent unpaid and all other monies due to and payable no Lessee shall at once become due and payable.

12. Use of Premises. As an inducement for Lessor to enter into this Sublease, Sublessee has represented and warranted that the sole and exclusive purpose of Lessee's leasing the premises is for the purpose of operating general business offices.

13. Acceptance of Premises. Sublessee does hereby unconditionally and irrevocably warrant that authorized agents have inspected the premises and that Sublessee is satisfied with the present condition of the premises. Sublessee further accepts the premises on an as-is where-is basis and accepts full responsibility for all costs that may be incurred in remodeling to a condition satisfactory to meet their specifications. Sublessee may partition floor to ceiling where existing half wall stands and may mount a small car-type

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Motorola radio antenna on the outside of the building with a wire run through the window of the leased space. Any remodeling must be approved by the Lessor prior to commencement.

14. Subleasing. Sublessee may not assign this Sublease of sublease the premises in whole or in part without the written permission of Lessor which will not be unreasonably withheld.

15. Notice Any notice required or permitted under this Sublease shall be given in writing by first class certified mail, return receipt requested, as follows:

To: Shahrokh M. Tabatabai-Hamadani, Qumars Pajoohi or
Jalal Behboodpour
1001 Prince Street, Suite 201
Alexandria
Virginia 22314

in the case of Sublessee; and

NATIONAL CONSERVATIVE FOUNDATION
1001 Prince Street
Alexandria, Virginia 22314

in the case of the Lessor.

16. Hold Harmless: Sublessee agrees it will hold Lessor harmless and it will pay to Lessor any losses which Lessor may incur from any default of Sublessee under the terms and conditions of the Master Lease and/or this Sublease and from or as a result of Lessee's possession and use of the subleased premises.

17. Arbitration. Any controversy arising under, out of, in connection with, or relating to, this Sublease, and any consequent amendment thereof, or the breach thereof, shall be determined by arbitration in the City of Alexandria, Virginia, in accordance with the rules of the American Arbitration Association. Any award rendered therein shall be final and binding on each and all of the parties thereto and their representatives, and judgment may be entered thereon in any court having jurisdiction thereon.

18. Severability. If any provision or provisions of this Sublease shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not, in any way, be affected or impaired thereby.

19. Counterparts. The Sublease may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of

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which together shall constitute one and the same instrument.

20. Incorporation. All Exhibits and other documents referred to herein are incorporated in this Sublease by reference and shall become a part of this Sublease, except as other wise conflicting with the provision hereof.

21. Waiver of Breach. The waiver by either Party of a breach of any provision of this Sublease by the other Party shall not operate or be construed as a waiver of any subsequent breach by the then breaching Party.

22. Modification. This Sublease may only be modified in writing, executed on behalf of Lessor and Sublessee. The term "Sublease" as used herein includes any future written amendments, modifications, or supplements made in accordance herewith.

23. Entire Agreement. This instrument contains the entire agreement between the parties hereto with respect to the transactions contemplated herein.

24. All parties recognize that the only Broker involved in the transaction is WJD & Associates. Commissions to be paid per separate listing agreement based on the total base rent of thirteen thousand five hundred thirty dollars and no/100 ($13,530.00).

IN WITNESS WHEREOF, the Lessor and the Sublessee have executed this Lease as of the date first above written.

SEEN & AGREED:

Walter O'Connell

SUBLESSEE

BY: Sherwood Zabatela PRESIDENT
Gumers Paloghi Treasurer
Selal Bessendene VICE PRESIDENT

Date: 04-18-1988

LESSOR:

BY: Marcelle Helen Shoultes

Date: 4/19/88

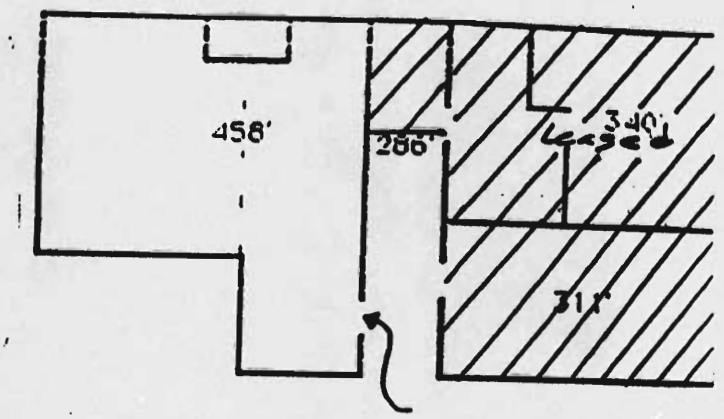
WJD & ASSOCIATES

BY: R. Rebecca Rotell

Date: 5-9-88

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EXHIBIT B



1001 PRINCE STREET
GROUND LEVEL
EAST SIDE

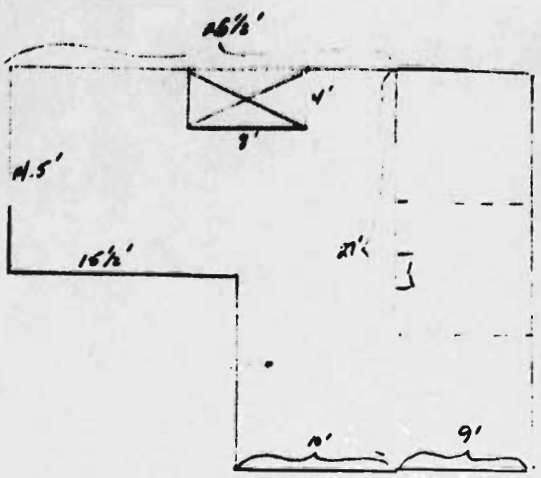
NORTH

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NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

Malcolm Dolan Shortley
Chairman

(703) 548-0900



BASEMENT OFFICE SPACE:

462.75 sq. ft. office space
81.00 sq. ft. common hall space
543.77 total sq. ft.

@ $14/sq. ft = $ 7,612/year
$ 634.-/month
+ $110 heating
$ 744

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HERGE, SPARKS, CHRISTOPHER & BIONDI
ATTORNEYS AT LAW
SUITE 200
8251 GREENSBORO DRIVE
McLEAN, VIRGINIA 22102
(703) 848-4700

J. CURTIS HERGE
ROBERT D. SPARKS, JR.
A. MARK CHRISTOPHER
GEORGE W. BIONDI

GEORGIA UPTON HILLES
CARRIE LEE GLASER

TELECOPIER NUMBER
(703) 893-7371

May 4, 1988

Mrs. R. Rebecca Donatelli
WJD Associates
111 N. Alfred Street
Alexandria, Virginia 22314

Re: National Conservative Foundation

Dear [redacted]:

Enclosed is the executed original Sublease Agreement between National Conservative Foundation and various individuals doing business as United Express, dated April 11, 1988, which Agreement has been countersigned by Walter F. O'Connell.

Sincerely,

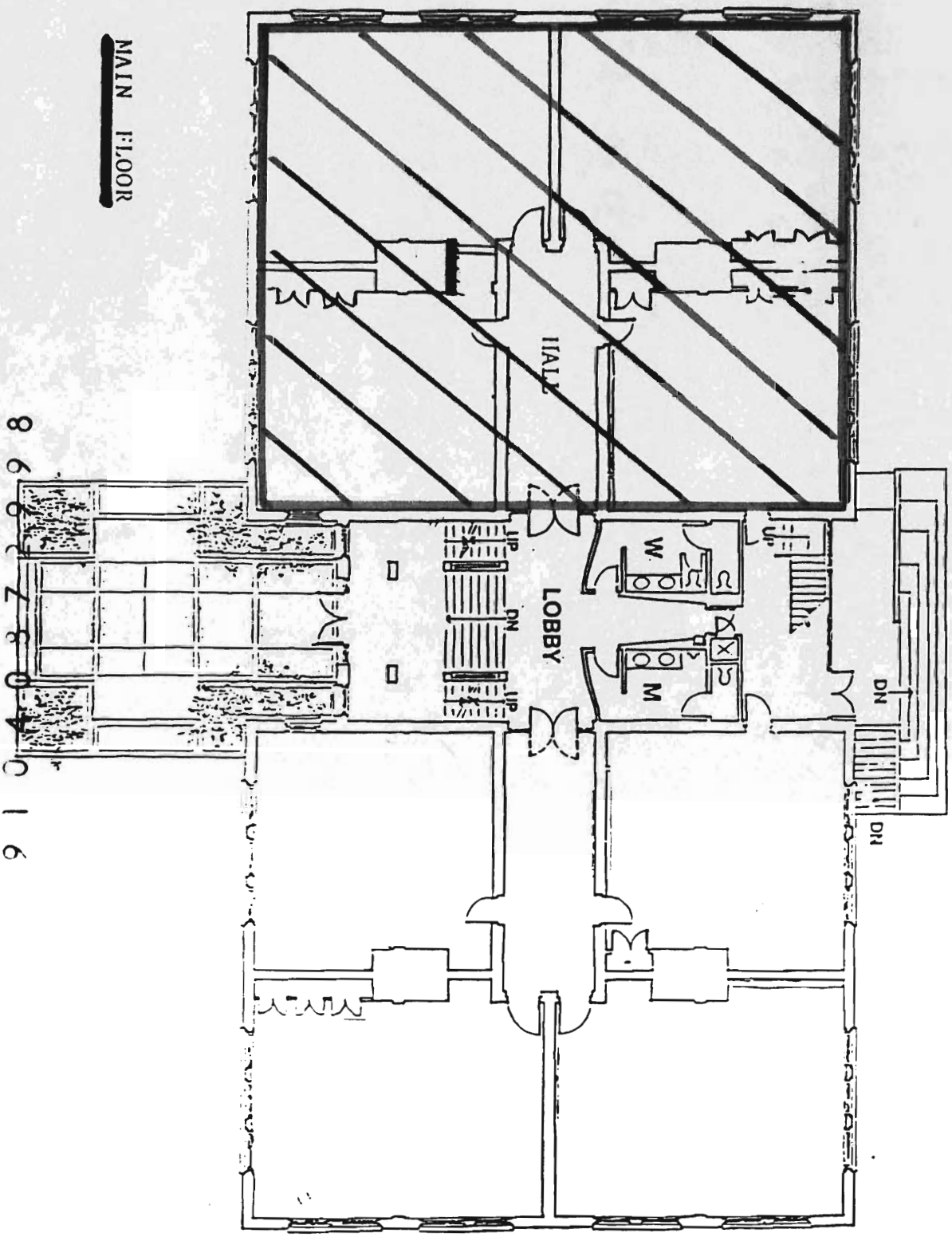
J. Curtis Herge

:sbl

Enclosure

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EXHIBIT "GG"



9104027098

SUCESSOR TO: GS-03B-60018 N, AF, M

STANDARD FORM 2
FEBRUARY 1965 EDITION
GENERAL SERVICES
ADMINISTRATION
FPR (41 CFR) 1-16.601

U.S. GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE: 6 February 1984

LEASE NO: DACA-31-5-84-093

THIS LEASE, made and entered into this date by and between

NATIONAL CONSERVATIVE FOUNDATION

whose address is 1001 Prince Street
Alexandria, Virginia 22314

and whose interest in the property hereinafter described is that of Lessee

hereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereinafter called the Government:

WITNESSETH: The parties hereto for the considerations hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government the following described premises:

Full-time exclusive use of approximately 3,354 square feet of net usable office space on the first floor of the building known as Prince Street School at 1001 Prince Street, Alexandria, Virginia 22314.

to be used for Government purposes.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on 16 July 1984 through 30 November 1988, subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent of $ 59,768.28

at the rate of $ 4,980.69 per month in arrears.

Rent for a lesser period shall be prorated. Rent checks shall be made payable to: Lessor at address above. By: Finance & Accounting Office, USAED, Baltimore, P. O. Box 1715, Baltimore, Maryland 21203-1715.

4. The Government may terminate this lease at any time by giving at least ..... days' notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

DELETED

5. This lease may be renewed at the option of the Government, for the following terms and at the following rentals:

DELETED DELETED DELETED

provided notice be given in writing to the Lessor at least ..... days before the end of the original lease term or any renewal term; all other terms and conditions of this lease shall remain the same during any renewal term. Said notice shall be computed commencing with the day after the date of mailing.

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GENERAL PROVISIONS, CERTIFICATION AND INSTRUCTIONS

U.S. Government Lease for Real Property

GENERAL PROVISIONS

1. SUBLETTING THE PREMISES.

The Government may sublet any part of the premises but shall not be relieved from any obligations under this lease by reason of any such subletting.

2. MAINTENANCE OF PREMISES.

The Lessor shall maintain the demised premises, including the building and any and all equipment, fixtures, and appurtenances, furnished by the Lessor under this lease in good repair and tenantable condition, except in case of damage arising from the act or the negligence of the Government's agents or employees. For the purpose of so maintaining said premises and property, the Lessor may at reasonable times, and with the approval of the authorized Government representative in charge, enter and inspect the same and make any necessary repairs thereto.

3. DAMAGE BY FIRE OR OTHER CASUALTY.

If the said premises be destroyed by fire or other casualty this lease shall immediately terminate. In case of partial destruction or damage, so as to render the premises untenantable, as determined by the Government, the Government may terminate the lease by giving written notice to the Lessor within fifteen (15) days thereafter; if so terminated no rent shall accrue to the Lessor after such partial destruction or damage; and if not so terminated the rent shall be reduced proportionately by supplemental agreement hereto effective from the date of such partial destruction or damage.

4. ALTERATIONS.

The Government shall have the right during the existence of this lease to make alterations, attach fixtures and erect additions, structures or signs in or upon the premises hereby leased, which fixtures, additions or structures so placed in, upon or attached to the said premises shall be and remain the property of the Government and may be removed or otherwise disposed of by the Government.

5. CONDITION REPORT.

A joint physical survey and inspection report of the demised premises shall be made as of the effective date of this lease, reflecting the then present condition, and will be signed on behalf of the parties hereto.

6. COVENANT AGAINST CONTINGENT FEES.

The Lessor warrants that no person or selling agency has been employed or retained to solicit or secure this lease upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Lessor for the purpose of securing business. For breach or violation of this warranty the Government shall have the right to annul this lease without liability or in its discretion to deduct from the rental price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee. (Licensed real estate agents or brokers having listings on property for rent, in accordance with general business practice, and who have not obtained such licenses for the sole purpose of effecting this lease, may be considered as bona fide employees or agencies within the exception contained in this clause.)

7. OFFICIALS NOT TO BENEFIT.

No Member of or Delegate to Congress, or Resident Commissioner shall be admitted to any share or part of this lease contract, or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this lease contract if made with a corporation for its general benefit.

8. ASSIGNMENT OF CLAIMS.

Pursuant to the provisions of the Assignment of Claims Act of 1940, as amended (31 U.S.C. 203, 41 U.S.C. 15), if this lease provides for payments aggregating $1,000 or more, claims for monies due or to become due the Lessor from the Government under this contract may be assigned to a bank, trust company, or other financing institution, including any Federal lending agency, and may thereafter be further assigned or reassigned to any such institution. Any such assignment or reassignment shall cover all amounts payable under this contract and not already paid, and shall not be made to more than one party, except that any such assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in such financing. Notwithstanding any provisions of this contract, payments to an assignee of any monies due or to become due under this contract shall not, to the extent provided in said Act, as amended, be subject to reduction or set-off.

9. EQUAL OPPORTUNITY CLAUSE.

(The following clause is applicable unless this contract is exempt under the rules, regulations, and relevant orders of the Secretary of Labor (41 CFR, ch. 60).)

During the performance of this contract, the Contractor agrees as follows:

(a) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this Equal Opportunity clause.

(b) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(c) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency Contracting Officer, advising the labor union or workers' representative of the Contractor's commitments under this Equal Opportunity clause, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(e) The Contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting

Standard Form 2-A
General Services Administration—FPR (41 CFR) 1-16.601
May 1970 Edition
2-203

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agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(f) In the event of the Contractor's noncompliance with the Equal Opportunity clause of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended, in whole or in part, and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(g) The Contractor will include the provisions of paragraphs (a) through (g) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: *Provided, however,* That in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

10. FACILITIES NONDISCRIMINATION.

(a) As used in this section, the term "facility" means stores, shops, restaurants, cafeterias, restrooms, and any other facility of a public nature in the building in which the space covered by this lease is located.

(b) The Lessor agrees that he will not discriminate by segregation or otherwise against any person or persons because of race, color, religion, sex, or national origin in furnishing, or by refusing to furnish, to such person or persons the use of any facility, including any and all services, privileges, accommodations, and activities provided thereby. Nothing herein shall require the furnishing to the general public of the use of any facility customarily furnished by the Lessor solely to tenants, their employees, customers, patients, clients, guests and invitees.

(c) It is agreed that the Lessor's noncompliance with the provisions of this section shall constitute a material breach of this lease. In the event of such noncompliance, the Government may take appropriate action to enforce compliance, may terminate this lease, or may pursue such other remedies as may be provided by law. In the event of termination, the Lessor shall be liable for all excess costs of the Government in acquiring substitute space, including but not limited to the cost of moving to such space. Substitute space shall be obtained in as close proximity to the Lessor's building as is feasible and moving costs will be limited to the actual expenses thereof as incurred.

(d) It is further agreed that from and after the date hereof the Lessor will, at such time as any agreement is to be entered into or a concession is to be permitted to operate, include or require the inclusion of the foregoing provisions of this section in every such agreement or concession pursuant to which any person other than the Lessor operates or has the right to operate any facility. Nothing herein contained, however, shall be deemed to require the Lessor to include or require the inclusion of the foregoing provisions of this section in any existing agreement or concession arrangement or one in which the contracting party other than the Lessor has the unilateral right to renew or extend the agreement or arrangement, until the expiration of the existing agreement or arrangement and the unilateral right to renew or extend. The Lessor also agrees that it will take any and all lawful actions as expeditiously as possible, with respect to any such agreement as the contracting agency may direct, as a means of enforcing the intent of this section, including, but not limited to, termination of the agreement or concession and institution of court action.

11. EXAMINATION OF RECORDS.

(NOTE.—This provision is applicable if this lease was negotiated without advertising.)

(a) The Lessor agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of 3 years after final payment under this lease, have access to and the right to examine any directly pertinent books, documents, papers, and records of the Lessor involving transactions related to this lease.

(b) The Lessor further agrees to include in all his subcontracts hereunder a provision to the effect that the subcontractor agrees that the Comptroller General of the United States or his representatives shall, until the expiration of 3 years after final payment under this lease with the Government, have access to and the right to examine any directly pertinent books, documents, papers, and records of such subcontractor involving transactions related to the subcontract.

12. APPLICABLE CODES AND ORDINANCES

The Lessor, as part of the rental consideration, agrees to comply with all codes and ordinances applicable to the ownership and operation of the building in which the leased space is situated and, at his own expense, to obtain all necessary permits and related items.

13. INSPECTION.

At all times after receipt of Bids, prior to or after acceptance of any Bid or during any construction, remodeling or renovation work, the premises and the building or any parts thereof, upon reasonable and proper notice, shall be accessible for inspection by the Contracting Officer, or by architects, engineers, or other technicians representing him, to determine whether the essential requirements of the solicitation or the lease requirements are met.

14. ECONOMY ACT LIMITATION.

If the rental specified in this lease exceeds $2,000 per annum, the limitation of Section 322 of the Economy Act of 1932, as amended (40 U.S.C. 278a), shall apply.

15. FAILURE IN PERFORMANCE.

In the event of failure by the Lessor to provide any service, utility, maintenance or repairs required under this lease, the Government shall have the right to secure said services, utilities, maintenance or repairs and to deduct the cost thereof from rental payments.

16. LESSOR'S SUCCESSORS.

The terms and provisions of this lease and the conditions herein shall bind the Lessor, and the Lessor's heirs, executors, administrators, successors, and assigns.

CERTIFICATION

1. CERTIFICATION OF NONSEGREGATED FACILITIES.

(Applicable to (1) contracts, (2) subcontracts, and (3) agreements with applicants who are themselves performing federally assisted construction contracts, exceeding $10,000 which are not exempt from the provisions of the Equal Opportunity clause.)

By the submission of this bid, the bidder, offeror, applicant, or subcontractor certifies that he does not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. He certifies fur-

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ther that he will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he will not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. The bidder, offeror, applicant, or subcontractor agrees that a breach of this certification is a violation of the Equal Opportunity clause in this contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise. He further agrees that (except where he has obtained identical certifications from proposed subcontractors for specific time periods) he will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding $10,000 which are not exempt from the provisions of the Equal Opportunity clause; that he will retain such certifications in his files; and that he will forward the following notice to such proposed subcontractors (except where the proposed subcontractors have submitted identical certifications for specific time periods):

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR CERTIFICATIONS OF NONSEGREGATED FACILITIES

A Certification of Nonsegregated Facilities must be submitted prior to the award of a subcontract exceeding $10,000 which is not exempt from the provisions of the Equal Opportunity clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually, or annually).

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

NOTE.—The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

INSTRUCTIONS

1. Whenever the lease is executed by an attorney, agent, or trustee on behalf of the Lessor, two authenticated copies of his power of attorney, or other evidence to act on behalf of the Lessor, shall accompany the lease.

2. When the Lessor is a partnership, the names of the partners composing the firm shall be stated in the body of the lease. The lease shall be signed with the partnership name, followed by the name of the partner signing the same.

3. Where the Lessor is a corporation, the lease shall be signed with the corporate name, followed by the signature and title of the officer or other person signing the lease on its behalf, duly attested, and, if requested by the Government evidence of this authority so to act shall be furnished.

4. When deletions or other alterations are made specific notation thereof shall be entered under clause 8 of the lease before signing.

5. If the property leased is located in a State requiring the recording of leases, the Lessor shall comply with all such statutory requirements at Lessor's expense.

☆ U.S. GOVERNMENT PRINTING OFFICE: 1979—281-187/5052

Standard Form 2–A
May 1970 Edition

6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:

a. Lighting: Adequate lighting at work stations, minimum of 50 foot candles. Lesser amounts in storage areas, corridors, restrooms, etc. "Blinking" lights or burned-out bulbs, and ballasts shall be replaced in a timely manner.

b. Heating, ventilation and air conditioning:

1. Cooling Season: Temperature should be maintained between 78° and 80° F during duty hours.

2. Heating Season: Not less than 65° F during duty hours.

c. Hot and cold potable running water.

d. Adequate plumbing and sewerage system.

e. Janitorial services as specified in attached Exhibit A.

f. Snow removal.

g. Parking space(s) for 8 Government-owned vehicles.

h. It is understood and agreed by and between the parties hereto that the Lessor shall obtain and pay for all utilities.

7. The following are attached and made a part hereof:

The General Provisions and Instructions (Standard Form 2-A, May 1970 edition).

Typewritten provisions 17 through 27 added.
Exhibit "A" - Janitorial Specifications.

8. The following changes were made in this lease prior to its execution:

Clauses 4 & 5, Standard Form 2, deleted.
Clause 4, Standard Form 2A, General Provisions, deleted.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR NATIONAL CONSERVATIVE FOUNDATION 52-1326400
Tax I. D. Number

BY ..... (Signature) ..... (Signature)

IN PRESENCE OF: ..... (Signature) ..... (Address)

UNITED STATES OF AMERICA

BY G. R. Boggs (Signature) Chief, Real Estate Division (Official title)

STANDARD FORM 2
FEBRUARY 1965 EDITION

9104087300 3

JANITORIAL SPECIFICATIONS

FIVE DAYS A WEEK

1. Empty, clean and damp dust all ash trays/cigarette urns.
2. Dust all surfaces of chairs, desks, cabinets, and associated furniture.
3. Empty wastebaskets and remove trash.
4. Spot clean entrance door glass removing fingerprints.
5. Sweep or mop and clean all floors.
6. Scrub and disinfect all toilet fixtures, etc.
7. Vacuum carpeting, if carpeted.
8. Refill paper towel, toilet paper and soap dispensing units (or furnish bar soap where applicable).

WEEKLY

1. Spot wash all areas to remove finger marks and smudges from walls and doors as required.
2. Dust and/or clean all pictures.
3. Mop and clean all floors.
4. Completely dust office area including tops of files, ledges, baseboards, chair rails, door louvers and trim.
5. Clean all telephones.
6. Dust all window sills.

ONCE MONTHLY

1. Buff all floors.
2. Wash windows inside and outside.
3. Wash venetian blinds.
4. Scour trash receptacles.

TWICE PER YEAR

1. Clean covered surfaces of leather, leatherette or plastic upholstered office furniture.
2. High dusting and cleaning of light fixtures.
3. Shampoo carpeting, if carpeted (Spring and Fall).
4. Wax all floors where required.

EXHIBIT "A"

9104037300 4

17. The Government shall have the right during the existence of this lease to make alterations, attach fixtures, and erect additions, structures, or signs in or upon the premises hereby leased, which fixtures, additions, or structures shall be and remain the property of the Government and may be removed by the Government prior to the expiration or termination of this lease. Alterations must have the written approval of the Lessor.

18. (a) The Government may, by written notice to the Lessor, terminate the right of the Lessor to proceed under this lease if it is found, after notice, and hearing by the Secretary of the Army or his duly authorized representative that gratuities (in form of entertainment, gifts or otherwise) were offered or given by the Lessor or any agent or representative of the Lessor to any officer or employee of the Government with a view toward securing a lease or securing favorable treatment with respect to the awarding or amending, or the making of any determination, with respect to the performing of such lease; provided, that the existence of facts upon which the Secretary of the Army or his duly authorized representative makes such finding shall be in issue and may be reviewed in any competent court.

(b) In the event this lease is terminated as provided in paragraph (1) hereof, the Government shall be entitled (1) to pursue the same remedies against the Lessor as it could pursue in the event of a breach of the lease by the Lessor (2) as a penalty in addition to any other damages to which it may be entitled by law, to exemplary damages in an amount (as determined by the Secretary of the Army or his duly authorized representative) which shall be not less than three nor more than ten times the costs incurred by the Lessor in providing any such gratuities to any such officer or employee.

(c) The rights and remedies of the Government provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this lease.

19. The Lessor, by written notice to the Government, will furnish notification of any change of address, ownership of property, name of new Lessor or line of succession. Such notice shall be provided at least fifteen (15) days prior to said change.

20. The supplies and services to be obtained by this instrument are authorized by, are for the purpose set forth in, and are chargeable to Procurement Authority Number quoted below, the available balance of which is sufficient to cover cost of same: 2142020 05-7605 P951396.A S18-020 QE-4-912-4-019-30018.

21. Any notice under the terms of this lease may be given by "Certified Mail-Return Receipt Requested" or any other appropriate method, and delivery or attempted delivery shall be deemed noticed under the terms of this lease. Any notice given by the Lessor to the Government shall be addressed to: District Engineer, U.S. Army Engineer District, Baltimore, P.O. Box 1715, ATTN: NABRE-A, Baltimore, Maryland 21203. Any notice given by the Government to the Lessor, or his Agent, shall be addressed to: National Conservative Foundation, 1001 Prince Street, Alexandria, Virginia 22314.

22. In addition to the rent herein stated, the Government will, if requested by the Lessor in writing within sixty (60) days after the second anniversary date and of each succeeding anniversary date, pay the Lessor in a lump sum payment, by supplemental agreement, executed by both parties, the proportionate share of any tax increase for the preceding year. The basis for increase will be that amount in excess of the taxes paid by the Lessor during the first full year of occupancy by the Government under Lease No. DACA-31-2-84-093. The proportion will be the space occupied by this lease compared to the total rental space of said building. Percentage of occupancy is hereby agreed to be 18.6%. The

9104037300 5

increase shall not include amounts charged for forfeited discount, penalties and interest and will be based on paid invoices, receipts and other documentary evidence issued by proper taxing authorities. If written notice of a tax increase is not given by the Lessor within sixty (60) days after each respective anniversary date, the rental consideration will remain unchanged for the next succeeding year without recourse. In no event shall any increase be made retroactive for any year for which notice was not given within the required time period of sixty (60) days.

23. As additional rent during the term of this lease or any extention or renewal, the Government shall pay a pro-rata share of all the operational expenses of the premises, including, but not limited to, cleaning services and supplies and material, trash removal, landscaping, snow removal, water and sewer charges, heating, electricity, and administrative expenses of the building manager. This clause shall be effective after the second anniversary date and after each succeeding anniversary date of this lease. Any change will be effected by Supplemental Agreement executed by both parties and reimbursed by lump sum payment. The basis for determining any increase or decrease will be that amount in excess of or less than the amount paid by the Lessor during the first full year of occupancy by the Government under Lease No. DACA-31-5-84-093. Percentage of occupancy is hereby agreed to be 18.6%. Such increase or decrease shall be based upon the Lessor providing the Government paid utility bills, receipts and other records documenting said operational costs for the proceding twenty-four (24) months and each succeeding twelve (12) months thereafter. If written notice is not provided within sixty (60) days after each respective anniversary date, the rental consideration will remain unchanged for the next succeeding year without recourse. In no event shall any increase or decrease be made retroactive for any year for which notice was not given within the required time period of sixty (60) days.

24. The Lessor is to complete storage closet in each of three offices, revise lighting to give 50 foot candles in each office, key four offices differently, and close one opening between two offices at no cost to the Government.

25. Surrender. Upon termination of this sublease, the Government will surrender the premises to Lessor in as good condition as received at commencement of this sublease, except for ordinary wear and tear and damage by fire or casualty.

26. Disputes. The parties agree that this contract is subject to the Contract Disputes Act and that the applicable Government Contract "Disputes" clause shall apply to any dispute arising under this sublease.

27. Taxes. The Government will pay all taxes of every kind and description levied against its business, appliances, equipment and personal property.

9 1 0 4 0 3 7 3 0 0 6

WJD

A S S O C I A T E S

August 26, 1986

District Engineer
U. S. Army Engineer District, Baltimore
P. O. Box 1715
ATT:NABRE_A
BALTIMORE, MARYLAND

RE: Lease No: DACA-31-5-84--93

Gentlemen:

The terms of the lease state that you will pay as additional rent 18.6% of any increase of the operational cost over the base year and 18.6% of any tax increase over the base year.

You are requested to forward payment of $632.59 based on the following calculations:

OPERATIONAL COST		
YEAR JULY 1984-JUNE 1985		$44,881.30
JULY 1985-JUNE 1986		46,378.14
	INCREASE	1,497.17
		X .186
AMOUNT DUE FOR OPERATIONAL COST		$ 278.47
TAX PAID		
BASE YEAR JULY 1984-JUNE 1985		$27,339.85
JULY 1985-JUNE 1986		29,243.74
	INCREASE	1,903.89
		X .186
AMOUNT DUE FOR TAX INCREASE		$ 354.12

The supporting data for these calculation are enclosed.

Please forward payment to: Mr. Leif Norren
National Conservative Foundation
1001 Prince Street
Alexandria, VA 22314

Sincerely:

Tom L. Allred
PROPERTY MANAGER
WJD & ASSOCIATES

9104037300 7

DEPARTMENT OF THE ARMY
BALTIMORE DISTRICT, CORPS OF ENGINEERS
P.O. BOX 1715
BALTIMORE, MARYLAND 21203-1715

Copy to Tom Caldwell
Army Bldg File

REPLY TO ATTENTION OF:
Real Estate Division
Acquisition Branch

OCT 24 1986

National Conservative Foundation
1001 Prince Street
Alexandria, Virginia 22314

Gentlemen:

Enclosed is a fully executed copy of Supplemental Agreement Number 1 to Lease Number DACA-31-5-84-093 covering Government use of the premises located at 1001 Prince Street, Alexandria, Virginia to be retained for your records.

Thank you for your cooperation in this matter.

Sincerely,

E. C. Wintle, Jr.
Chief, Acquisition Branch
Real Estate Division

Enclosure

9154037308

SUPPLEMENTAL LEASE AGREEMENT	Supplemental Agreement No. 1	Date: 1 October 1986
	Lease Number DACA-31-5-84-093	

Address of Premises
1001 Prince Street, Alexandria, VA

THIS AGREEMENT, made and entered into this date by and between

NATIONAL CONSERVATIVE FOUNDATION

whose address is 1001 Prince Street
Alexandria, VA 22314

hereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereinafter called the Government:

WHEREAS, the parties hereto desire to amend the above lease.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said lease is amended, effective 1 November 1986 **as follows:**

Reimburse Lessor as follows:

Tax escalation in accordance with paragraph 22 of lease -		
Year to be Adjusted June 1985-July 1986	$29,243.74	
Base Year July 1984-June 1985	27,339.85	
Total Amount of Tax Escalation	$ 1,903.89	
Government's share of Occupancy	.186	
Government's share of Tax Escalation	$ 354.12	$354.12
Operational Cost escalation in accordance with para. 23 of lease -		
Year to be Adjusted June 1985-July 1986	$46,378.14	
Base Year July 1984-June 1985	44,881.30	
Total amount of Operational cost escalation	$ 1,496.84	
Government's share of Occupancy	.186	
Government's share of Op. Cost escalation	$ 278.41	$278.41
Total Amount Due		$632.53

The supplies and services to be obtained by this instrument are authorized by, are for the purpose set forth in, and are chargeable to Procurement Authority Number quoted below, the available balance of which is sufficient to cover cost of same:
2172020 08-7605 P951396.A S18-020 QE-7-912-7-019-30018. The Government's obligation hereunder is made contingent upon congress enacting appropriations.

IN WITNESS WHEREOF, the parties subscribed their names as of the above date.

LESSOR: NATIONAL CONSERVATIVE FOUNDATION **TAX I.D. OR S.S. #** _____

BY: _____ _____
Lief Norren **(Signature)** **(Title)**

_____ _____
(Witness) **(Address of Witness)**

UNITED STATES OF AMERICA

BY: _____ Chief, Real Estate Division
G. R. BOGGS **(Official Title)**

NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

Maiselle Dolan Shortley
Chairman

(703) 548-0900

It is hereby agreed that as of 880111 the Marine Staff Sargents P. Ford, J. Reese, and L. Vanetten currently employed with the Marine Corps Recruiting Office at 1001 Prince St., Alexandria, VA will rent one parking space (#39) from the National Conservative Foundation for the monthly rental fee of $50.00

This $50.00 will be due the first day of each month beginning with February. The rental fee for January 1988 only shall be due on January 11, and reduced to $33.00 in consideration of the date of initiation of this agreement. This shall be the only exception.

It is understood that Staff Sargents P. Ford, J. Reese, and L. Vanetten shall be personally responsible for this agreed upon rental fee.

If the rental fee is not received by NCF by the 10th day of any given month, the vehicles parked in space #39 shall be towed at the expense of the owners. This policy will be continued until full payment is received or this agreement is cancelled.

This agreement may be terminated upon 30 days written notice to the National Conservative Foundation by any of the parties to this agreement.

Trevor E Ford Jr 880107
Staff Sargent P. Ford Date
U.S. Marine Corps

Maiselle Dolan Shortley
Maiselle Dolan Shortley Date
Chairman
National Conservative Foundation

James L Reese III 880107
Staff Sargent J. Reese Date
U.S. Marine Corps

Laurence Vanetten 880107
Staff Sargent L. Vanetten Date
U.S. Marine Corps

9104037301O

1/6/88

PATRICK STREET

1. SMITH
2. NAVY
3. NAVY
4. NCF Laurie
5. NCF Shirley
6. ARMY
7. ARMY
8. ARMY
9. AIR FORCE
10. MARINES
11. MARINES
12. SPEC. OLYMPICS
13. SPEC. OLYMPICS
14. KINDNESS ASSOC.
15. KINDNESS ASSOC.
16. SPEC. OLYMPICS
17. NCF Karen
18. ZAGAME
19. MERICH
20. MERICH
21.

22. ZAGAME | 23. ZAGAME | 24. NCF MAISELLE | 25. NCF Terry F.

26. NCF MONA | 27. NCF STEVE | 28. NCF SANDY

guest + short term parking

29.
30.
31.
32.

NO PARKING

33. A+
34. A+
35. A+
36. NCF Pat B.

37. NCF EDNA

39. U.S. MARINES | 40. AM RESUME | 41. YATRAS | 42. NCF | 43. NCF | 44. VA. TAX | 45. NCF

THE NATIONAL CONSERVATIVE CENTER
1001 Prince Street

IF SOMEONE IS PARKED IN YOUR ASSIGNED SPACE, PLEASE CALL 684-1800 AND LET EDNA OR MARK KNOW. THEY WILL TAKE CARE OF IT. PLEASE, DO NOT CALL THE TOW TRUCK YOURSELF.

(Also, as more of the building is rented, all guest parking will ultimately be gone. Please, pass this on to your employees and visitors.)

The signs on the front and back doors will inform you about guest-parking changes.

PRINCE STREET

9104087301 1

FAX COVER SHEET FROM:

NATIONAL CONSERVATIVE FOUNDATION (NCF)

1001 Prince Street, Alexandria, VA 22314
FAX #: (703)836-2413

ATTENTION: Mrs. Tillman FAX #: (301) 962-0866

COMPANY: Real Estate Division BUSINESS #: (301) 962-4723
Corps of Engineers

FROM: Mark Fortmeier

PAGES including cover sheet: # 3

COMMENTS: Please call me with your comments. Thanks.

SENT BY: Mark Fortmeier DATE/TIME: 3:37 10/7/88

If pages are missing or you have any questions regarding this transmission, please call (703) 548-0900.

9104087301 2

NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

Maiselle Dolan Shortley
Chairman

(703) 548-0900

9104087301 3

October 7, 1988

Mrs. Turner
Real Estate Division
Corps of Engineers
109 Market Place
Baltimore, MD 21203

Dear Mrs. Turner:

Thank you for your phone call yesterday and for your interest in renewing the leases for the military recruiting offices in our building. I will endeavor to answer your several questions below.

1.) The National Conservative Foundation would be most pleased to renew the existing lease for three more years with the option to extend the lease up to five years.

2.) As far as the rental rate, our suggestion to alter the existing lease terms to include a 5% per year escalation amount would result in the following changes in the monthly/yearly payment rates:

	Monthly	Yearly	
Current	$4,980.69	$59,768.28	+ % of Taxes & Oper. cost
Revised (With 5% escalation per yr.)	$5,233.87	$62,806.50	

As we discussed, the 5% escalation clause would alleviate the necessity of calculating the yearly operating cost and excess tax surcharges and would hopefully make business easier for all parties concerned.

3.) CHANGES TO EXISTING LEASE:

a.) Paragraph #4: NCF will agree to have this paragraph reinstated to the lease along with a 90 day termination provision provided that this termination privelege is extended to both the Government and NCF, i.e. both parties to this lease would have the privelege of terminating the lease upon 90 days written notice to the other parties.

3.) CHANGES TO EXISTING LEASE CONTINUED:

b.) Paragraph #5: NCF will agree to the three year renewal term of the new lease with the provision for an additional two year extention at the request of the Government.

c.) Paragraph #4 under General Provisions: NCF will agree to reinstate this paragraph if it is amended to add the clause, "with NCF's prior written approval" as to the alterations which may be undertaken.

d.) Paragraph #22 under General Provisions: NCF will agree to the removal of this paragraph under the conditions that agreement is reached on the yearly rental rate to be charged, i.e. if the 5% yearly escalation provision mentioned in item #2 above is satisfactory.

e.) Paragraph #23 under General Provisions: NCF will agree to the removal of this paragraph under the conditions that agreement is reached on the yearly rental rate to be charged, i.e. if the 5% yearly escalation provision mentioned in item #2 above is satisfactory.

f.) Paragraph #24 under General Provisions: NCF will agree to the removal of this paragraph because the work specified has been completed.

g.) The signatory provisions for NCF should be changed to:
Maiselle Dolan Shortley
Chairman
1001 Prince Street
Alexandria, VA 22314

4.) The lease as is provides for eight (8) parking spaces to be provided. These are already included in the rental rates quoted. Please let me know if you would be interested in aquiring additional spaces at $50.00 per space per month.

5.) If you have any further questions, please give me a call and I will endeavor to answer them as quickly as possible.

Thank you very much.

Sincerely,

Mark Ortmeier
Building Manager

cc: Maiselle Dolan Shortley
Shirley Bailey

9104037301 4

DEPARTMENT OF THE ARMY
BALTIMORE DISTRICT, CORPS OF ENGINEERS
P.O. BOX 1715
BALTIMORE, MARYLAND 21203-1715

Real Estate Division
Acquisition Branch

28 FEB 1989

National Conservative Foundation
1001 Prince Street
Alexandria, VA 22314

Gnetlemen:

Enclosed is an executed copy of Lease Number DACA-31-5-89-090, covering Government use of the premises located at 1001 Prince Street, Alexandria, VA for your information and records.

Thank you for your cooperation in this matter.

Sincerely,

E. C. Wintle, Jr.
Chief, Acquisition Branch
Real Estate Division

Enclosure

9104037301 5

SUCCESSOR TO:
DACA 31-5-84-093

A, N, AF, Balto/Wash

STANDARD FORM 2
FEBRUARY 1965 EDITION
GENERAL SERVICES
ADMINISTRATION
FPR (41 CFR) 1-16.601

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE	LEASE NO.
22 January 1989	DACA 31-5-89-090

THIS LEASE, made and entered into this date by and between
NATIONAL CONSERVATIVE FOUNDATION

whose address is 1001 Prince Street
Alexandria, Virginia 22314

and whose interest in the property hereinafter described is that of Lessee.

hereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereinafter called the Government:

WITNESSETH: The parties hereto for the considerations hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government the following described premises:

Full-time exclusive use of approximately 3,354 square feet of net usable office space on the first floor west wing of the building known as Prince Street School at 1001 Prince Street, Alexandria, Virginia 22314.

to be used for Government purposes.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on 1 December 1988 through 30 November 1991, subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent of $ 62,806.50

at the rate of $ 5,233.87 per month in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to: Lessor at address above. BY: Finance & Accounting Office, USAED, Baltimore, P.O. Box 1715, Baltimore, Maryland 21203-1715.

4. The Government/or Lessor may terminate this lease at any time by giving at least 90 days' notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

5. This lease may be renewed at the option of the Government, for the following terms and at the following rentals:

"DELETE" "DELETE"

provided notice be given in writing to the Lessor at least ..... days before the end of the original lease term or any renewal term; all other terms and conditions of this lease shall remain the same during any renewal term. Said notice shall be computed commencing with the day after the date of mailing.

2-106

9107.30.016

~~6. The lessor shall furnish to the Government, as part of the rental consideration, the following:~~

6. The Lessor shall furnish and maintain adequate facilities and equipment to the Government as part of the rental cnsideration to supply the following services:

a. Lighting: Adquate lighting at work stations, minimum of 50-foot candles. Lesser amounts in storage areas, corridors, restrooms, etc. "Blinking" lights or burned-out bulbs, and ballasts shall be replaced in a timely manner.

b. Heating, ventilation and air conditioning:

1. Cooling Season: Temperature should be maintained between 78° and 80°F during duty hours.

2. Heating Season: Not less than 65°F during duty hours.

c. Hot and cold potable running water.

d. Adequate plumbing and sewerage system.

e. Janitorial services as specified in attached Exhibit "A".

f. Snow removal.

g. Parking spaces for 8 Government-owned vehicles.

h. It is understood and agreed by and between the parties hereto that the Lessor shall obtain and pay for all utilities.

7. The following are attached and made a part hereof:

The General Provisions and Instructions (Standard Form 2-A, May 1970 edition).

Typewritten Provisions 17 through 21 added.
Exhibit "A"- Janitorial Specifications.

8. The following changes were made in this lease prior to its execution:

Clause 5, Standard Form 2, deleted.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR NATIONAL CONSERVATIVE FOUNDATION

51-0227364
Tax I.D. Number

BY Maiselle Dolan Shortley (Signature) — Chairman (Signature)

IN PRESENCE OF: (Signature) — (Address)

UNITED STATES OF AMERICA

BY G. R. BOGGS (Signature) — Chief, Real Estate Division (Official title)

STANDARD FORM 2
FEBRUARY 1965 EDITION

☆ U.S. GPO: 1967—181-247/60068

9104087300017

GENERAL PROVISIONS, CERTIFICATION AND INSTRUCTIONS

U.S. Government Lease for Real Property

GENERAL PROVISIONS

1. SUBLETTING THE PREMISES.

The Government may sublet any part of the premises but shall not be relieved from any obligations under this lease by reason of any such subletting.

2. MAINTENANCE OF PREMISES.

The Lessor shall maintain the demised premises, including the building and any and all equipment, fixtures, and appurtenances, furnished by the Lessor under this lease in good repair and tenantable condition, except in case of damage arising from the act or the negligence of the Government's agents or employees. For the purpose of so maintaining said premises and property, the Lessor may at reasonable times, and with the approval of the authorized Government representative in charge, enter and inspect the same and make any necessary repairs thereto.

3. DAMAGE BY FIRE OR OTHER CASUALTY.

If the said premises be destroyed by fire or other casualty this lease shall immediately terminate. In case of partial destruction or damage, so as to render the premises untenantable, as determined by the Government, the Government may terminate the lease by giving written notice to the Lessor within fifteen (15) days thereafter; if so terminated no rent shall accrue to the Lessor after such partial destruction or damage; and if not so terminated the rent shall be reduced proportionately by supplemental agreement hereto effective from the date of such partial destruction or damage.

4. ALTERATIONS. with Lessor's prior written approval.

The Government shall have the right during the existence of this lease to make alterations, attach fixtures and erect additions, structures or signs in or upon the premises hereby leased, which fixtures, additions or structures so placed in, upon or attached to the said premises shall be and remain the property of the Government and may be removed or otherwise disposed of by the Government.

5. CONDITION REPORT.

A joint physical survey and inspection report of the demised premises shall be made as of the effective date of this lease, reflecting the then present condition, and will be signed on behalf of the parties hereto.

6. COVENANT AGAINST CONTINGENT FEES.

The Lessor warrants that no person or selling agency has been employed or retained to solicit or secure this lease upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Lessor for the purpose of securing business. For breach or violation of this warranty the Government shall have the right to annul this lease without liability or in its discretion to deduct from the rental price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee. (Licensed real estate agents or brokers having listings on property for rent, in accordance with general business practice, and who have not obtained such licenses for the sole purpose of effecting this lease, may be considered as bona fide employees or agencies within the exception contained in this clause.)

7. OFFICIALS NOT TO BENEFIT.

No Member of or Delegate to Congress, or Resident Commissioner shall be admitted to any share or part of this lease contract, or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this lease contract if made with a corporation for its general benefit.

8. ASSIGNMENT OF CLAIMS.

Pursuant to the provisions of the Assignment of Claims Act of 1940, as amended (31 U.S.C. 203, 41 U.S.C. 15), if this lease provides for payments aggregating $1,000 or more, claims for monies due or to become due the Lessor from the Government under this contract may be assigned to a bank, trust company, or other financing institution, including any Federal lending agency, and may thereafter be further assigned or reassigned to any such institution. Any such assignment or reassignment shall cover all amounts payable under this contract and not already paid, and shall not be made to more than one party, except that any such assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in such financing. Notwithstanding any provisions of this contract, payments to an assignee of any monies due or to become due under this contract shall not, to the extent provided in said Act, as amended, be subject to reduction or set-off.

9. EQUAL OPPORTUNITY CLAUSE.

(The following clause is applicable unless this contract is exempt under the rules, regulations, and relevant orders of the Secretary of Labor (41 CFR, ch. 60).)

During the performance of this contract, the Contractor agrees as follows:

(a) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this Equal Opportunity clause.

(b) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(c) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency Contracting Officer, advising the labor union or workers' representative of the Contractor's commitments under this Equal Opportunity clause, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(e) The Contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting

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Standard Form 2-A
General Services Administration—FPR (41 CFR) 1-16.601
May 1970 Edition
2-203

agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(f) In the event of the Contractor's noncompliance with the Equal Opportunity clause of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended, in whole or in part, and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(g) The Contractor will include the provisions of paragraphs (a) through (g) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: *Provided, however*, That in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

10. FACILITIES NONDISCRIMINATION.

(a) As used in this section, the term "facility" means stores, shops, restaurants, cafeterias, restrooms, and any other facility of a public nature in the building in which the space covered by this lease is located.

(b) The Lessor agrees that he will not discriminate by segregation or otherwise against any person or persons because of race, color, religion, sex, or national origin in furnishing, or by refusing to furnish, to such person or persons the use of any facility, including any and all services, privileges, accommodations, and activities provided thereby. Nothing herein shall require the furnishing to the general public of the use of any facility customarily furnished by the Lessor solely to tenants, their employees, customers, patients, clients, guests and invitees.

(c) It is agreed that the Lessor's noncompliance with the provisions of this section shall constitute a material breach of this lease. In the event of such noncompliance, the Government may take appropriate action to enforce compliance, may terminate this lease, or may pursue such other remedies as may be provided by law. In the event of termination, the Lessor shall be liable for all excess costs of the Government in acquiring substitute space, including but not limited to the cost of moving to such space. Substitute space shall be obtained in as close proximity to the Lessor's building as is feasible and moving costs will be limited to the actual expenses thereof as incurred.

(d) It is further agreed that from and after the date hereof the Lessor will, at such time as any agreement is to be entered into or a concession is to be permitted to operate, include or require the inclusion of the foregoing provisions of this section in every such agreement or concession pursuant to which any person other than the Lessor operates or has the right to operate any facility. Nothing herein contained, however, shall be deemed to require the Lessor to include or require the inclusion of the foregoing provisions of this section in any existing agreement or concession arrangement or one in which the contracting party other than the Lessor has the unilateral right to renew or extend the agreement or arrangement, until the expiration of the existing agreement or arrangement and the unilateral right to renew or extend. The Lessor also agrees that it will take any and all lawful actions as expeditiously as possible, with respect to any such agreement as the contracting agency may direct, as a means of enforcing the intent of this section, including, but not limited to, termination of the agreement or concession and institution of court action.

11. EXAMINATION OF RECORDS.

(NOTE.—This provision is applicable if this lease was negotiated without advertising.)

(a) The Lessor agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of 3 years after final payment under this lease, have access to and the right to examine any directly pertinent books, documents, papers, and records of the Lessor involving transactions related to this lease.

(b) The Lessor further agrees to include in all his subcontracts hereunder a provision to the effect that the subcontractor agrees that the Comptroller General of the United States or his representatives shall, until the expiration of 3 years after final payment under this lease with the Government, have access to and the right to examine any directly pertinent books, documents, papers, and records of such subcontractor involving transactions related to the subcontract.

12. APPLICABLE CODES AND ORDINANCES

The Lessor, as part of the rental consideration, agrees to comply with all codes and ordinances applicable to the ownership and operation of the building in which the leased space is situated and, at his own expense, to obtain all necessary permits and related items.

13. INSPECTION.

At all times after receipt of Bids, prior to or after acceptance of any Bid or during any construction, remodeling or renovation work, the premises and the building or any parts thereof, upon reasonable and proper notice, shall be accessible for inspection by the Contracting Officer, or by architects, engineers, or other technicians representing him, to determine whether the essential requirements of the solicitation or the lease requirements are met.

14. ECONOMY ACT LIMITATION.

If the rental specified in this lease exceeds $2,000 per annum, the limitation of Section 322 of the Economy Act of 1932, as amended (40 U.S.C. 278a), shall apply.

15. FAILURE IN PERFORMANCE.

In the event of failure by the Lessor to provide any service, utility, maintenance or repairs required under this lease, the Government shall have the right to secure said services, utilities, maintenance or repairs and to deduct the cost thereof from rental payments.

16. LESSOR'S SUCCESSORS.

The terms and provisions of this lease and the conditions herein shall bind the Lessor, and the Lessor's heirs, executors, administrators, successors, and assigns.

CERTIFICATION

1. CERTIFICATION OF NONSEGREGATED FACILITIES.

(Applicable to (1) contracts, (2) subcontracts, and (3) agreements with applicants who are themselves performing federally assisted construction contracts, exceeding $10,000 which are not exempt from the provisions of the Equal Opportunity clause.)

By the submission of this bid, the bidder, offeror, applicant, or subcontractor certifies that he does not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. He certifies fur-

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ther that he will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he will not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. The bidder, offeror, applicant, or subcontractor agrees that a breach of this certification is a violation of the Equal Opportunity clause in this contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise. He further agrees that (except where he has obtained identical certifications from proposed subcontractors for specific time periods) he will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding $10,000 which are not exempt from the provisions of the Equal Opportunity clause; that he will retain such certifications in his files; and that he will forward the following notice to such proposed subcontractors (except where the proposed subcontractors have submitted identical certifications for specific time periods):

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR CERTIFICATIONS OF NONSEGREGATED FACILITIES

A Certification of Nonsegregated Facilities must be submitted prior to the award of a subcontract exceeding $10,000 which is not exempt from the provisions of the Equal Opportunity clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually, or annually).

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

NOTE.—The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

INSTRUCTIONS

1. Whenever the lease is executed by an attorney, agent, or trustee on behalf of the Lessor, two authenticated copies of his power of attorney, or other evidence to act on behalf of the Lessor, shall accompany the lease.

2. When the Lessor is a partnership, the names of the partners composing the firm shall be stated in the body of the lease. The lease shall be signed with the partnership name, followed by the name of the partner signing the same.

3. Where the Lessor is a corporation, the lease shall be signed with the corporate name, followed by the signature and title of the officer or other person signing the lease on its behalf, duly attested, and, if requested by the Government evidence of this authority so to act shall be furnished.

4. When deletions or other alterations are made specific notation thereof shall be entered under clause 8 of the lease before signing.

5. If the property leased is located in a State requiring the recording of leases, the Lessor shall comply with all such statutory requirements at Lessor's expense.

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Standard Form 2-A
May 1970 Edition

17. (a) The Government may, by written notice to the Lessor, terminate the right of the Lessor to proceed under this lease if it is found, after notice and hearing by the Secretary of the Army or his duly authorized representative that gratuities (in form of entertainment, gifts or otherwise) were offered or given by the Lessor or any agent or representative of the Lessor to any officer or employee of the Government with a view toward securing a lease or securing favorable treatment with respect to the awarding or amending, or the making of any determination, with respect to the performing of such lease; provided, that the existence of facts upon which the Secretary of the Army or his duly authorized representative makes such finding shall be in issue and may be reviewed in any competent court.

b) In the event this lease is terminated as provided in paragraph (1) hereof, the Government shall be entitled (1) to pursue the same remedies against the Lessor as it could pursue in the event of a breach of lease by the Lessor (2) as a penalty in addition to any other damages to which it may be entitled by law, to exemplary damages in an amount (as determined by the Secretary of the Army or his duly authorized representative) which shall not be less than three nor more than ten times the cost incurred by the Lessor in providing any such gratuities to any such officer or employee.

(c) The rights and remedies of the Government provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this lease.

18. The Lessor, by written notice to the Government, will furnish notification of any change of address, ownership of property, name of new Lessor or line of succession. Such notice shall be provided at least ~~fifteen (15) days~~ Two (2) days prior to said change.

19. The supplies and services to be obtained by this instrument are authorized by, are for the purpose set forth in and are chargeable to Procurement Authority Number quoted below, the available balance of which is sufficient to cover cost of same:
2192020 08-7605 P871996.A S18-020 QE-9-812-9-019-30018.

20. Any notice under the terms of this lease may be given by "Certified Mail-Return Receipt Requested" or any other appropriate method, and delivery or attempted delivery shall be deemed notice under the terms of this lease. Any notice given by the Lessor to the Government shall be addressed to: District Engineer, U.S. Army Engineer District, Baltimore, P.O. Box 1715, ATTN: CENAB-RE-AL (405-10j), Baltimore, Maryland 21203-1715. Any notice given by the Government to the Lessor or his agent shall be adressed to: Maiselle Dolan Shortley, National Conservative Foundation, 1001 Prince Street, Alexandria, Virginia 22314.

21. The lessor warrants this building, as occupied by the Government, to be in full compliance with all federal, state and local fire/safety/environmental/building codes. Should any violation of these codes exist or occur, the lessor will immediately correct those violations at the lessor's sole cost. Upon a failure by the Lessor to correct such violations, the Government may, at is option effect the corrections and deduct such costs from rent due or terminate the lease at any time.

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22. Taxes. The Government will pay all taxes of every kind and description levied against its business, appliances, equipment and personal property.

23. Surrender. Upon termination of this lease, the Government will surrender the premises to Lessor in as good condition as received at commencement of this lease, except for ordinary wear and tear and damage by fire or casualty.

9104087302 2

EXHIBIT "A" PAGE #1 of 3

ENTRANCES, LOBBIES, CORRIDORS AND STAIRS	FREQUENCY							
	DAILY	WEEKLY	BI-WEEKLY	MONTHLY	QUARTERLY	SEMI ANNUALLY	ANNUALLY	PER REQUEST
SPOT WASH ENTRY GLASS	x							
SPOT WASH WALLS AND DOORS	x							
EMPTY TRASH RECEPTACLES	x							
EMPTY AND WIPE ASHTRAYS AND SAND URNS	x							
CLEAN TELEPHONE BOOTH NONE ON PROPERTY								
SPOT CLEAN FURNITURE								x
CLEAN DRINKING FOUNTAINS	x							
DUST MOP TILE FLOORS	x							
DAMP MOP TILE FLOORS	x							
VACUUM CARPETS	x							
SPRAY-BUFF FLOORS		x						
SPOT CLEAN CARPETS	x							
CLEAN AND RE-FINISH FLOORS					x			
CLEAN ELEVATORS NONE ON PREMISES								
SWEEP STAIRWAYS i.e. BACK OUTSIDE STEPS/ENTRY WAY	x							
WASH BASEBOARDS			x					
DUST HIGH LEDGES			x					

ACCEPTING INITALS: OWNER MK CONTRACTOR

OFFICES	FREQUENCY							
	DAILY	WEEKLY	BI-WEEKLY	MONTHLY	QUARTERLY	SEMI ANNUALLY	ANNUALLY	PER REQUEST
DUST HORIZONTAL SURFACES		x						
DUST VERTICAL SURFACES		x						
CLEAN AND DISINFECT TELEPHONES NOT REQUIRED								
CLEAN ASHTRAYS	X							
EMPTY WASTEBASKETS	X							
DUST MOP FLOORS NOT REQUIRED ALL FLOORS CARPETED								
DAMP MOP FLOORS NOT REQUIRED ALL FLOORS CARPETED								
VACUUM CARPETS	X							
DUST HIGH LEDGES			X					
SPRAY-BUFF FLOORS NOT REQUIRED ALL FLOORS CARPETED								
SPOT CLEAN WALLS AND DOORS		X						
CLEAN AND RE-FINISH FLOORS N/A ALL FLOORS CARPETED								
SPOT CLEAN CARPET	X							
CLEAN AIR VENTS				X				

ACCEPTING INITALS: OWNER MK CONTRACOTR

CLEANING SPECIFICATIONS

RESTROOMS	FREQUENCY							
	DAILY	WEEKLY	BI-WEEKLY	MONTHLY	QUARTERLY	SEMI ANNUALLY	ANNUALLY	PER REQUEST
WET MOP FLOORS INCLUDE BEHIND DOORS	X							
SPOT WASH WALLS AND PARTITIONS		X						
REFILL DISPENSERS (SOAP, PAPER TOWELS AND TOILET TISSUE)	X							
CLEAN MIRRORS AND BASINS	X							
SANITIZE TOILETS AND URINALS	X							
SANITIZE LAVATORIES	X							
CLEAN FITTINGS		X						
EMPTY TRASH RECEPTACLES	X							
WASH TRASH RECEPTACLES		X						
CLEAN AIR VENTS				X				
CHANGE BURNED OUT LAMPS NOT REQUIRED								
CLEAN LIGHT FIXTURES NOT REQUIRED								

ACCEPTING INITALS: OWNER MK CONTRACTOR: MJ

NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

Maiselle Dolan Shortley
Chairman

(703) 548-0900

February 23, 1989

District Engineer
U.S. Army Engineer District, Baltimore
P.O. Box 1715
ATTN: CENAB-RE-AL (405-10)
Baltimore, Maryland 21203-1715

Dear Sir:

Please be advised that on or about February 17, 1989, the premises hereby leased will be transferred to Virginia Tech Foundation, Inc.

Your rental payment due March 1, 1989 should be addressed to Virginia Tech Foundation and mailed to 1001 Prince Street, Alexandria, Virginia 22314.

Sincerely,

Maiselle Dolan Shortley
Chairman

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DEPARTMENT OF THE ARMY
BALTIMORE DISTRICT, CORPS OF ENGINEERS
P.O. BOX 1715
BALTIMORE, MARYLAND 21203-1715

MAR 15 1989

REPLY TO ATTENTION OF:
CENAB-RE-AL (405-10j)

LETTER OF NOTIFICATION

SUBJECT: Change of Ownership

FORMER LESSOR: National Conservative Foundation
1001 Prince Street
Alexandria, Virginia 22314

NEW LESSOR: Virginia Tech Foundation, Inc.

LEASE NO.: DACA-31-5-89-090

PROPERTY LOCATION: 1001 Prince Street
Alexandria, Virginia 22314

USING SERVICES: Army, Navy, Air Force and Marines

1. In accordance with notice of change of ownership received from the Lessor, effective 1 March 1989, the name of the owner and paragraphs 3 and 20 of said lease are hereby amended and all future rental payments shall be sent to:

Virginia Tech Foundation, Inc.
1001 Prince Street
Alexandria, Virginia 22314

2. All other terms and conditions of the lease shall remain unchanged and in full force and effect.

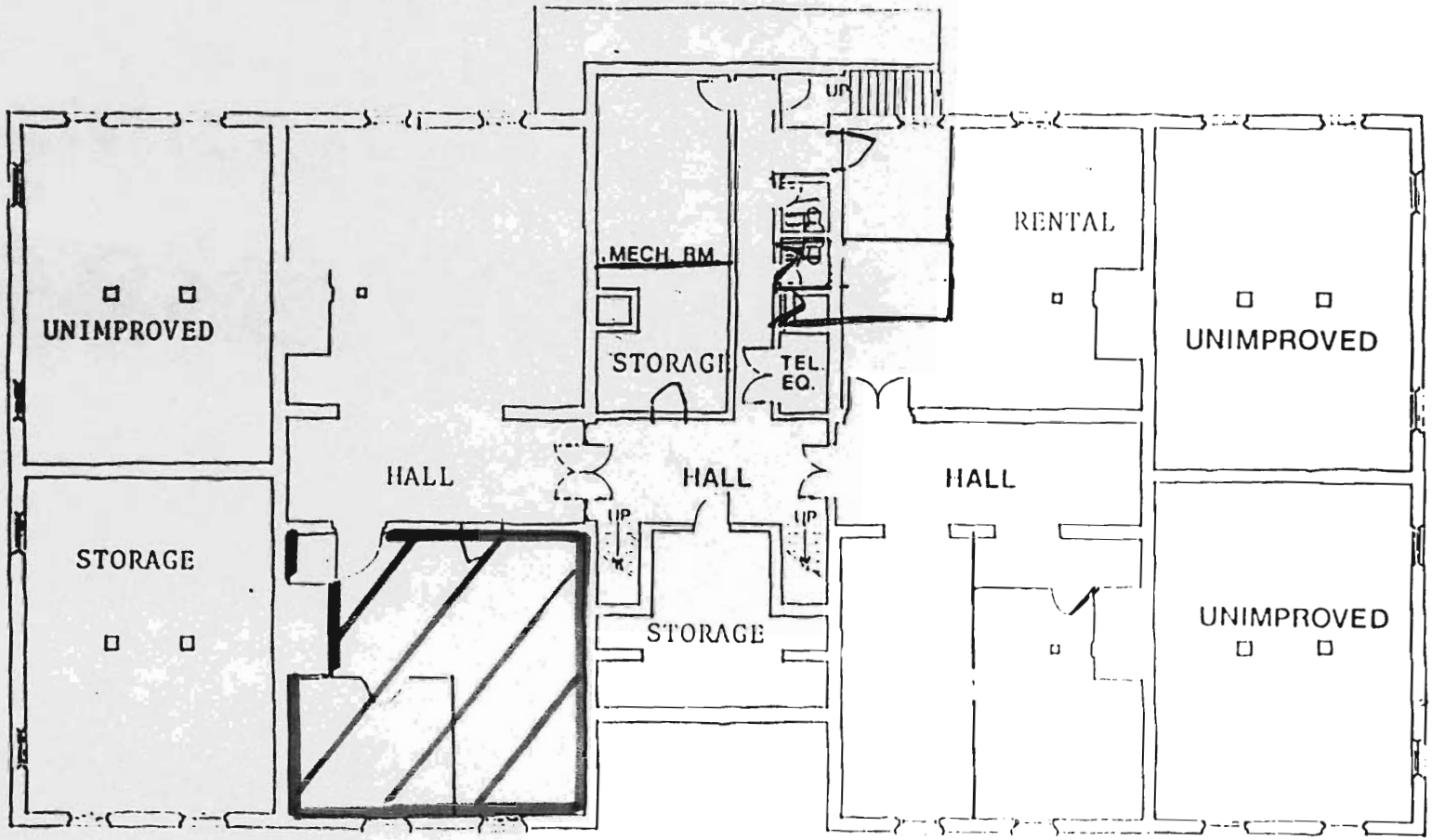
THE UNITED STATES OF AMERICA

BY: _____
G. R. BOGGS
Chief, Real Estate Division

DISTRIBUTION:
Lessor (as stated above)
Cmdr, USA 1st RB, NE
Cmdr, USARC, HQS
Cmdr, USARB, Balto/Wash
Hqs, ATC/DEPE
Cmdr, 3535th USAF RS
Cmdr, NRA 4
Cmdr, USNRD, Hyattsville
Dir, 4th MCD
Cmdr, USMCRMS, Linthicum
Exam Section
P&C Branch

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EXHIBIT "BB"



LOWER LEVEL

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SUBLEASE AGREEMENT

SUBLEASE AGREEMENT, dated January 9, 1986, between NATIONAL CONSERVATIVE FOUNDATION ("Lessor"), a Virginia nonstock corporation with principal offices located at 1001 Prince Street, Alexandria, Virginia 22314, and Virginia Special Olympics ("Sublessee"), with its principal offices to be located at 1001 Prince Street, Alexandria, Virginia 22314.

W I T N E S S E T H:

WHEREAS, on February 23, 1983, Lessor entered into a Deed of Lease with Walter F. O'Connell in respect to the leasing of 1001 Prince Street, Alexandria, Virginia 22314, to be effective on December 1, 1983, being the date then projected that the premises would be available for occupancy by Lessor, containing approximately 21,500 gross rentable square feet; and

WHEREAS, Walter F. O'Connell has granted Lessor permission pursuant to the terms of the Deed of Lease to enter into a Sublease Agreement to sublet the premises or any part thereof; and

WHEREAS, the Deed of Lease betwen Walter F. O'Connell and Lessor is now effective.

NOW, THEREFORE, in consideration of the following mutual covenants and other good and valuable consideration, the parties hereto agree as follows:

1. Sublease. The Lessor hereby sublets to the Sublessee and Sublesseehires from the Lessor the following described premises: approximately 556.6 square feet of office space located on the lower level of 1001 Prince Street, Alexandria, Virginia 22314, to be used only for a business office, for the term and at the rental hereinafter stated. A floor plan of said office space is attached hereto and

incorporated herein as Exhibit A. Such square footage includes allocated share of the common areas and operating expenses.

2. Master Lease. It is understood and agreed that this instrument is a Sublease Agreement by which lessor is subleasing to Sublessee for the term and at the rental hereinafter stated the premises which are part of the same premises leased to lessor in the aforesaid Deed of Lease dated February 23, 1983, which is hereinafter referred to as the "Master Lease." Said Master Lease is attached hereto and incorporated herein as Exhibit B. Except as otherwise specifically stated herein, Sublessee does hereby assume and agree to perform all of the duties and obligations imposed upon Lessor by the Master Lease for the term of this Sublease and it is agreed that Lessor shall have all the rights and powers, and assume all the obligations with respect to the subleased premises that are conferred and imposed upon the Lessor as identified in the Master Lease.

3. Parking. During the term of this Sublease, Lessor shall provide for Sublessee's use one (1) parking space.

4. Rent. All rent and other charges which Sublessee is obligated to pay Lessor under any provision of the Sublease shall be paid timely to Lessor at Lessor's address without any set-off, counterclaim, or deduction whatsoever.

(a) Base Rent. The Sublessee agrees to pay a base rental in the sum of $4,174.50 for the six months payable in equal monthly installments of $695.75 per month (or pro rata portion thereof for any part of a month). The entire rent for six months shall be paid in advance and in full prior to occupancy February 1, 1986. On each subsequent year of the lease beginning on the first anniversary of lease commencement the base rent shall be raised by the sum of five percent.

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5. Security Deposit. By February 1, 1986 the Sublessee will deposit with the Lessor the sum of $695.75 as security for the performance of the Sublessee of the terms of this Sublease. The Lessor may use, apply, or retain the whole or any part of the security so deposited to the extent required for the payment of any rent and additional rent or other sum as to which the Sublessee is in default or for any sum which the Lessor may expend or may be required to expend by reason of the Sublessee's default in respect of any of the terms of this Sublease, including, but not limited to, any damages or deficiency in the reletting of the subleased premises, whether such damages or deficiency accrued before or after summary proceedings or other reentry by Lessor. In the event that the Sublessee shall comply with all of the terms of this Sublease, the security deposit shall be returned to the Sublessee, without interest, after the date fixed as the end of the Sublease and after delivery of possession of the subleased premises to the Lessor. The Sublessee shall not assign or encumber the money deposited as security, and neither the Lessor nor its successors or assigns shall be bound by any such assignment or encumbrance.

6. Term. The term of this Sublease shall be for six (6) months, commencing on the 1st day of February, 1986 and expiring on the 31st day of July 1986. Notwithstanding anything heretofore written, it is understood that sublessee shall occupy suite 112 for the term of January 1, 1986. Rent to be paid by Paul Glazer.

7. Taxes. Sublessee will pay all taxes of every kind and description levied against its business, appliances, equipment and personal property.

8. Inspection. Lessor or the Lessor in the Master Lease shall have the right to enter the subleased premises at any reasonable time to inspect the condition of the premises.

9. Surrender. Upon termination of this Sublease, Sublessee will surrender the premises to Lessor in as good condition as received at commencement of this Sublease, except

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for ordinary wear and tear, and damage by fire or casualty, and will indemnify Lessor from any and all claims made by the Lessor in the Master Lease due to any alterations of the premises made by Sublessee.

10. Liability Insurance. Sublessee will indemnify and save harmless Lessor and the Lessor in the Master Lease, their successors and assigns, from any and all claims, demands, actions, causes of action, and judgments, whether for personal injury or property damage, asserted by any person arising out of Sublessee's possession and use of the premises. Sublessee shall maintain liability insurance throughout the term of this Sublease, with an insurance company authorized to do business in the Commonwealth of Virginia, such policy to have liability limits of at least $500,000 for personal injury for one person, aggregate liability for all persons in any one action of at least One Million Dollars ($1,000,000.00) for property damage. The terms of such policy shall also conform to those terms set forth in paragraph 13 of the Master Lease with respect to the scope of coverage to be provided. Lessor and Lessor in the Master Lease shall be named co-insured in such insurance policy or policies. Such policies shall contain provision for ten days' notice to Lessor and Lessor in the Master Lease prior to cancellation.

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11. Default. Sublessee shall, without any previous demand therefor, pay to Lessor the said rent at the times and in the manner above provided. In the event of nonpayment of said rent, or any installment thereof, and if the same shall remain in default for ten days after becoming due, or if the subleased premises shall be deserted or vacated, Lessor or its agent shall without further notice have the right to and may enter the said premises as agents of Sublessee, and may relet the premises and receive the rent therefor upon such terms as shall be satisfactory to Lessor and all the rights of Sublessee to repossess the premises under this Sublease shall be forfeited. Such reentry by Lessor shall not operate to release Sublessee from any rent to be paid or covenants to be performed hereunder during the full term of this Sublease. In the case of violation by Sublessee of any of the covenants, agreements and conditions of this Sublease, other than the payment of the rent, and upon failure to discontinue such violation within ten days after written notice thereof to Sublessee this Sublease shall henceforth, at the option of Lessor, become null and void and Lessor may reenter without further notice or demand. Upon violation by Sublessee of any of the agreements, covenants, and conditions of this Sublease, all future installments of rent unpaid and all other monies due to and payable by Lessee shall at once become due and payable.

12. Use of Premises. As an inducement for Lessor to enter into this Sublease, Sublessee has represented and warranted that the sole and exclusive purpose of Lessee's leasing the premises is for the purpose of operating general business offices.

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13. Acceptance of Premises. Sublessee does hereby unconditionally and irrevocably warrant that authorized agents have inspected the premises and that Sublessee is satisfied with the present condition of the premises. Sublessee further accepts the premises on an as-is where-is basis and accepts full responsibility for all costs that may be incurred in remodeling to a condition satisfactory to meet their specifications. Remodeling must be approved by the Lessor prior to commencement.

14. Subleasing. Sublessee may not assign this Sublease or sublease the premises in whole or in part without the written permission of Lessor which will not be unreasonably withheld.

15. Notice. Any notice required or permitted under this Sublease shall be given in writing by first class certified mail, return receipt requested, as follows:

To:
Virginia Special Olympics, Inc.
1001 Prince Street, Suite 112
Alexandria, Virginia 22314

in the case of Sublessee; and

National Conservative Foundation
1001 Prince Street
Alexandria, Virginia 22314
ATTN: Mr. Leif Noren

in the case of the Lessor.

16. Hold Harmless: Sublessee agrees it will hold Lessor harmless and it will pay to Lessor any losses which Lessor may incur from any default of Sublessee under the terms and conditions of the Master Lease and/or this Sublease and from or as a result of Lessee's possession and use of the subleased premises.

17. Arbitration. Any controversy arising under, out of, in connection with, or relating to, this Sublease, and any consequent amendment thereof, or the breach thereof, shall be determined by arbitration in the City of Alexandria, Virginia, in accordance with the rules of the American Arbitration Association. Any award rendered therein shall be final and binding on each and all of the parties thereto and their representatives,

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and judgment may be entered thereon in any court having judrisdiction thereon.

18. Severability. If any provision or provisions of this Sublease shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not, in any way, be affected or impaired thereby.

19. Counterparts. This Sublease may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

20. Incorporation. All Exhibits and other documents referred to herein are incorporated in this Sublease by reference and shall become a part of this Sublease, except as otherwise conflicting with the provision hereof.

21. Waiver of Breach. The waiver by either Party of a breach of any provision of this Sublease by the other Party shall not operate or be construed as a waiver of any subsequent breach by the then breaching Party.

22. Modification. This Sublease may only be modified in writing, executed on behalf of Lessor and Sublessee. The term "Sublease" as used herein includes any future written amendments, modifications, or supplements made in accordance herewith.

23. Entire Agreement. This instrument contains the entire agreement between the parties hereto with respect to the transactions contemplated herein.

24. All parties recognize that the only Broker involved in the transaction is WJD & Associates. Commissions to be paid per separate listing agreement based on the total base rent of Four Thousand One Hundred Seventy-Four Dollars and 50 cents ($4,174.50).

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IN WITNESS WHEREOF, the Lessor and Sublessee have executed this Lease as of the date first above written.

SUBLESSEE
VIRGINIA SPECIAL OLYMPICS

By: _____

LESSOR
NATIONAL CONSERVATIVE FOUNDATION

By: _____

NJD ASSOCIATES

By: _____

9103040873030336

NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22313
(703) 548-0900

John T. (Terry) Dolan
Founder

Maiselle Dolan Shortley
Chairman

January 31, 1989

Virginia Special Olympics, Inc.
Office of Accounting
1001 Prince Street
Alexandria, VA 22314

Dear Sirs:

As you may know, your tenancy with us shall expire on January 31, 1989. In the past we have been pleased to extend your tenancy in six month increments as well as receive your office rent and parking fees in six month advance installments.

Because of our current efforts to sell our building, beginning February 1, 1989, we can only extend your tenancy on a month-to-month basis, terminable by either party on thirty (30) days written notice. As such, we would request monthly payments from you for office rent and parking fees rather than the six month installments.

For your reference, the following monthly rental fees will apply:

--Two parking spaces @ $50.00 each	$100.00
--Office rent	$767.25
Total monthly payments	$867.25

Additionally, all terms and conditions of the Sub-lease Agreement dated January 9, 1986, that are not inconsistent with this letter will continue to govern.

If these arrangements are satisfactory, please return a signed copy of this letter in confirmation at your earliest convenience.

Thank you very much.

Maiselle Dolan Shortley 1/31/89

National Conservative Foundation
1001 Prince Street
Alexandria, VA 22314
By: Maiselle Dolan Shortley
Date

Virginia L. Foster 2/5/89

Virginia Special Olympics
1001 Prince Street
Alexandria, VA 22314
By:
Date

9104037303 7

NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22313
(703) 548-0900

John T. (Terry) Dolan
Founder

Maiselle Dolan Shortley
Chairman

Date: March 13, 1989

To: VA Special Olympics

From: Mark Ortmeier
Building Manager

RE: Late Notice on Monthly Rent

This is just to let you know that our records do not show that we have received your monthly rental fees from you. As you may know, rent payments received after the 10th day of each month are subject to a 10% late charge.

We would appreciate it if you would check your records to see if payment has already been made. If it has not, it would be very much appreciated if you would submit your check to us as soon as possible including the 10% late charge.

Thank you for your attention to this detail.

cc: Laurie Martinson

Delivered to Office at: 1001 Prince Street
Alexandria, VA 22314

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NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

Maiselle Dolan Shortley
Chairman

(703) 548-0900

It is hereby agreed that as of May 1, 1988 the Northern Virginia Special Olympics will rent one additional parking space #39 from the National Conservative Foundation at 1001 Prince Street, Alexandria, Virginia for the monthly rental fee of $50.00

This $50.00 will be due the first day of each month beginning with June, 1988. The $50.00 rental payment for May will be due on or before May 10, 1988 in consideration of the date of the initiation of the is agreement.

If the rental fee is not received by NCF by the 10th day of any future month, the vehicles parked in space #39 shall be towed at the expense of the owners. This policy will be continued until full payment is received or this agreement is cancelled.

This agreement may be terminated upon 30 days written notice to the National Conservative Foundation by any of the parties to this agreement.

Malcolm E Dixon May 4-88

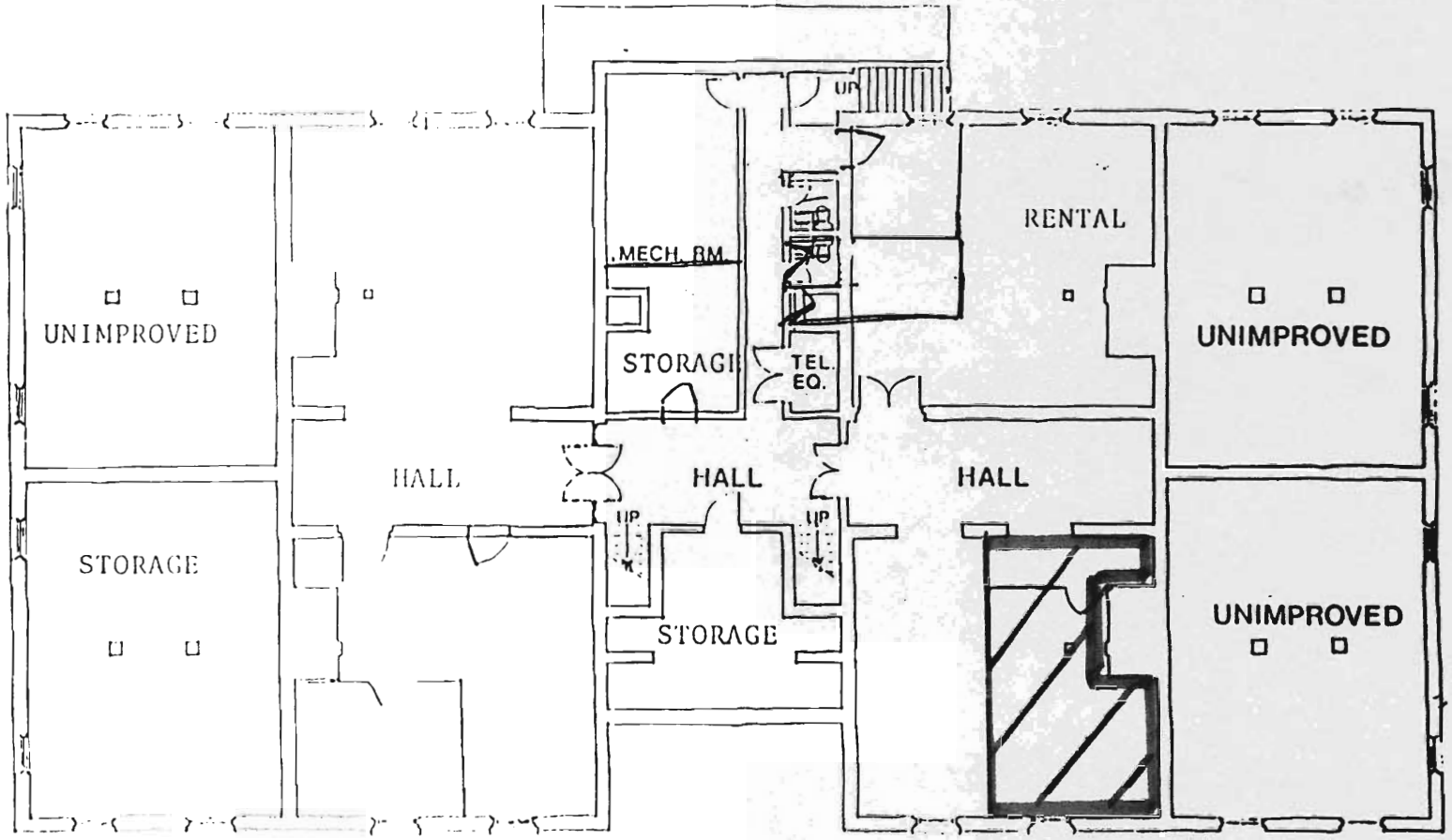
Malcolm Dixon Date
Section Director
Northern Virginia Special
Olympics
1001 Prince St.
Alexandria, VA 22314

Maiselle Dolan Shortley May 3, 1988

Maiselle Dolan Shortley Date
The National Conservative Foundation
1001 Prince St.
Alexandria, VA 22314

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LOWER LEVEL

EXHIBIT "II"

9104037304 1

SUBLEASE AGREEMENT

SUBLEASE AGREEMENT, dated November 20, 1987, between NATIONAL CONSERVATIVE FOUNDATION ("Lessor"), a Virginia nonstock corporation with its principal offices located at 1001 Prince Street, Alexandria, Virginia 22314 and Dennis Yatras ("Sublessee"), with its principal offices to be located at 1001 Prince Street, Suite 100, Alexandria, Virginia 22314.

WITNESSETH:

WHEREAS, on February 23, 1983, Lessor entered into a Deed of Lease with Walter F. O'Connell in respect to the leasing of 1001 Prince Street, Alexandria, Virginia 22314, to be effective on December 1, 1983, being the date then projected that the premises would be available for occupancy by Lessor, containing approximately 21,500 gross rentable square feet; and

WHEREAS, Walter F. O'Connell has granted Lessor permission pursuant to the terms of the Deed of Lease to enter into a Sublease Agreement to sublet the premises or any part thereof; and

WHEREAS, the Deed of Lease between Walter F. O'Connell and Lessor is now effective.

NOW, THEREFORE, in consideration of the following mutual covenants and other good and valuable consideration, the parties hereto agree as follows:

1. Sublease. The Lessor hereby sublets to the Sublessee and Sublessee hires from the Lessor the following described premises: Approximately 400 square feet of office space located on the lower level, known as Suite 100 of 1001 Prince Street, Alexandria, Virginia 22314, to be used only for a business office, for the term and at the rental hereinafter stated. A floor plan of said office space is attached hereto and incorporated herein as Exhibit A. Such square footage includes allocated share of the common areas and operating expenses.

2. Master Lease. It is understood and agreed that this instrument is a Sublease Agreement by which Lessor is subleasing to Sublessee for the term and at the rental hereinafter stated the premises which are part of the same premises leased to Lessor in the aforesaid Deed of Lease dated February 23,

1983, which is hereinafter referred to as the "Master Lease." Said Master Lease is attached hereto and incorporated herein as Exhibit B. Except as otherwise specifically stated herein, Sublessee does hereby assume and agree to perform all of the duties and obligations imposed upon Lessor by the Master Lease for the term of this Sublease and it is agreed that Lessor shall have all the rights and powers, and assume all the obligations with respect to the subleased premises that are conferred and imposed upon the Lessor as identified in the Master Lease.

3. Parking. During the term of this Sublessee, Lessor shall provide for Sublessee's use one (1) parking space at $50.00 per month.

4. Rent. All rent and other charges which Sublessee is obligated to pay Lessor under any provision of the Sublease shall be paid timely to Lessor at Lessor's address without any set-off, counterclaim, or deduction whatsoever. A 10% late fee will be charged if rent is not received by the 10th of the month for which it is due.

(a) Base Rent. The Sublessee agrees to pay a base rental in the sum of Six Thousand Dollars ($6,000.00) for the first year payable in equal monthly installments of Five Hundred Dollars ($500.00) per month (or pro-rata portion thereof for any part of a month). The rent for each month shall be paid in advance on the first day of each calendar month during their term hereof. On each subsequent year of the lease beginning on the first day of December the base rent shall be raised by the sum of five percent.

5. Security Deposit. Sublessee has deposited with the Lessor, via their agent, WJD & Associates, the sum of Five Hundred Dollars ($500.00) as security for the performance of the Sublessee of the terms of this Sublease. The Lessor may use, apply, or retain the whole or any part of the security so deposited to the extent required for the payment of any rent and additional rent or other sum as to which the Sublessee is in default or for any sum which the Lessor may expend or may be required to expend by reason of the Sublessee's default in respect of any of the terms of this Sublease, including, but not limited to, any damages or deficiency in the reletting of the subleased premises, whether such damages or deficiency accrued before or after summary proceedings or other re-entry by Lessor. In the event that the Sublessee shall comply with all of the terms of this Sublease, the security deposit shall be returned to the Sublessee, without interest, after the date fixed as the end of

‡ Within 30 days of the following two conditions. If these conditions are met on two different dates, then the later date will prevail.

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the Sublease and after delivery of possession of the subleased premises to the Lessor. The Sublessee shall not assign or encumber the money deposited as security, and neither the Lessor nor its successors or assigns shall be bound by any such assignment or encumbrance.

6. Term. The term of this Sublease shall be for one (1) year, commencing on the 21st day of November, 1987, and expiring on the 30th day of November, 1988. Sublessee has option to extend Lease for an additional year. To exercise this option the Sublessee must give written notice to Lessor no later than September 1, 1988.

7. Taxes. Sublessee will pay all taxes of every kind and description levied against its business, appliances, equipment and personal property.

8. Inspection. Lessor or the Lessor in the Master Lease shall have the right to enter the subleased premises at any reasonable time to inspect the condition of the premises.

9. Surrender. Upon termination of this Sublease, Sublessee will surrender the premises to Lessor in as good condition as received at commencement of this Sublease, except for ordinary wear and tear, and damage by fire or casualty, and will indemnify Lessor from any and all claims made by the Lessor in the Master Lease due to any alterations of the premises made by Sublessee.

10. Liability insurance. Sublessee will indemnify and save harmless Lessor and the Lessor in the Master Lease, their successors and assigns, from any and all claims, demands, actions, causes of action, and judgments, whether for personal injury or property damage, asserted by any person arising out of Sublessee's possession and use of the premises. Sublessee shall maintain liability insurance throughout the term of this Sublease, with an insurance company authorized to do business in the Commonwealth of Virginia, such policy to have liability limits of at least $500,000 for personal injury for one person, aggregate liability for all persons in any one action of at least One Million Dollars ($1,000,000.00) for property damage. The terms of such policy shall also conform to those terms set forth in paragraph of the Master Lease with respect to the scope of coverage to be provided. Lessor and Lessor in the Master Lease shall be named co-insured in such insurance policy or

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policies. Such policies shall contain provision for ten days' notice to Lessor and Lessor in the Master Lease prior to cancellation.

11. Default. Sublessee shall, without any previous demand therefor, pay to Lessor the said rent at the times and in the manner above provided. In the event of nonpayment of said rent, or any installment thereof, and if the same shall remain in default for ten days after becoming due, or if the subleased premises shall be deserted or vacated, Lessor or its agent shall without further notice have the right to and may enter the said premises as agents of Sublessee, and may re-let the premises and receive the rent therefor upon such terms as shall be satisfactory to Lessor and all the rights of Sublessee to repossess the premises under this Sublease shall be forfeited. Such re-entry by Lessor shall not operate to release Sublessee from any rent to be paid or covenants to be performed hereunder during the full term of the Sublease. In the case of violation by Sublessee of any of the covenants, agreements and conditions of this Sublease, other than the payment of the rent, and upon failure to discontinue such violation within ten days after written notice thereof to Sublessee this Sublease shall henceforth, at the option of r, become null and void and Lessor may re-enter without further notice or demand. Upon violation by Sublessee of any of the agreements, covenants, and conditions of this Sublease, all future installments of rent unpaid and all other monies due to be payable no Lessee shall at once become due and payable.

12. Use of Premises. As an inducement for Lessor to enter into this Sublease, Sublessee has represented and warranted that the sole and exclusive purpose of Lessee's leasing the premises is for the purpose of operating general business offices.

13. Acceptance of Premises. Sublessee does hereby unconditionally and irrevocably warrant that authorized agents have inspected the premises and that Sublessee is satisfied with the present condition of the premises. Sublessee further accepts the premises on an as-is where-is basis and accepts full responsibility for all costs that may be incurred in remodeling to a condition satisfactory to meet their specifications. Remodeling must be approved by the Lessor prior to commencement.

14. Subleasing. Sublessee may not assign this Sublease of sublease the premises in whole or in part without the written permission of Lessor which

will not be unreasonably withheld.

15. Notice Any notice required or permitted under this Sublease shall be given in writing by first class certified mail, return receipt requested, as follows:

To: Mr. Dennis Yatras
1001 Prince Street
Alexandria, Virginia 22314

in the case of Sublessee; and

NATIONAL CONSERVATIVE FOUNDATION
1001 Prince Street
Alexandria, Virginia 22314
ATTN: [redacted] Mark Ortmeier

in the case of the Lessor.

16. Hold Harmless: Sublessee agrees it will hold Lessor harmless and it will pay to Lessor any losses which Lessor may incur from any default of Sublessee under the terms and conditions of the Master Lease and/or this Sublease and from or as a result of Lessee's possession and use of the subleased premises.

17. Arbitration. Any controversy arising under, out of, in connection with, or relating to, this Sublease, and any consequent amendment thereof, or the breach thereof, shall be determined by arbitration in the City of Alexandria, Virginia, in accordance with the rules of the American Arbitration Association. Any award rendered therein shall be final and binding on each and all of the parties thereto and their representatives, and judgment may be entered thereon in any court having jurisdiction thereon.

18. Severability. If any provision or provisions of this Sublease shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not, in any way, be affected or impaired thereby.

19. Counterparts. The Sublease may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

20. Incorporation. All Exhibits and other documents referred to herein are incorporated in this Sublease by reference and shall become a part of this Sublease, except as other wise conflicting with the provision hereof.

21. Waiver of Breach. The waiver by either Party of a breach of any provision of this Sublease by the other Party shall not operate or be construed

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as a waiver of any subsequent breach by the then breaching Party.

22. Modification. This Sublease may only be modified in writing, executed on behalf of Lessor and Sublessee. The term "Sublease" as used herein includes any future written amendments, modifications, or supplements made in accordance herewith.

23. Entire Agreement. This instrument contains the entire agrement between the parties hereto with respect to the transactions contemplated herein.

24. All parties recognize that the only Broker involved in the transaction is WJD & Associates. Commissions to be paid per separate listing agreement based on the total base rent of Six Thousand Dollars ($ 6,000.00).

IN WITNESS WHEREOF, the Lessor and the Sublessee have executed this Lease as of the date first above written.

SUBLESSEE

BY: _____
Dennis Yatras

Date: 11-21-87

LESSOR

BY: _____
NATIONAL CONSERVATIVE FOUNDATION

Date: 11/20/87

WJD & ASSOCIATES

BY: _____

Date: 11-20-87

9 1 3 4 0 8 7 3 0 4 6

Michelle Michaels
683-1414

WJD

WJD
Mark O.

A S S O C I A T E S

file
es
12/7/87

November 18, 1987

Maiselle Shortley
National Conservative Foundation
% WJD and Associates
111 North Alfred Street
Alexandria, Virginia 22314

Dear Mrs. Shortley:

I am pleased to inform you of Dennis Yatras' intent to lease space in 1001 Prince Street, Alexandria, Virginia, with the following terms:

SIZE: He intends to lease the rear right office suite on the lower level. (Please see attached diagram.) This space is to include the use of the common hallway for access, and approximately one-third of ~~(~~the rear portion~~)~~ ~~of~~ this hallway as his reception area/waiting room. It is understood that he, as well as future tenants of this lower level space, will be able to utilize this common hall area as reception area/waiting room, in direct proportion to the amount of space they lease in this wing.

11-18-87 by

RATE: This space will rent for $6,000.00 per year, paid monthly in installments of $500.00 per month.

TERM: He would like to take this space beginning Saturday, November 21, 1987, for one year plus ten days. The original lease term will terminate on November 30, 1988. Mr. Yatras would like the option to renew his lease for an additional year, said option to be exercised within 60 days of expiration of his original lease term. Notice will be given in writing to you no later than September 1, 1988.

PARKING: Mr. Yatras will pay for one assigned space at the monthly rate of $50.00.

OPTION: Mr. Yatras shall have the option to lease a larger space in this building, if said space is available, at market rates, in lieu of this space. It is understood Mr. Yatras will leave this above referenced space in its present "move-in" condition if he opts to take a larger space.

See [illegible]

We look forward to your future fruitful relationship.

Cordially,

Michelle Michaels
Associate Broker

Dennis Yatras

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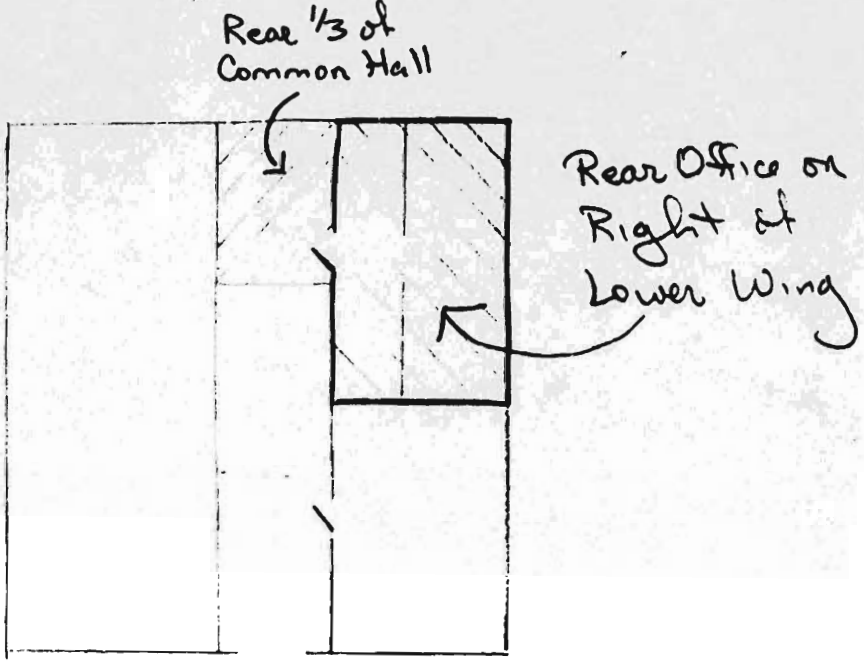
11-18-87

My understanding of the "option" is that if I elect to lease a larger space in the building, my obligations under the lease for the initial space will be vacated completely. With regard to "term", my understanding is that I must exercise the option for a second year not later than 9-1-88.

11-18-87

9104087300048

Reception Area:



9104087330049

157

DENNIS A. YATRAS
515 BRAXTON PLACE
ALEXANDRIA, VA 22301

11-18 19 87

68-7497
2560

PAY TO THE ORDER OF WJD Associates $ 550.00

Five hundred fifty dollars DOLLARS

NAVY FEDERAL CREDIT UNION WASHINGTON, DC VIENNA VIRGINIA

FOR FM RENT / M. MICHAELS

Ben F. Yatras

⑆256074974⑆0157⑈075919370900⑈

156

DENNIS A. YATRAS
515 BRAXTON PLACE
ALEXANDRIA, VA 22301

11-18 19 87

68-7497
2560

PAY TO THE ORDER OF WJD Associates $ 500.00

Five hundred dollars DOLLARS

NAVY FEDERAL CREDIT UNION WASHINGTON, DC VIENNA VIRGINIA

FOR DEP/LM RENT / M. MICHAELS

Ben F. Yatras

⑆256074974⑆0156⑈075919370900⑈

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11/14/88

ORION MANAGEMENT, INC

1005 Duke Street • Suite 200 • Alexandria, VA 22314 • (703) 549-3505

November 14, 1988

National Conservative Foundation
1001 Prince Street
Alexandria, Virginia 22314

Dear Mark,

Orion Management (Dennis Yatras) gives notice that the last day as tenants at 1001 Prince Street, Suite 100 will be not later than November 30, 1988.

Sincerely,

Sandra Fox for

Dennis A. Yatras

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NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

Maiselle Dolan Shortley
Chairman

(703) 548-0900

It is agreed that as of February 10, 1988, Orion Development (Mr. Dennis Yatras) of 1001 Prince St., Ste. #100; Alexandria, VA 22314 will rent one additional parking space (#42) from the National Conservative Foundation for the monthly rental fee of $50.00.

This $50.00 will be due the first day of each month beginning with March 1, 1988. The rental fee for February 1988 only shall be due February 10, 1988 and reduced to $33.00 in consideration of the date of initiation of this agreement. This shall be the only exception.

If the rental fee is not received by NCF by the 10th day of each succeeding month, the vehicles parked in space #42 shall be towed at the expense of the owners. This policy will be continued until full payment is received or this agreement is cancelled.

This agreement may be terminated upon 30 days written notice to the National Conservative Foundation by any of the parties to this agreement.

2-10-88

Mr. Dennis Yatras Date
Orion Development
1001 Prince St.
Ste. #100
Alexandria, VA 22314

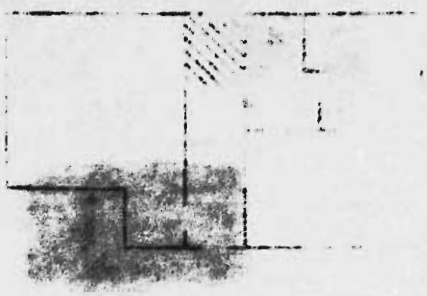
Maiselle Dolan Shortley Date
Chairman
The National Conservative Foundation
1001 Prince St.
Alexandria, VA 22314

Attachment: Parking Map

cc: Shirley Bailey

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9104037305 3



Suite 100

Common

Michelle Michaels
683-1414

WJD ASSOCIATES

November 18, 1987

Maiselle Shortley
National Conservative Foundation
% WJD and Associates
111 North Alfred Street
Alexandria, Virginia 22314

Dear Mrs. Shortley:

I am pleased to inform you of Dennis Yatras' intent to lease space in 1001 Prince Street, Alexandria, Virginia, with the following terms:

SIZE: He intends to lease the rear right office suite on the lower level. (Please see attached diagram.) This space is to include the use of the common hallway for access, and approximately one-third of the rear portion of this hallway as his reception area/waiting room. It is understood that he, as well as future tenants of this lower level space, will be able to utilize this common hall area as reception area/waiting room, in direct proportion to the amount of space they lease in this wing.

RATE: This space will rent for $6,000.00 per year, paid monthly in installments of $500.00 per month.

TERM: He would like to take this space beginning Saturday, November 21, 1987, for one year plus ten days. The original lease term will terminate on November 30, 1988. Mr. Yatras would like the option to renew his lease for an additional year, said option to be exercised within 60 days of expiration of his original lease term. Notice will be given in writing to you no later than September 1, 1988.

PARKING: Mr. Yatras will pay for one assigned space at the monthly rate of $50.00.

OPTION: Mr. Yatras shall have the option to lease a larger space in this building, if said space is available, at market rates, in lieu of this space. It is understood Mr. Yatras will leave this above referenced space in its present "move-in" condition if he opts to take a larger space.

We look forward to your future fruitful relationship.

Cordially,

Michelle Michaels
Associate Broker

Dennis Yatras

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11-18-87

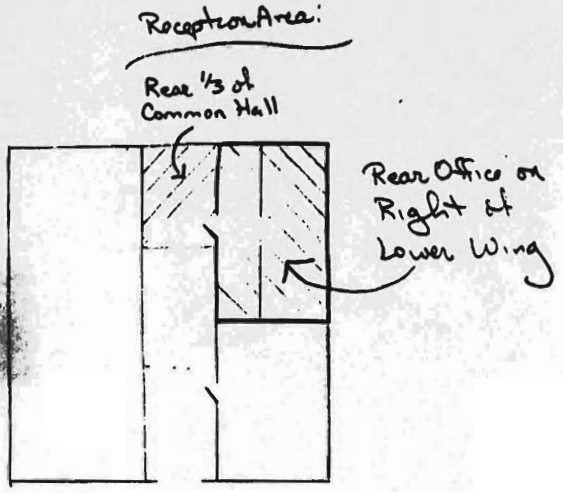
My understanding of this "option" is that if I elect to lease a larger space in the building, any obligations under the lease for this initial space will be vacated completely. With regard to "term", my understanding is that I will exercise the option for a second year and take the 9-1-88.

11-18-87

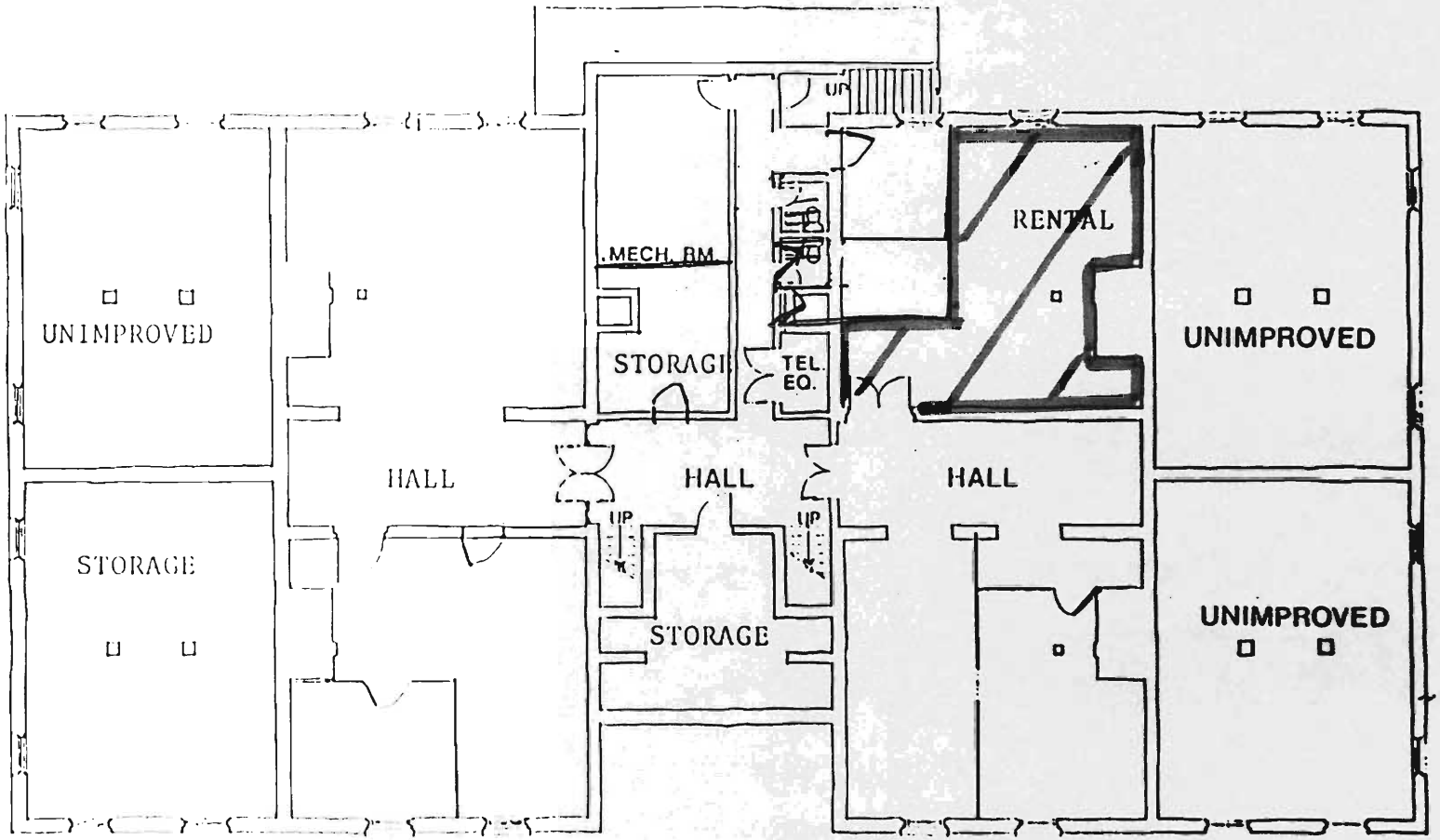
91040373055

9104087306

Reception Area:



9104073057



LOWER LEVEL

EXHIBIT "J"

Myron McKee / YAF

NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

John T. Dolan
Chairman

(703) 548-0900

Date: October 21, 1985

This lease is made and entered into this date by and between:

National Conservative Foundation
1001 Prince Street
Alexandria, Virginia 22314

hereinafter described as lessor and

Myron McKee
1322 Vermont Ave., NW
Washington, DC 20005

hereinafter described as lessee.

1. The lessor hereby leases to lessee the following described premises: Approximately 625 square feet of net useable office space in the building known as Prince Street School at 1001 Prince Street, Alexandria, Virginia 22314.

2. Lease shall commence on November 15, 1985 and will be on a month-to-month basis. Either party may terminate the agreement with 30 days written notice.

3. Lessee shall pay lessor the sum of $750 per month, in advance, payable to the lessor at the address listed above.

4. Lessor shall furnish the lessee the following:

   a. Heating and/or air conditioning
   b. Janitorial services
   c. Lighting and electrical services
   d. Two (2) parking spaces
   e. Reasonable storage space in basement
   f. Lessee will secure separate local telephone lines at his own expense and billing. Lessor agrees to have local lines pass through lessor's pnone switch for the purpose of having lessor's receptionist answer calls and transfer to lessee.

9104087308

g. Lessor agrees to make available to lessee long distance lines. Lessee will access the lines with a unique code and will be responsible for paying lessor an amount equal to the long distance useage as itemized or the monthly phone bill. Said amount will be due upon receipt of the bill.

h. Lessee will not access the long distance lines until after 6:00 P.M. Monday through Friday and may access the lines all day on weekends.

5. Lessee agrees to purchase a comprehensive liability policy naming lessor as beneficiary. Policy shall contain standard limits of $1,000,000 per occurance providing for $500,000 of medical payments per person and $100,000 for property damage.

9104087309

Seen and agreed:

Myron McKee, Lessee

Witness

By:

NCFTC, Lessor

Witness

Young Americans for Freedom
Executive Office
P.O. Box 407 Herndon, Virginia 22070

Bldg File

30 June 1986

Mr. Lief Noren
National Conservative Foundation
1001 Prince Street
Alexandria, Virginia 22314

Dear Lief:

This will confirm our two telephone conversations of earlier today.

You have advise me that Myron Mckee was given proper 30 day notice that Young Americans for Freedom was to vacate the basement office at 1001 Prince Street by the end of taday. Mckee's lease with NCF was on a month-to-month basis.

I informed you that Mckee did not pass this information on to YAF. In fact YAF's lease with Mckee is for 24 months (to expire on 15 November 1987).

In an effort to resolve this issue, YAF will vacate the premises by 15 July of this year. This is the earliest practical date on which I can assure you that I move can be completed.

In return, YAF asks NCF's cooperation in recovering damages against Myron Mckee. YAF's attorney will be in touch with your (NCF's) attorney in the next few days to discuss the matter more fully.

I thank you for your cooperation in this matter and am confident that we can work together to facilitate a quick resolution of this problem.

Very Truly Yours,

Mike Boos
Administrator

cc: Wyatt Durrette, Esquire

9104087306O

NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

(703) 548-0900

Yaf -

May 30, 1986

Mr. Myron McKee
1322 Vermont Avenue, NW
Washington, DC 20005

Dear Myron,

This letter is intended to serve as notice from NCF to cancel its lease with you dated October 21, 1985.

In accordance with clause 2, "either party may terminate the agreement with 30 days written notice."

NCF intends to rent the space out at full market value effective July 1, 1986. Please have all possessions removed by June 30, 1986.

Sincerely,

Leif E. Noren
Treasurer, NCFTC

9104087305 1

YAF File

National Conservative Political Action Committee

1001 Prince Street • Alexandria, Va. 22314 • (703) 684-1800

November 27, 1985

To: Myron McKee, Young Americans for Freedom

From: Leif Noren

Subject: Parking

On January 1, 1986, two new tenants will be moving into office space at 1001 Prince Street. Both tenants have expressed an interest in renting additional parking spaces. They have offered to pay $40 per space per month.

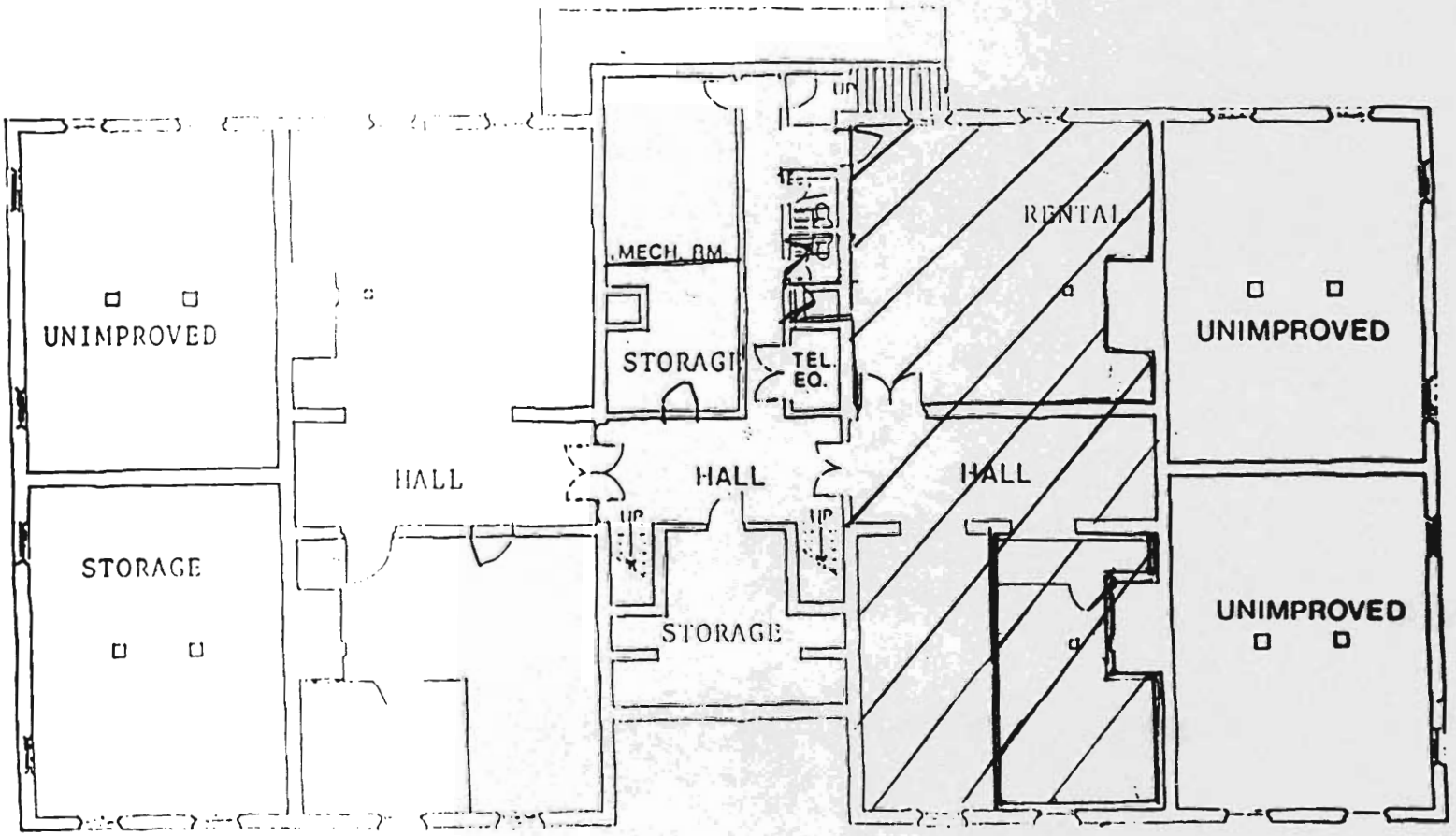
As a result, I am offering you the same option beginning in January. (You will have free parking for the month of December as we agreed upon.)

I want you to understand that this is purely a financial decision. We had agreed when we signed the lease that if NCF was offered a better deal from another tenant you would understand if it involved changing the terms of your lease.

Please let me know of your decision regarding these parking spaces as soon as possible. (You may have up to 2 spaces at $40 each per month.)

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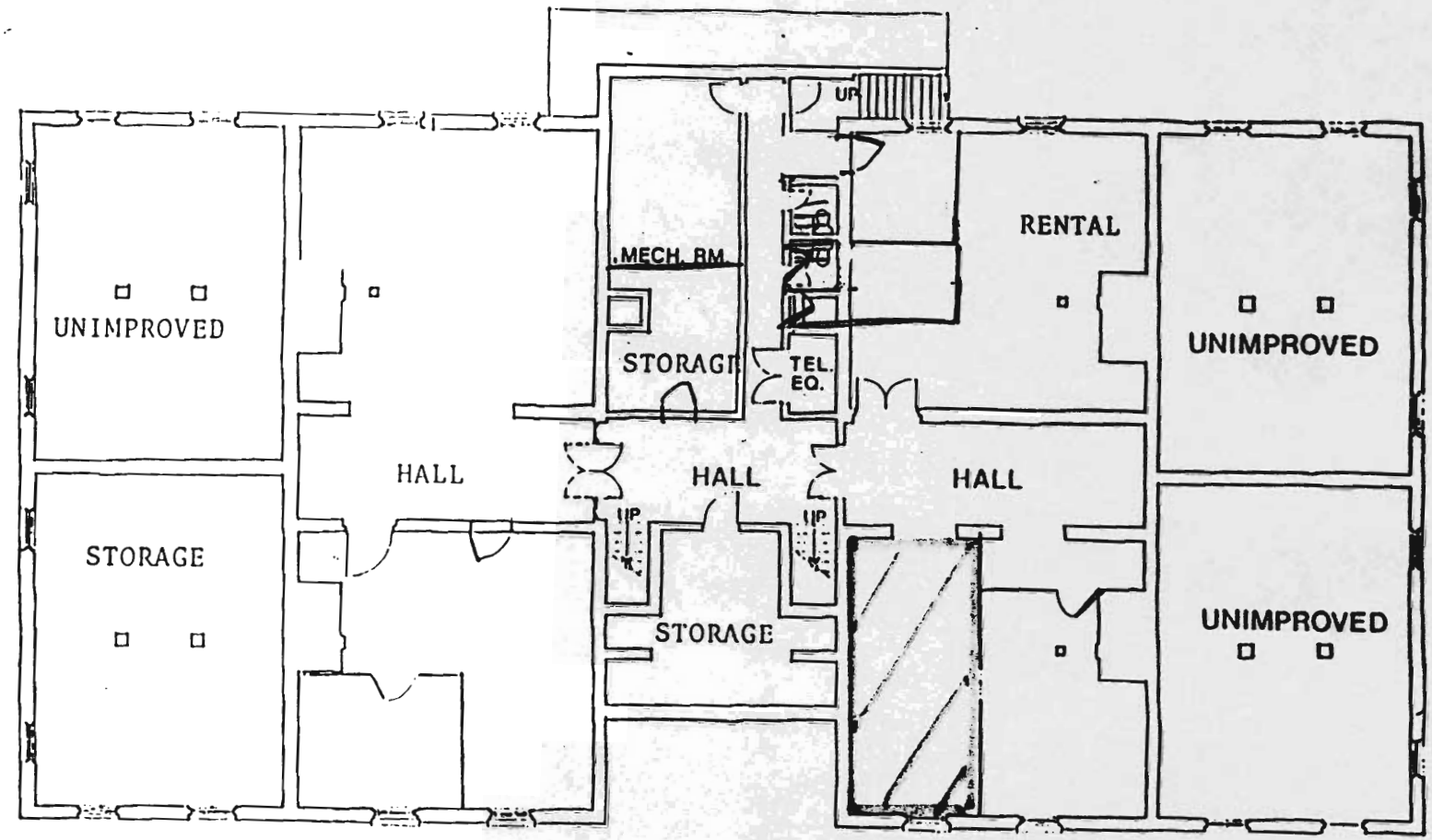
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EXHIBIT "KK"

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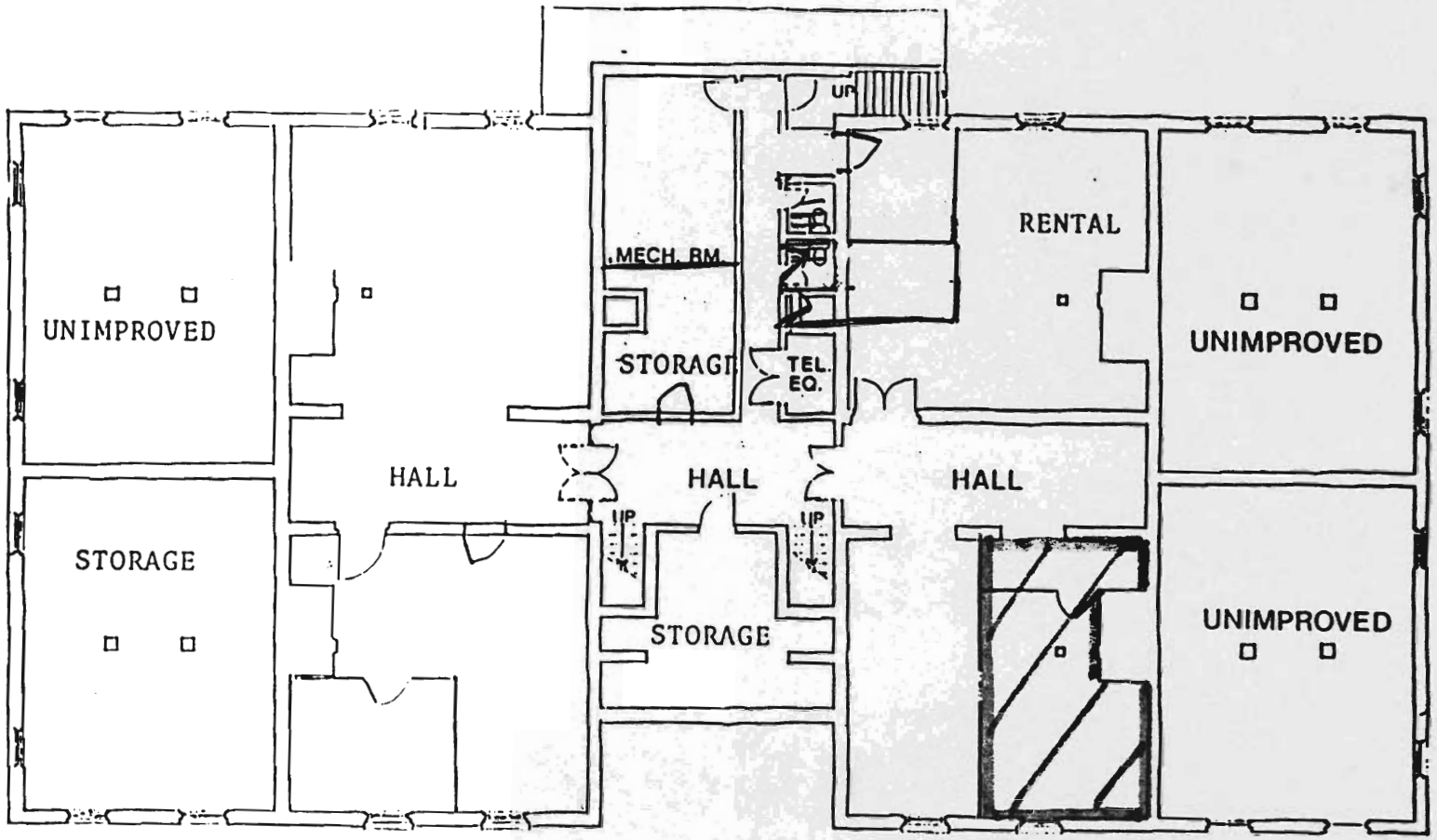
LOWER LEVEL

Arthur J. Finklestein Associates

EXHIBIT "LL"

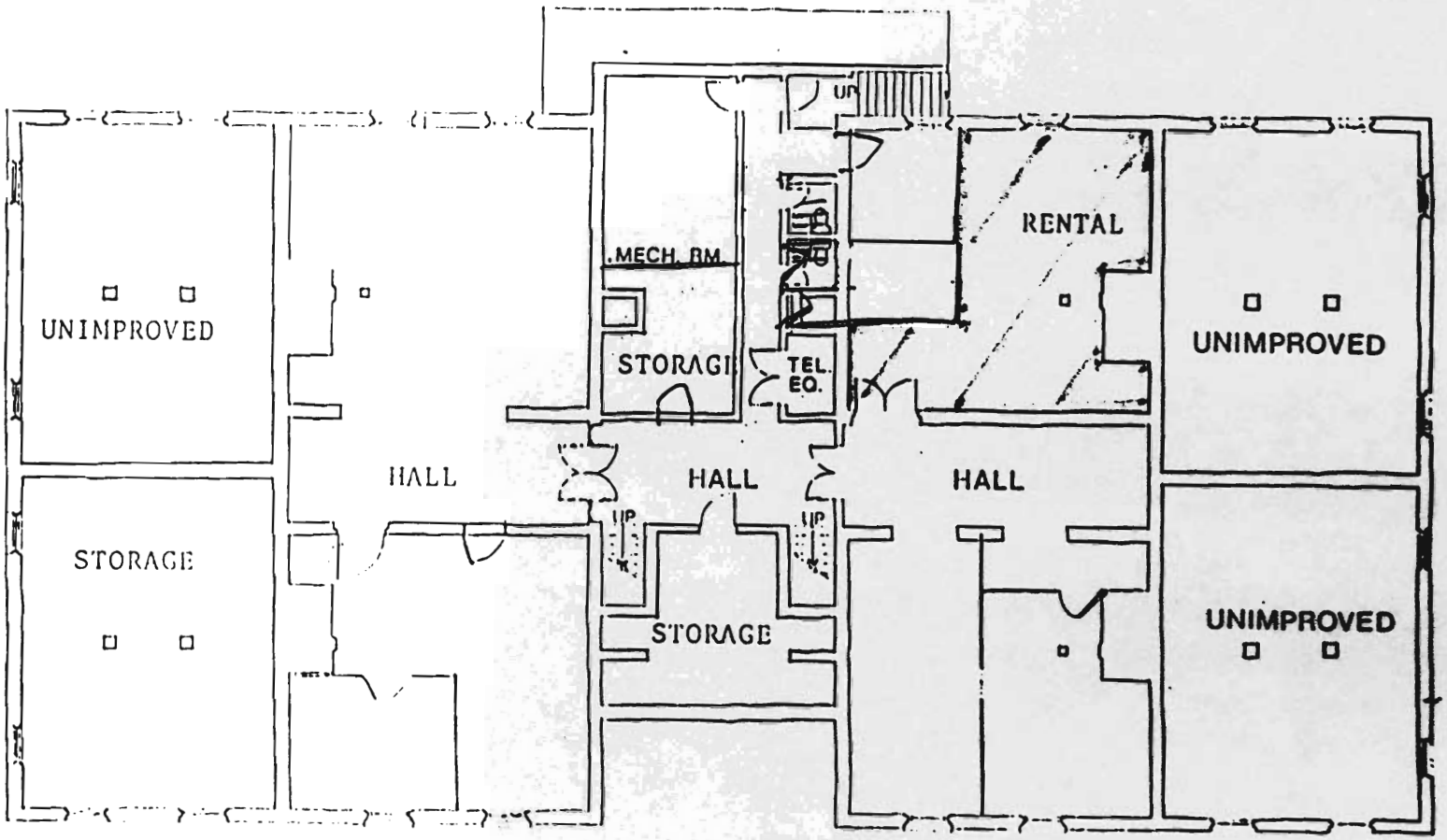
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Craig Shirley & Associates



LOWER LEVEL

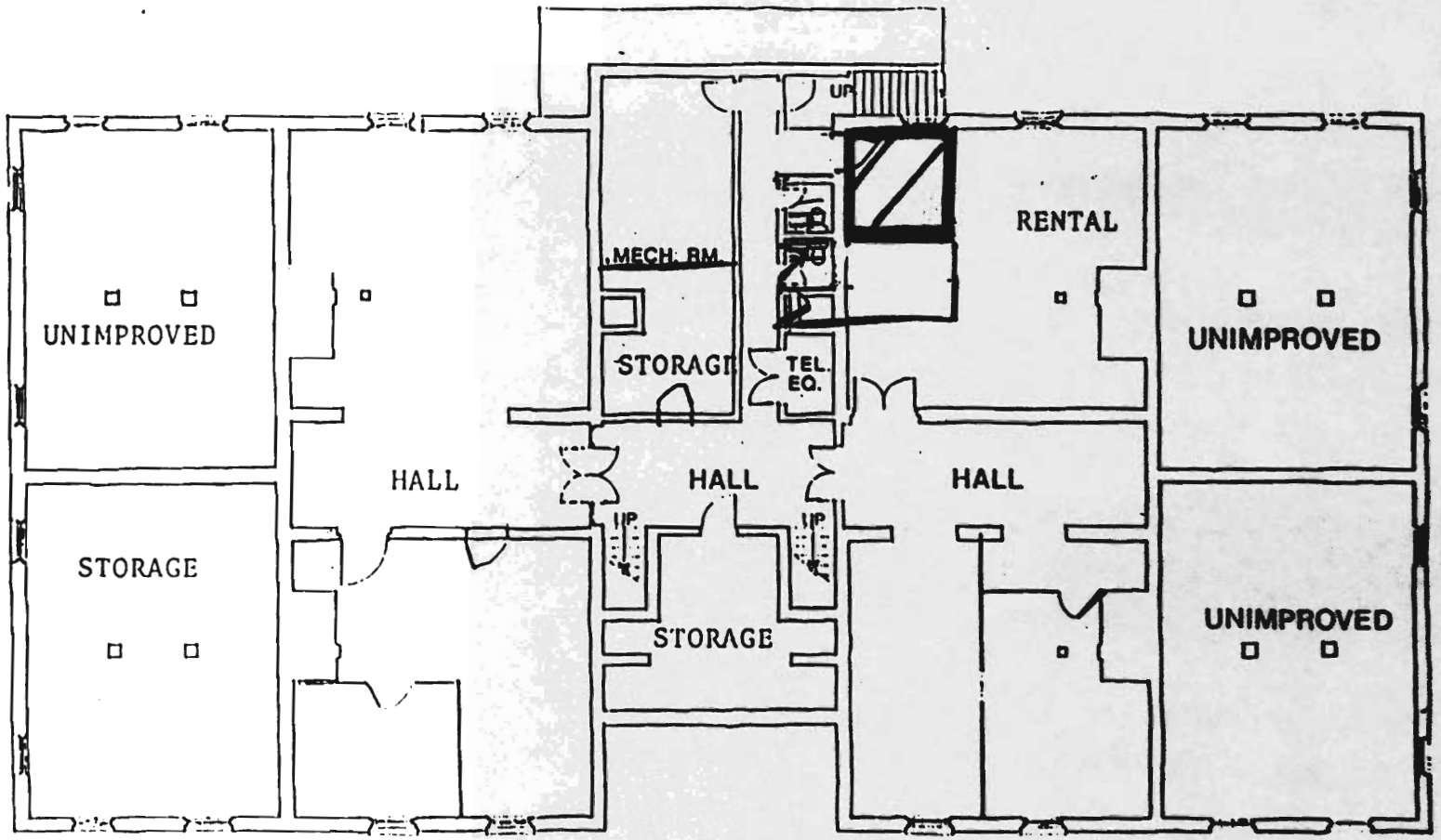
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Young Americans for Freedom

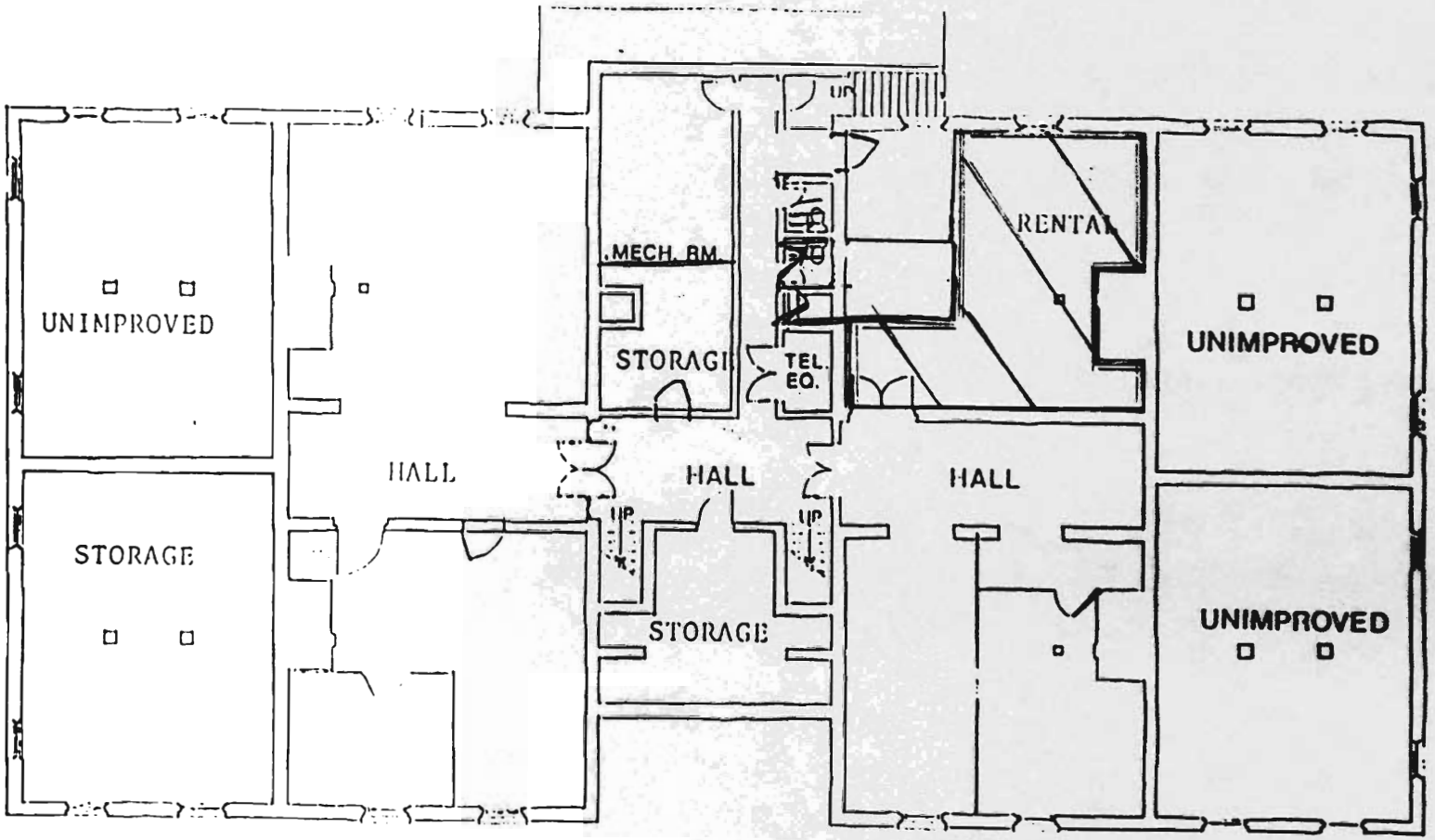
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American Resume Service

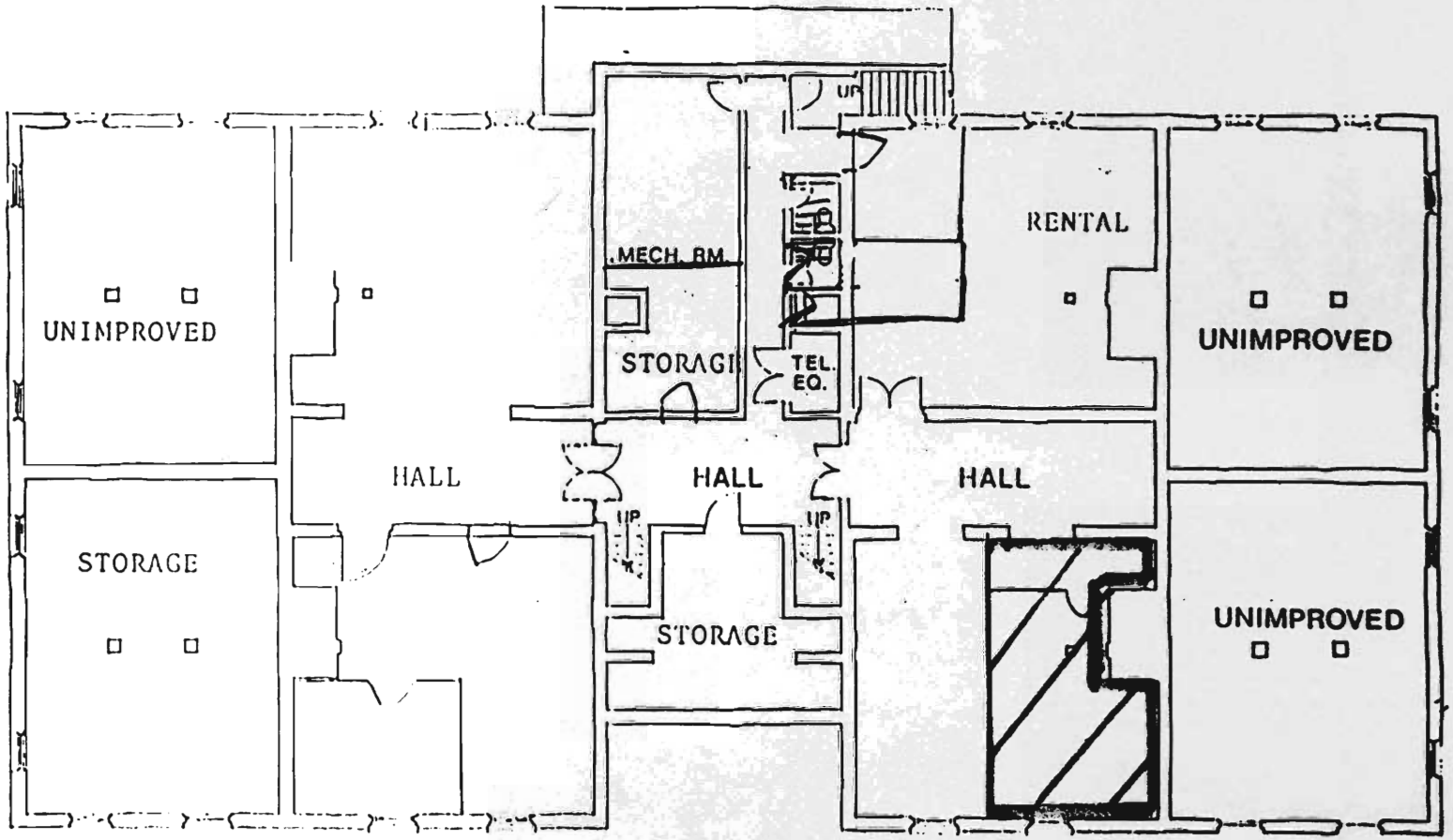
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WJD Commercial Real Estate Company
Property Management Office

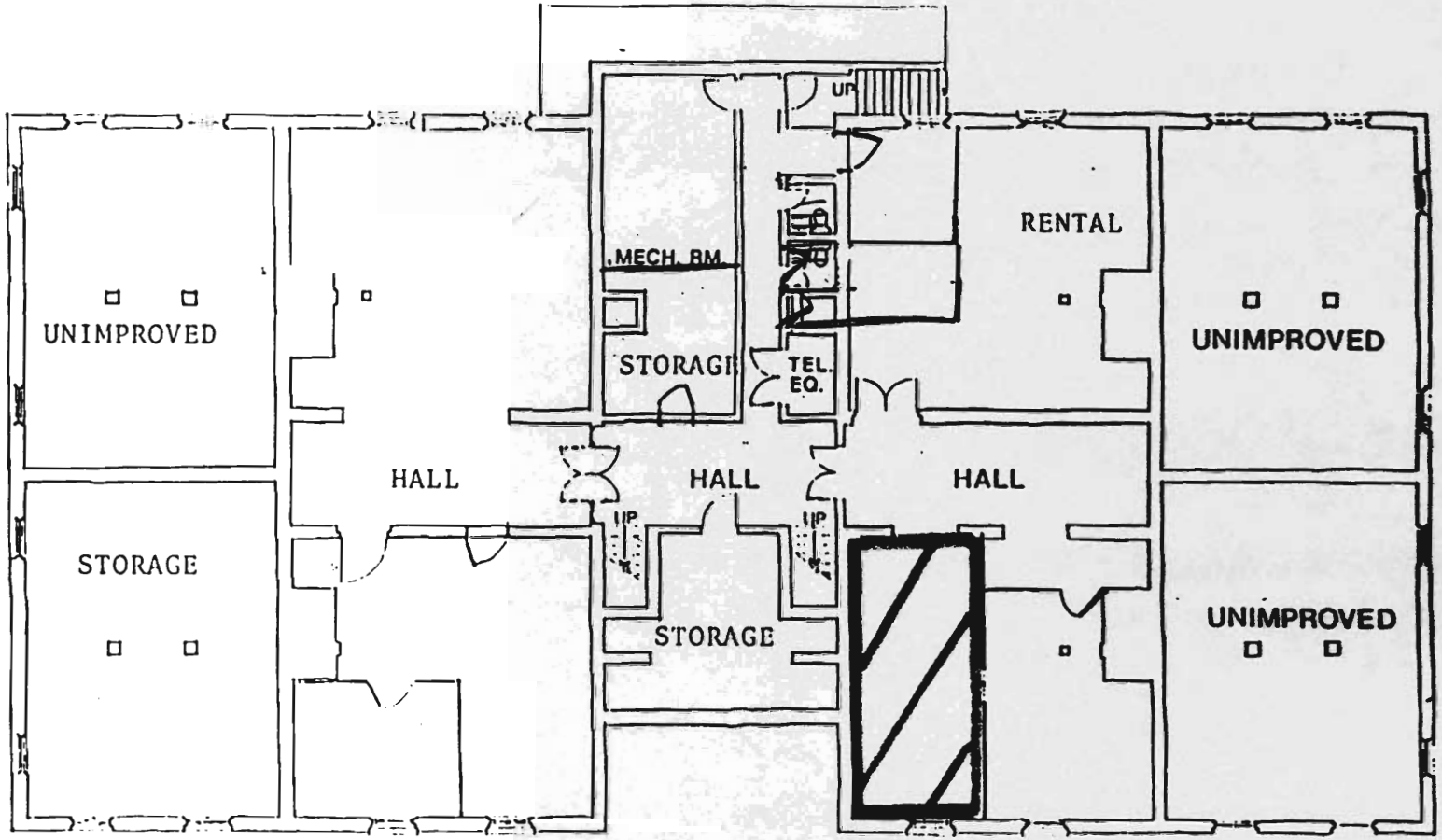
9 1 0 4 0 8 7 3 0 6 9



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Dennis Yatras/Orion Enterprise

9 1 0 4 0 3 7 3 0 7 0

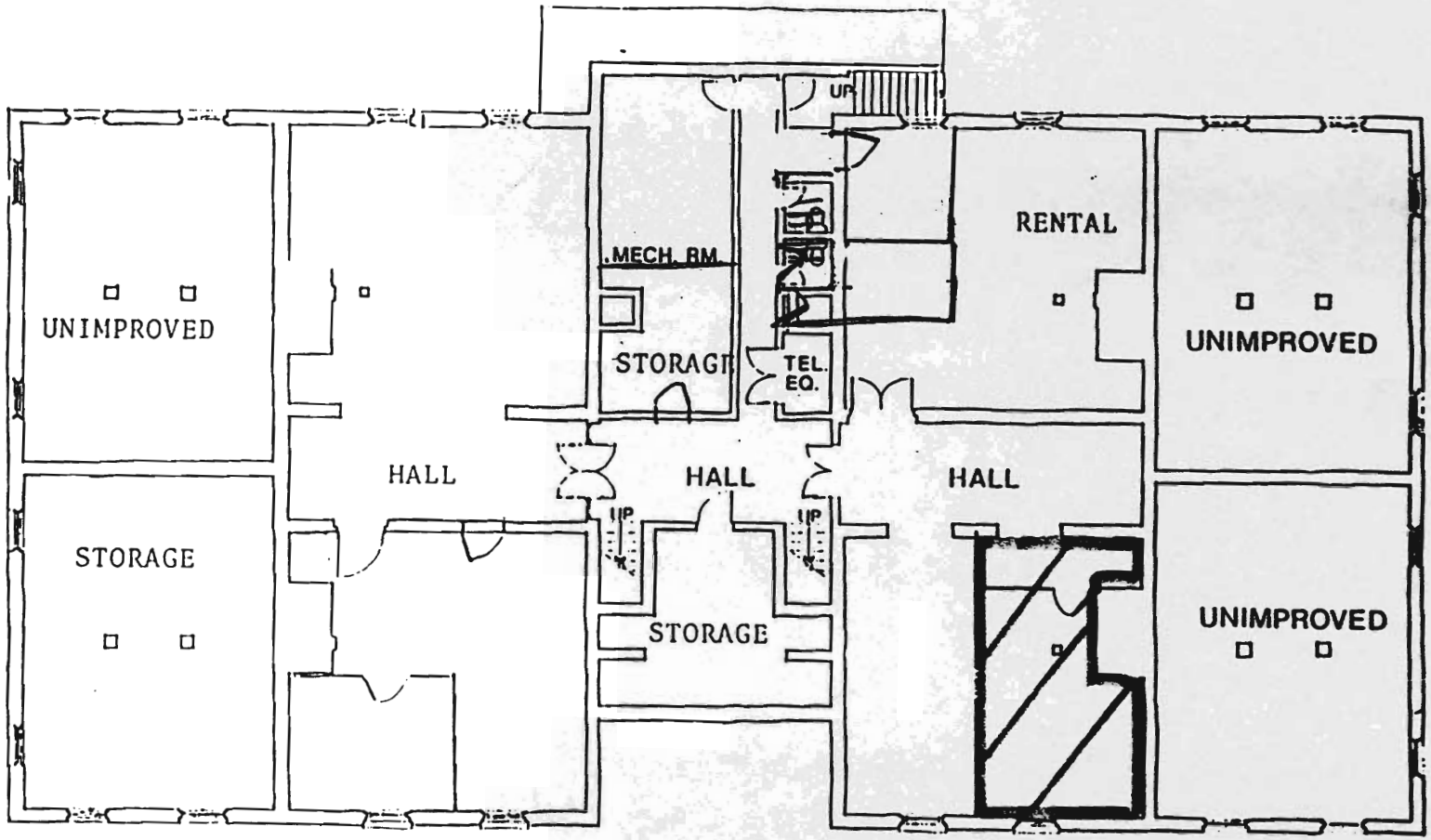


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Steven Daniel Photogra

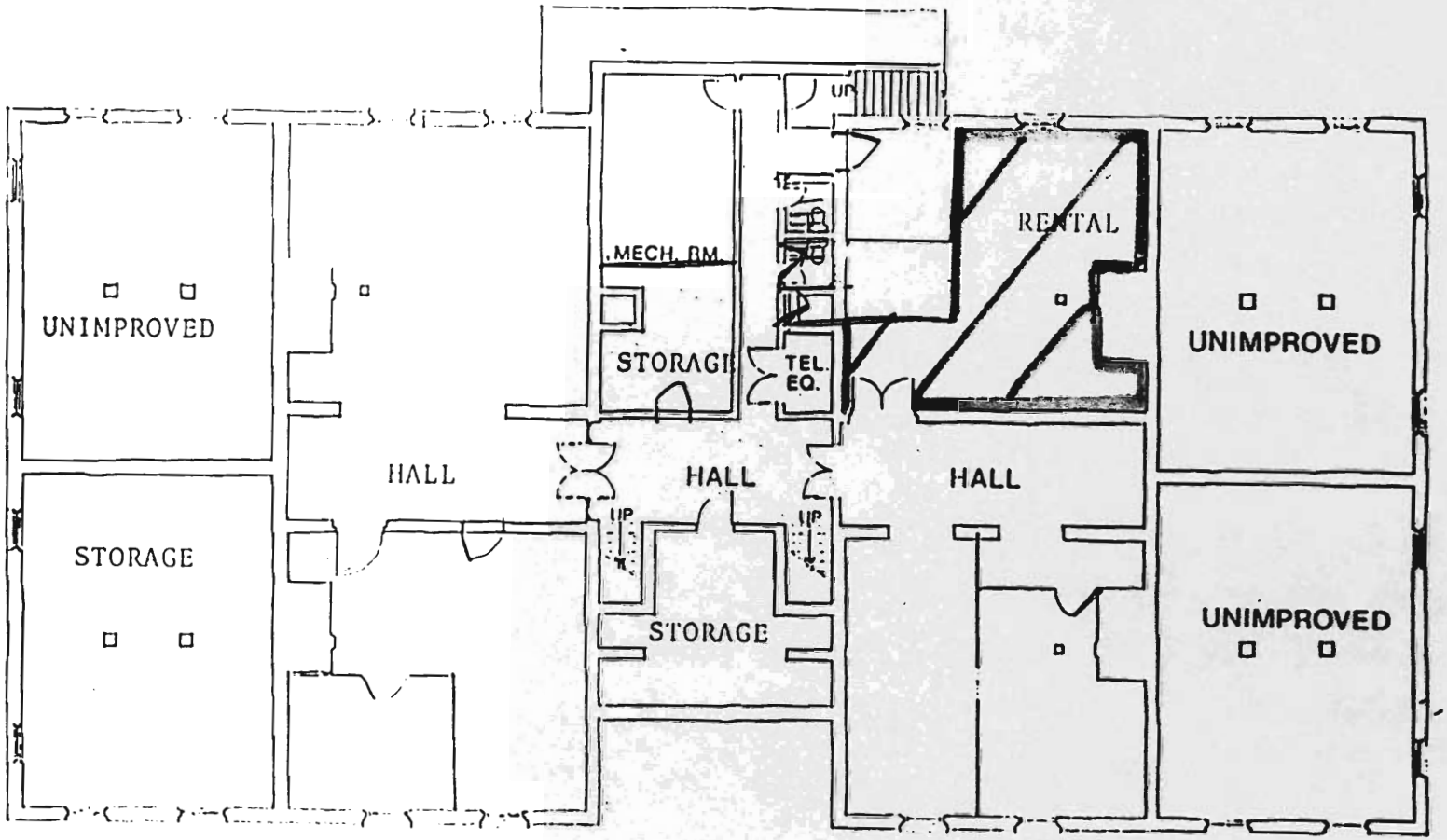
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Conover & Company



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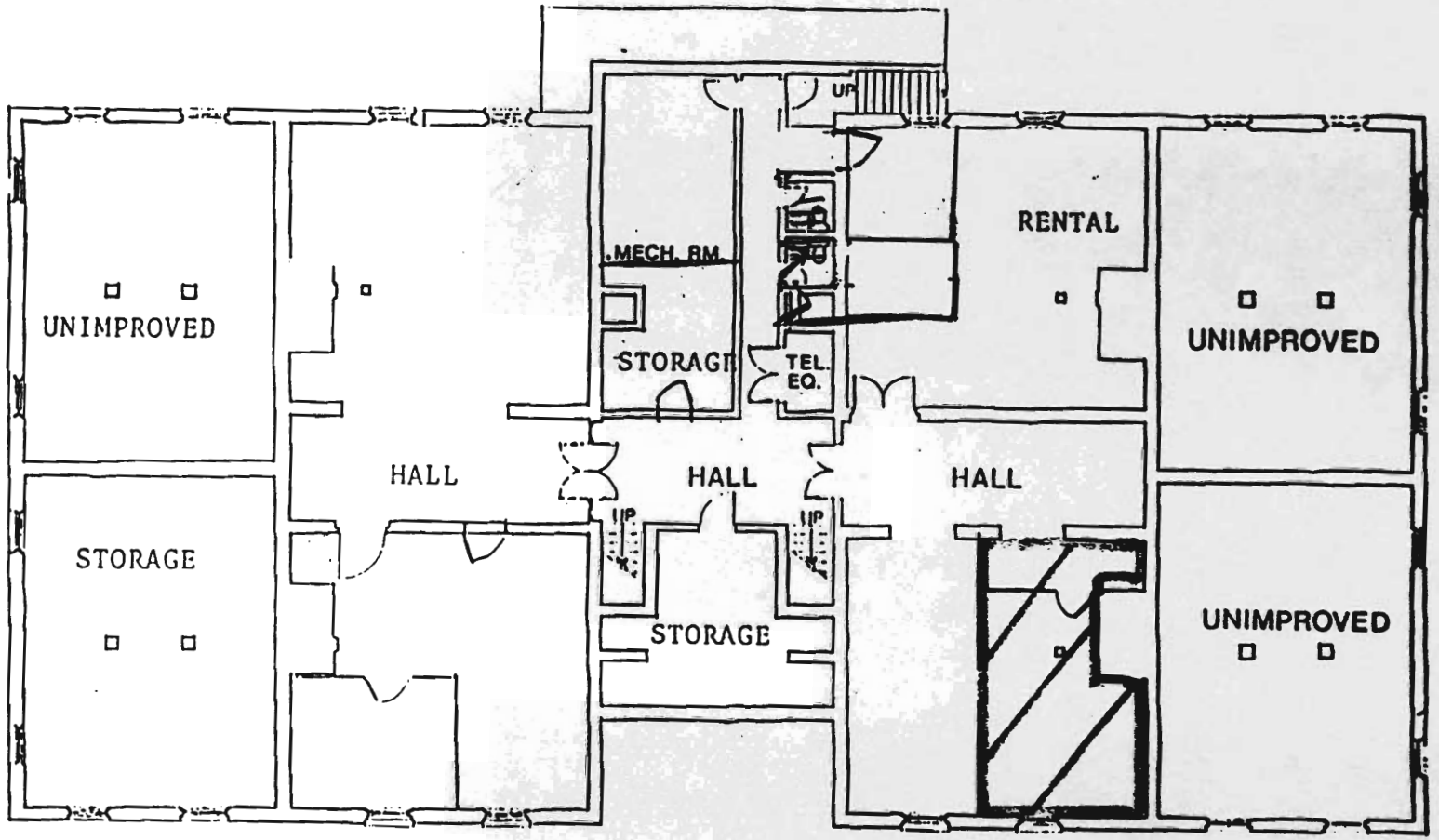
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United Express Courier Service

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LOWER LEVEL

National Wilderness Foundation

EXHIBIT "B"

LEASE AGREEMENT

This is a LEASE AGREEMENT, dated June 19, 1989, between the NATIONAL CONSERVATIVE FOUNDATION ("Lessor"), a Virginia nonstock corporation with its principal offices located at 1001 Prince Street, Alexandria, Virginia 22314 and National Conservative Political Action Committee ("Lessee").

1. Term: The term of this Lease shall be for 36 months, commencing on the 1st day of August, 1989, and expiring on the 31st day of July, 1992. After this date, the Lease will be on a month-to-month basis, with thirty (30) days written notice of termination of Lease, by either the Lessor or the Lessee to one another.

2. Rent: Lessee agrees to pay rent in the sum of $ 1650.00 per month (or pro-rata portion thereof for any part of a month), for premises described as: approximately 1200 sq. ft. of office space located at 618 S. Alfred Street, Alexandria, VA 22314. Such square footage includes the allocated share of the common areas and operating expenses.

Rent is due and payable by the first of each month that it is due. All rent, and other charges which Lessee is obligated to pay Lessor under any provision of this Lease, is due by the first of any month, paid to Lessor at Lessor's address without any set-off, counterclaim, or deduction whatsoever. A Ten Percent (10%) surcharge shall be charged should rent be more than ten (10) days late.

3. Parking: During the term of this Lease, Lessor shall provide for Lessee's use ____ parking space(s).

4. Security Deposit: Lessee has deposited with the Lessor the sum of 50.00. The Lessor may use, apply, or retain the whole or any part of the security so deposited to the extent required for the payment of any rent and additional rent or other sum as to which the Lessee is in default or for any sum which the Lessor may expend or may be required to expend by reason of the Lessee's default in respect of any of the terms of this Lease, including, but not limited to, any damages or deficiency in the reletting of the leased premises, whether such damages or deficiency accrued before or after summary proceedings or other re-entry by Lessor. In the event that the Lessee shall comply with all of the terms of this Lease, the Security Deposit shall be returned to the Lessee, without interest, after the date fixed as the end of the Lease and after delivery of possession of leased premises to the Lessor. The Lessee shall not assign or encumber the money deposited as security, and neither the Lessor nor its successors or assigns shall be bound by any such assignment or encumbrance.

5. Taxes: Lessee will pay all taxes of every kind and description levied against its business, appliances, equipment and personal property.

6. Inspection: Lessor shall have the right to enter the leased premises at any reasonable time to inspect the condition of the premises.

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7. Surrender: Upon termination of this Lease, Lessee will surrender the premises to Lessor in as good condition as received at commencement of this Lease, except for ordinary wear and tear, and damage by fire or casualty.

8. Liability Insurance: Lessee will indemnify and save harmless Lessor, its successors and assigns, from any and all claims, demands, actions, causes of action, and judgments, whether for personal injury or property damage, asserted by any person arising out of Lessee's possession and use of the premises. Lessee shall maintain liability insurance throughout the term of this Lease, with an insurance company authorized to do business in the Commonwealth of Virginia, such policy to have liability limits of at least five hundred thousand ($500,000) for personal injury for one person, aggregate liability for all persons in any one action of at least one million dollars ($1,000,000) for property damage. Lessor shall be named co-insured in such insurance policy or policies. Such policies shall contain provision for ten days' notice to Lessor prior to cancellation.

9. Default: Lessee shall, without any previous demand therefor, pay to Lessor the said rent at the times and in the manner above provided. In the event of non-payment of said rent, and if the same shall remain in default for ten days after becoming due, or if the leased premises shall be deserted or vacated, Lessor or its agent shall without further notice have the right to and may enter the said premises and may re-let the premises and receive the rent therefor upon such terms as shall be satisfactory to Lessor, and all rights of Lessee to repossess the premises under this Lease shall be forfeited. Such re-entry by Lessor shall not operate to release Lessee from any rent to be paid or covenants to be performed hereunder during the full term of the Lease. In the case of violation by Lessee of any of the covenants, agreements and conditions of this Lease, other than the payment of the rent, and upon failure to discontinue such violation within ten days after written notice thereof to Lessee, this Lease shall henceforth, at the option of the Lessor, become null and void and Lessor may re-enter without further notice or demand. Upon violation by Lessee of any of the agreements, covenants, and conditions of this Lease, all future installments of rent unpaid and all other monies due to and payable to Lessee shall at once become due and payable.

10. Use of Premises: As an inducement for Lessor to enter into this Lease, Lessee has represented and warranted that the sole and exclusive purpose of Lessee's leasing the premises is for the purpose of operating general business offices.

11. Acceptance of Premises: Lessee does hereby unconditionally and irrevocably warrant that authorized agents have inspected the premises and that Lessee is satisfied with the present condition of the premises. Lessee further accepts the premises on an as-is and where-is basis and accepts full responsibility for all costs that may be incurred in remodeling to a condition satisfactory to meet their specifications. Remodeling must be approved by the Lessor prior to commencement.

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12.) Subleasing: Lessee may not assign this Lease or sublease the premises in whole or in part without the written permission of Lessor which will not be unreasonably withheld.

13.) Hold Harmless: Lessee agrees it will hold Lessor harmless and it will pay to Lessor any losses which Lessor may incur from any default of Lessee under the terms and conditions of this Lease and from or as a result of Lessee's possession and use of the leased premises save for landlord's negligence or intentional conduct.

14.) Arbitration: Any controversy arising under, out of, in connection with or relating to, this Lease, and any consequent amendment thereof, or the breach thereof, shall be determined by arbitration in the City of Alexandria, Virginia, in accordance with the rules of the American Arbitration Association. Any award rendered therein shall be final and binding on each and all of the parties thereto and their representatives, and judgement may be entered thereon in any court having jurisdiction thereon.

15.) Modification: This Lease may only be modified in writing, executed on benalf of Lessor and Lessee. The term "Lease" as used herein includes any future written amendments, modifications, or supplements made in accordance herewith.

16.) Addenda: There are no addenda attached to this Lease. As with any written-in changes, any future addenda shall be initialed by both Lessee and Lessor.

IN WITNESS HEREOF, the Lessor and the Lessee have executed this Lease as of the date first above written.

LESSOR:

NATIONAL CONSERVATIVE FOUNDATION

Mairelle Dolan Shortley, Chairman

6/20/89
Date

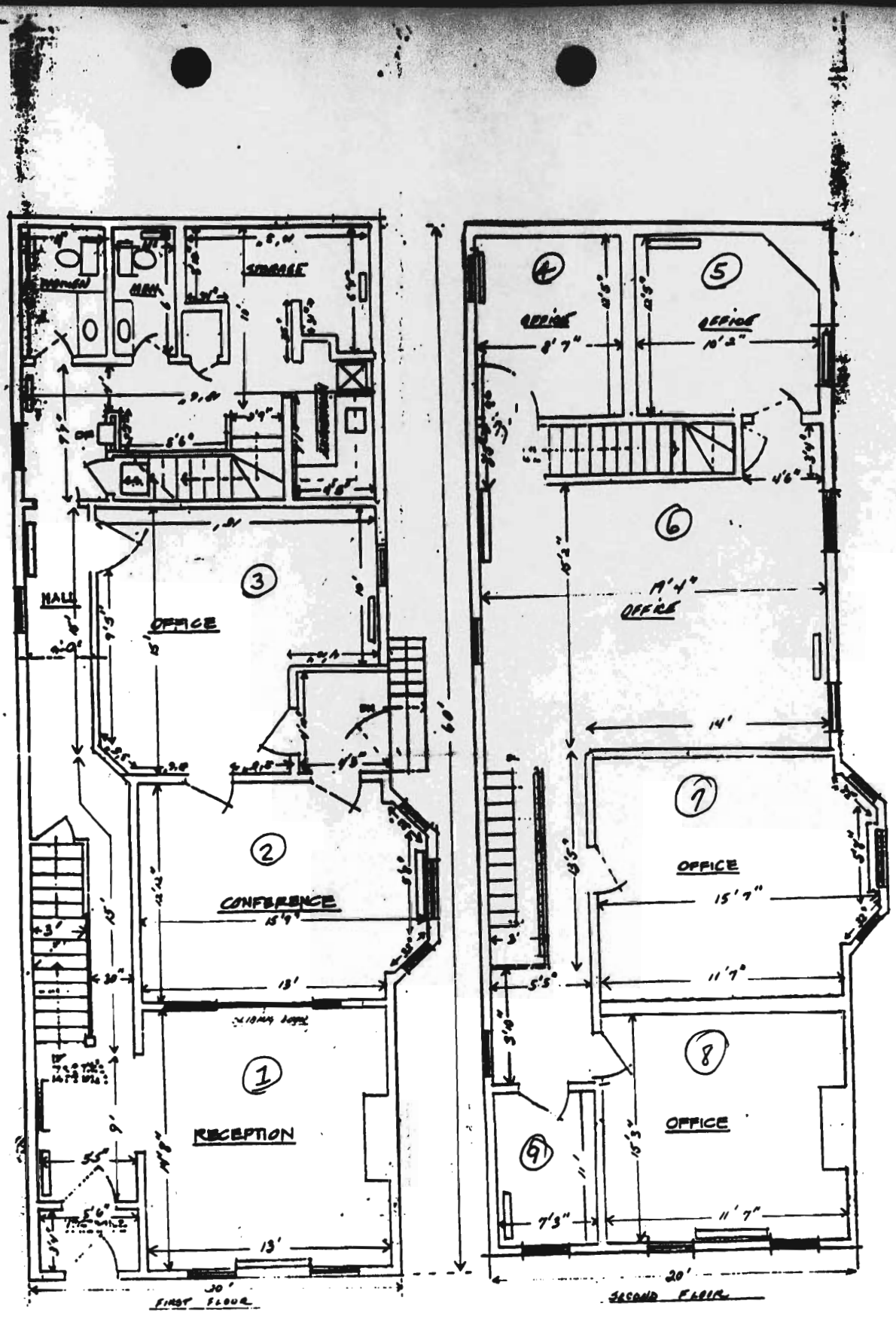
LESSEE:

NATIONAL CONSERVATIVE POLITICAL ACTION COMMITTEE

Cassandra O. Scholte, Asst. Treasurer

6/20/89
Date

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SCALE: 1 cm = 2 FT.

9103403730077

EXHIBIT "00"

NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22313
(703) 548-0900

John T. (Terry) Dolan
Founder

Maiselle Dolan Shortley
Chairman

July 13, 1989

Miss Laurie Martinson
Virginia Tech Foundation
233 Burruss Hall
Blacksburg, VA 24061

Dear Miss Martinson:

We would like to propose that the National Conservative Foundation rent from the Virginia Tech Foundation approximately 550 Square feet of storage space in the northwest basement crawl space of your building at 1001 Prince Street in Alexandria, VA.

We would like to rent this space for $150.00 per month (or prorated for portion thereof) on a month-to-month basis beginning as of August 1, 1989. This agreement would be terminable upon thirty (30) days written notice by either party to the other.

If this proposal is satisfactory, please let us know by signing below where indicated and returning the copy of this proposal to us.

Thank you for your consideration of this request.

Maiselle Dolan Shortley 7/13/89

The National Conservative Foundation — Date

By: Maiselle Dolan Shortley
1001 Prince Street
Alexandria, VA 22314

Laurie Martinson

The Virginia Tech Foundation, Inc. — Date

By: Laurie Martinson Raymond D. Smoot, Jr.
233 Burruss Hall
Blacksburg, VA 24061

cc: Shirley Bailey

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Pursuant to 28 U.S.C. Section 1746, I hereby declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and information.

Executed on June 14, 1990.

Maiselle D. Shortley
Chairman

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OGC 6548

National Conservative Political Action Committee

618 SOUTH ALFRED STREET • ALEXANDRIA, VA 22314 • (703) 684-1800

John T. (Terry) Dolan
Founder

Maiselle Dolan Shortley
Chairman

June 15, 1990

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
90 JUN 15 PM 1:17

George F. Rishel, Esq.
Office of the General Counsel
Federal Election Commission
999 E Street
Washington, D.C. 20463

BY HAND

Re: MUR 3053

Dear Mr. Rishel:

Please find enclosed the Responses of the National Conservative Political Action Committee to Interrogatories and Production of Documents, submitted by Robert L. Shortley.

Sincerely,

Shirley Bailey
Bookkeeper

Enclosures

SBB/cs

9104037303O

Paid for by the National Conservative Political Action Committee. Not authorized by any candidate or candidate's committee. (Contributions to NCPAC are not deductible as charitable contributions for income tax purposes.) Copies of NCPAC's financial records are available for review at the Federal Election Commission.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of the National Conservative Political Action Committee	)	MUR 3053

RESPONSE OF THE NATIONAL CONSERVATIVE POLITICAL ACTION COMMITTEE TO INTERROGATORIES AND PRODUCTION OF DOCUMENTS

June 15, 1990

Submitted by:

Robert L. Shortley
Treasurer
National Conservative
Political Action
Committee
618 S. Alfred Street
Alexandria, VA 22314
(703) 648-1800

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of the National Conservative Political Action Committee	)	MUR 3053

RESPONSE OF THE NATIONAL CONSERVATIVE POLITICAL ACTION COMMITTEE TO INTERROGATORIES AND PRODUCTION OF DOCUMENTS

QUESTION 1: Identify the officers and directors and key staff personnel of the National Conservative Political Action Committee ("NCPAC") for each of these years: 1984, 1985, 1986, 1987, 1988, 1989, 1990.

YEAR	BOARD OF DIRECTORS	OFFICERS
1984	John T. Dolan Rhonda L. Stahlman Robert L. Shortley	John T. Dolan, Chairman Leif Noren, Treasurer J. Curtis Herge, Secretary Eleanor Hannegan, Asst. Treas. Cheryl B. Altmire, Asst. Treas.
1985	John T. Dolan Rhonda L. Stahlman Robert L. Shortley	John T. Dolan, Chairman Leif E. Noren, Treasurer J. Curtis Herge, Secretary Eleanor Hannegan, Asst. Treas. Cheryl Altmire, Asst. Treas.
1986	John T. Dolan J. Curtis Herge Robert L. Shortley	John T. Dolan, Chairman Leif E. Noren, Treasurer J. Curtis Herge, Secretary
7/1/86	John T. Dolan J. Curtis Herge Robert L. Shortley Joseph W. Dolan Leif E. Noren L. Brent Bozell, III	John T. Dolan, Chairman L. Brent Bozell, III, President Leif E. Noren, Exec.Dir./Treas. J. Curtis Herge, Secretary Juanita Sholes, Asst. Treasurer
1987	L. Brent Bozell, III Joseph W. Dolan J. Curtis Herge Leif E. Noren Robert L. Shortley	L. Brent Bozell, III, President Leif E. Noren, Exec.Dir./Treas. J. Curtis Herge, Secretary Juanita Sholes, Asst. Treasurer

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9/25/87	Maiselle D. Shortley	Maiselle D. Shortley, Chairman President
	Joseph W. Dolan	Cassandra O Scholte, Exec. Dir. Assistant Treasurer
	J. Curtis Herge	J. Curtis Herge, Secretary
	Fred W. Lovegrove	Robert L. Shortley, Treasurer
	Robert L. Shortley	
1988	Maiselle D. Shortley	Maiselle D. Shortley, Chairman President
	Joseph W. Dolan	Cassandra O. Scholte, Exec.Dir. Assistant Treasurer
	J. Curtis Herge	J. Curtis Herge, Secretary
	Fred W. Lovegrove	Robert L. Shortley, Treasurer
	Robert L. Shortley	
1989	Maiselle D. Shortley	Maiselle D. Shortley, Chairman President
	Joseph W. Dolan	Cassandra O. Scholte, Exec. Dir. Assistant Treasurer
	Fred W. Lovegrove	Fred W. Lovegrove, Secretary
	Robert L. Shortley	Robert L. Shortley, Treasurer
1990	Maiselle D. Shortley	Maiselle D. Shortley, Chairman President
	Joseph W. Dolan	Cassandra O. Scholte, Exec. Dir. Assistant Treasurer
	Fred W. Lovegrove	Fred W. Lovegrove, Secretary
	Robert L. Shortley	Robert L. Shortley, Treasurer

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The following are home and business addresses and telephone numbers of which I am aware. However, I have no knowledge of where a number of the above persons now reside or work.

John T. Dolan
Deceased 12/86

Robert L. Shortley

Business
6296 Dunaway Court
McLean, VA 22101
(703) 883-0484

Home
6296 Dunaway Court
McLean, VA 22101
(703) 893-0386

Leif E. Noren
Business: Conservative Victory Committee
111 S. Columbus Street, #300
Alexandria, VA 22314
(703) 684-6603

J. Curtis Herge, Esq.
Business: 8201 Greensboro Drive, #200
McLean, VA 22102
(703) 848-4700

Joseph W. Dolan
Business: Retired
Home: 298 Toilsome Hill Road
Fairfield, CT 06430
(203) 378-2942

Fred W. Lovegrove
Business: 1976 Post Road
Fairfield, CT 06430
(203)255-6587
Home: 431 Catamount Road
Fairfield, CT 06430
(203) 255-0123

Juanita Sholes
Business: Media Research Center
111 S. Columbus Street
Alexandria, VA 22314
(703)683-9733

Cassandra O. Scholte
Business: National Conservative Foundation (as of 1/15/90)
618 South Alfred Street
Alexandria, VA 22314
(703) 548-0900
Home: 1850 Castle Ridge Road
Richmond, VA 23133
(703) 461-9395 (weekday evenings)
(804) 794-3524 (weekends)

Maiselle D. Shortley
Business National Conservative Foundation
618 South Alfred Street
Alexandria, VA 22314
(703) 548-0900
Home: 6296 Dunaway Court
McLean, VA 22101
(703) 893-0386

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Prior to September, 1987, I do not know who would be considered "key staff personnel", except for Chairman John T. Dolan. After September 1987, I considered Maiselle D. Shortley, Cassandra O. Scholte and Mark Ortmeier as the "key staff personnel".

QUESTION 2: State whether NCPAC had a lease arrangement with the National Conservative Foundation for the rental of office space at 1001 Prince Street, Alexandria, Virginia, and give the dates during which such arrangement was in effect. Provide a copy of the lease(s) in effect for the period from 1984 through 1989.

Yes, NCPAC had a lease arrangement with the National Conservative Foundation ("NCF") for the rental of office space at 1001 Prince Street, Alexandria, Virginia from January 1984 through July 1989.

After staff members searched the files both in house and from our previous attorney, the written document is missing/lost. Nevertheless, from January 1984, NCPAC paid rent to NCF and NCF received and posted such rental payments in the same manner of other arms length commercial lease arrangements that existed from time to time at 1001 Prince Street, Alexandria, Virginia. A memo exists in the former Executive Director, Leif Noren's, handwriting stating that in 1984 NCPAC was paying approximately $14.00 per square foot. See Exhibit A. Also, Exhibit B is a memo from Leif Noren advising a reduction in NCPAC space and a decrease in NCPAC's rent.

QUESTION 3: State whether NCPAC has a lease arrangement with the National Conservative Foundation for the rental of office space at 618 South Alfred Street, Alexandria, Virginia, and give the dates during which such arrangement has been in effect. Provide a copy of the lease(s) in effect for the period from 1989 to the present.

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NCPAC signed a lease with NCF prior to moving to the building a 618 South Alfred Street. See Exhibit C. The assumption at that time was that NCPAC would be using half of the total square feet, or 1200 sq. ft. of the building. After moving both organizations in, it became apparent that because office #9 (see floor plan, Exhibit D) was used totally for media research, NCPAC should not share the rent of that space. Also, office #7 was used by NCF for its Campaign School consultant, except for a few hours a week when part-time fundraisers made calls from that office. Therefore NCPAC should only pay for one-fourth of the total square feet of that office. The rent was renegotiated to 1080 sq. ft. at $17.50 per sq. ft., plus $75.00 for one-half of the storage area rented from Virginia Tech Foundation at 1001 Prince Street. (See Exhibit E).

The last activity of NCPAC was a fund raising letter sent out in November of 1989. NCPAC accepted responsibility for the 1080 sq. ft. through December 1989. In January 1990, when it became apparent that NCPAC would remain inactive for sometime, but also recognizing that some work was still being done to wind down the activities, NCPAC agreed to pay for one-fourth of the space in offices 1,2,3,4,5,and 6, and 40 square feet of space throughout the building where file cabinets of NCPAC information took up space. This totalled 314.25 square feet at 17.50 per square foot plus $75.00 for one-half of the storage area rented from Virginia Tech Foundation at 1001 Prince Street.

From February 1990 through the present, NCPAC has been totally inactive. The only persons on the payroll are two part-time employees. The receptionist is paid a small amount to answer any calls that may come

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to NCPAC, and the bookkeeper is paid a small amount to file FEC reports and write any checks that may need to be written. Therefore, NCPAC is now paying NCF for 24.5 sq. ft. in the reception area where the phone is located and 50 sq. ft. where the bookkeeper works to file FEC reports, plus 40 sq. ft. of area where file cabinets used to store NCPAC documents and information are located, plus $75.00 for one-half of the cost of storage rented from Virginia Tech Foundation at 1001 Prince Street.

QUESTION 4: Provide a schedule of each rental payment NCPAC made to NCF from January 1, 1984, through the present.

The following is a list of all rental payments made to NCF by NCPAC from January 1, 1984 until the present. These figures were taken from pertinent FEC reports.

1/16/84	$5000.00	1/7/85	$11646.44
1/24/84	9347.00	2/6/85	3000.00
2/3/84	5000.00	3/7/85	5000.00
3/9/84	15000.00	4/5/85	5000.00
4/17/84	7700.00	5/6/85	9744.89
5/15/84	7500.00	6/7/85	13450.00
5/22/84	2000.00	7/8/85	10000.00
6/6/84	12910.81	8/7/85	12000.00
7/6/84	12406.44	9/9/85	12000.00
8/9/84	14406.44	10/9/85	12425.58
9/17/84	12406.44	11/9/85	12000.00
10/5/84	12406.44	12/9/85	12000.00
11/8/84	12406.44		
12/7/84	11646.44		
1/8/86	12000.00	1/6/87	12000.00
2/10/86	12000.00	2/9/87	12000.00
3/6/86	12000.00	3/5/87	12000.00
4/8/86	12000.00	4/7/87	12000.00
5/8/86	12000.00	5/8/87	12000.00
6/9/86	12000.00	6/8/87	12000.00
7/9/86	12000.00	7/9/87	12000.00
8/6/86	12000.00	8/10/87	12000.00
9/10/86	12000.00	9/11/87	6000.00

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10/9/86	12000.00	9/14/87	5000.00
11/7/86	12000.00	10/23/87	4000.00
12/9/86	12000.00	11/10/87	4000.00
		12/18/87	4000.00
1/5/88	4000.00	1/3/90	533.33
1/28/88	4000.00	2/15/90	242.00
3/1/88	4000.00	3/13/90	242.00
		4/15/90	242.00
		5/15/90	242.00

Note as indicated on Exhibit F that, even though no checks were written for rent from April 1988 until January 1990, the amount of rents due was deducted from the amount of refund owed to NCPAC by NCF. No free rent was afforded NCPAC by NCF.

If the NCPAC-SEF monies that were paid to NCF are added to the NCPAC monies for 1984 and the first five months of 1985, the average monthly payment was $12,006.13. It must be stressed, however that the amounts paid by NCPAC-SEF were prior to the time that NCPAC computed its rent reimbursement and therefore, no NCPAC-SEF monies are involved in the refunding of overpaid rents.

QUESTION 5: Identify all persons who represented or acted on behalf of NCPAC with respect to the lease arrangements with the National Conservative Foundation for the period from 1984 through the present.

Prior to September, 1987, I do not know who acted on behalf of NCPAC with respect to the lease arrangements with NCF. After September 1987, I acted on behalf of NCPAC with respect to lease arrangements.

9104037308 8

QUESTION 6: Identify all persons who had a significant or substantive role on behalf of NCPAC regarding the review of the lease arrangements with the National Conservative Foundation and the determination that NCPAC had made overpayments of rent, including NCPAC employees and outside consultants, and describe each person's role.

Robert L. Shortley, Treasurer
Business: 6296 Dunaway Court
McLean, VA 22101
(703) 883-0484
Home: 6296 Dunaway Court
McLean, VA 22101
(703) 893-0386

Cassandra O. Scholte, Executive Director
Business: NCPAC
618 South Alfred Street
Alexandria, VA 22314
(703) 548-0900
Home: 1850 Castle Ridge Road
Richmond, VA 23133
(703) 461-9395 (weekday evenings)
(804) 794-3524 (weekends)

Shirley J. Bailey, Bookkeeper
Business: NCPAC
618 South Alfred Street
Alexandria, VA 22314
(703) 684-1800
Home: 7914 Journey Lane
Springfield, VA 22153
(703)455-4829

Bernard Simbole, Esq.
Business: 1655 N. Fort Myer Drive
Suite 700
Arlington, VA 22209
(703) 522-8011

Shirley J. Bailey conducted the interviews with staff members who had been employed at NCPAC during the years in question in order to find out what space was used by which organization. She enlisted the aid of Mark Ortmeier who was most familiar with the building and the size of the offices who then prepared the charts that were submitted with our January 11, 1990 letter (see Exhibit H). Mrs. Bailey also reviewed the leases and calculated the refund.

9104037308 9

Bernard Simbole was consulted as to whether, by law, NCPAC could take a refund of overpaid rents from NCF. (See Exhibit I).

After the facts were all assembled, Mrs. Bailey presented them to Cassandra Scholte and myself. The refund was approved upon these facts.

QUESTION 7: State the aggregate number of persons employed by NCPAC for each of these years: 1984, 1985, 1986, 1987, 1988, 1989.

NCPAC does not understand the term "aggregate" as it modifies number of people. If the question is what was the total number of people employed by NCPAC in the referenced years, then the total number of employees who worked for NCPAC are as follows:

1984	373 Employees
1985	114 Employees
1986	34 Employees
1987	30 Employees
1988	12 Employees
1989	10 Employees

The number of employees for each year was extracted from NCPAC's FEC reports for the respective years. See Exhibit G.

QUESTION 8: Provide a clear, readable copy of the documents attached to your January 11, 1990, letter to the reports analyst at the Federal Election Commission.

Attached as Exhibit H is a copy of the attachments to NCPAC's January 11, 1990, letter to the reports analyst at the Federal Election Commission. However, we have discovered an error on those attachments

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for the period between August 1985 to May 1986. This error makes a slight difference in the rent refund due NCPAC according to the original calculations. Therefore, attached as Exhibit H (1) is the corrected page 3 of 6 of the original document and the adjusted calculations.

QUESTION 9: Identify all persons interviewed as part of NCPAC's internal investigation or review regarding the rent overpayments.

The following employees were interviewed by Shirley J. Bailey, 7914 Journey Lane, Springfield, VA 22153, phone number 455-4829 regarding space used by NCPAC throughout the years from 1984 until 1987 when she began work for NCPAC. She is now employed by the National Conservative Foundation and is still a part-time employee of NCPAC.

1. Name: Mark T. Ortmeier
   Home Address: 1100 N. Kennebec Street
   Arlington, VA 22205
   Home Phone: 241-5745
   Work Address: National Conservative Foundation
   618 South Alfred Street
   Alexandria, VA 22314
   Work Phone: 548-0900

2. Name: Terry S. Feaganes
   2603 Fairhaven Avenue
   Alexandria, VA 22303
   Home Phone: 765-9210
   Work Address National Conservative Foundation
   618 South Alfred Street
   Alexandria, VA 22314
   Work Phone: 548-0900

3. Name: Cassandra O. Scholte
   1850 Castle Ridge Road
   Midlothian, VA 23133
   Home Phone: 461-9395 (weekday evenings)
   (804) 794-3524 (weekends)
   Work Address National Conservative Foundation
   618 South Alfred Street
   Alexandria, VA 22314
   Work Phone 548-0900

2104087309 1

4. Name: Carolyn T. Shiben
Rt. 2 Box 344
Harpers Ferry, WV 25425
Home Phone: (304)725-3736 (weekends)
Work Address National Conservative Foundation
618 South Alfred Street
Alexandria, VA 22314
(703) 548-0900

QUESTION 10. Provide a copy of the opinion letter from NCPAC's attorney regarding the rent overpayments and proposed reimbursements.

Attached as Exhibit I is a copy of the opinion letter from NCPAC's attorney regarding the rent overpayments and proposed reimbursements.

QUESTION 11: State whether floor plans exist depicting the space occupied by NCPAC from 1984 through 1989. If so, provide copies of all such floor plans and indicate the areas occupied by NCPAC, the areas occupied by the National Conservative Foundation, and the areas shared between NCPAC and the National Conservative Foundation.

Floor plans exist for the building which NCF previously owned at 1001 Prince Street in Alexandria, VA. A full copy of the blueprints/floor plans is provided as Exhibit J.

Exhibit K provides a written breakdown of the office space utilizations between NCF and NCPAC between 1984 and 1989. Further, floor plans of these space utilizations are provided to give a graphic presentation of this information along with a summary sheet for each period of time in question.

QUESTION 12: State which entity held, or was responsible for, the lease on the space occupied by the phone bank, the amount of such space, and what use was made (and by whom) of such space after the phone bank was disbanded in May 1985.

9104037309 92

As is stated in the answer to Interrogatory 2, no lease was found for the space NCPAC rented from NCF at 1001 Prince Street. As long as the phone bank was in existence, NCPAC was responsible for the rent of the 1589.5 square feet occupied by the phone bank.

Exhibit L depicts the space in question here. That is the space used by NCPAC for the phone bank.

Within weeks after the phone bank was disbanded in May 1985, as evidenced by leases on file, NCF leased 1404 square feet of the office space previously used by the phone bank to Arthur J. Finklestein and Associates and Craig Shirley and Associates. See Exhibit M. Five months after the disbandonment of the phone bank, another 625 square feet of office space previously used by the phone bank was leased to Young Americans for Freedom (Exhibit N).

9104087309 3

The following is a list of firms that rented the space used by the Phone Bank after it was disbanded and the dates that these firms occupied the space.

DATE OF USE	SQ. FT. OCCUPIED	USE AND PARTY RESPONSIBLE FOR RENTAL PAYMENT
6/1/85- 3/31/87	702	Craig Shirley & Assoc. (Political Consulting) Mr. Craig Shirley, Pres.
7/1/85- 4/24/86	702	Arthur Finklestein & Assoc. (Political Polling Serv.) Mr. A. J. Finklestein, Pres.

11/15/85- 7/15/86	625	Young Americans for Freedom/ Myron McKee (Political Fundraising) Mr. Mike Boos, Administrator
7/25/86- 7/25/90	192	American Resume Service (Resume Writing Service)
8/86- 9/87 (Approximate Dates)	543.77	WJD Commercial Real Estate Property Mgt. Office (Property Management Serv.) Mr. Tom Alred, Manager
12/1/87- 11/30/88	400	Dennis Yatras/Orion Entrp. (Financial Investmt. Cnsltg.) Mr. Dennis Yatras, Owner
1/13/88- 7/31/89+	311	Steven Daniel Photography (Photography Service) Mr. Steven Daniel, Owner
12/1/88- 5/31/89	400	Conover & Company, Inc. (Direct Mail Fundraising) Mr. Robert Conover, Owner
4/30/88- 4/29/90	543.77	United Express Courier Serv. (Parcel Delivery Service) Mssrs. Shahrokh M. Tabatabai- Hamadani, Qumars Pajoohi and Jalal Behboodpour, Owners
7/31/89	400	National Wilderness Fnd. (Environmental Education) Mr. Robert Gordon, Chairman (Leased by Virginia Tech Foundation)

9104087309 4

QUESTION 13: Describe what use the National Conservative Foundation made, from time to time, of the NCPAC political office.

Issues files and newspaper clippings were stored in the NCPAC political office.

QUESTION 14: State whether NCPAC maintained a nonfederal account for the years 1984, 1985, 1986, 1987, 1988, or 1989. If so, state whether the nonfederal account made payments for rent to the National Conservative Foundation or to NCPAC during the period from January 1, 1984 to the present. Provide a schedule of all such payments. State whether the receipts and disbursements of this account are publicly reported and where such reports may be available.

NCPAC State Election Fund, a corporation organized under the laws of Virginia has been in existence since 1977. The following is a list of checks written to the National Conservative Foundation and the National Conservative Foundation Titleholding Corporation from 1984 through 1990 that pertain or could be construed to pertain to lease arrangements at 1001 Prince Street, either as rent payments or building costs.

Check No.	Date	Payee	Purpose	Amount
1687	1/24/84	Gaines Brothers	Salt	17.42
1693	1/31/84	NCFTC	Cleaning Service	728.00
1694	2/6/84	NCFTC	Electric Bill	526.37
1747	3/19/84	NCFTC	Fire Extinguishers	198.12
1869	7/12/84	NCFTC	Contribution	1750.00
1984	10/30/84	NCF	Rent	5373.10
2002	11/7/84	NCF	Rent	2686.90
2067	12/14/84	NCFTC	Rent	8000.00
2089	1/7/85	NCFTC	Rent	9619.14
2206	7/12/85	Duron Paints		77.45
2437	11/2/86	Duron Paints		10.65
2562	9/14/87	NCFTC	Rent	1000.00

To my knowledge, NCPAC-SEF receipts and disbursements are not reported publicly, except in states where NCPAC-SEF may have been active as required by the laws of those individual states.

2104037309 5

EXHIBIT "A"

PB

PHONE BANK MEETING

May 4, 1984

1. Reduce Phone Bank Space ($350 Savings)

2. Lockoff Phone Bank telephone access codes or lines.

3. Must recreate exact calculations for labor expenses for:

   December
   January
   February
   March

4. Exactly how is space (cost) allocated?

5. Directech costs must be verified.

6. How can we stabilize cost allocation costs? ie. Ads, Directech costs, Xerox costs.

7. Under the Insurance category, exactly who are the people being insured?

8. For December Expense/Income analysis, under equipment, what is the $516.00 for?

9. Need to see invoices for all printing expenses for all reports (Dec.-Mar.)

10. Need to see all DirecTech invoices for all reports.

11. Review of general operation:

    a. Phone Bank - performance stats to be picked up daily with phone bank cards.

    b. Postage - pick up check daily due to financial crisis.

    c. Mail - now going out by 12:00 next day.

    d. Service versus buy new phones. Costs.

    e. Post bills must be paid so we can advertise for personnel.

9140873-0096

Things to do TODAY

Phone Bank Questions 19

RIGHT on time always

1 How is space (cost) allocated? Based on cost to NCPAC (approx. $14/ft²) Additionally, a portion of common areas is assigned just

2 as the case would be with a normal lease. Phone Bank is charged w/ 1500 ft² of space.

3

People currently on insurance policy:

4

5 December "equipment other" charge is for moving the Xerox machine

and maintenance and meter charge for the month

6

Stabalize Costs? Xerox costs - may be more effective to get rid

7 of the machine (any replacement must be a high volume copier since

up to 10,000 copies per month are made)

8 Directech Costs? Directech will no longer be sending new contributor

cards to us <u>unless</u> we prepay. This is going to be difficult in light

9 of the other financial committments we have.

Ads? I believe our PB Recruitment/training to be one of the

10 weakest links of the PB dept. Need to come up w/ new recruiting

methods. (Colleges, Senior citizens, etc)

Colortone Press
CREATIVE GRAPHICS INC. 2400 17th Street, N.W. Washington, D. C. 20009 • (202) 387-6800

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EXHIBIT "B"

National Conservative Political Action Committee

1001 Prince Street • Alexandria, Va. 22314 • (703) 684-1800

November 9, 1984

TO: Bob Conover, Brad Zerbe, Cheryl Altmire

FROM: Leif Noren

SUBJECT: Office move

In about one week, we will be shifting some of our offices around.

First, the communications office will be taken over by direct mail. Political department will occupy the current political and research offices. It will be Brad's responsibility to reassign space as he sees fit.

Second, the current direct mail offices will be occupied by the Dolan Report (a rent paying tenant).

My primary concern is to complete this move as close to Friday, November 16, as possible. This will alleviate some of NCPAC's rent responsibilities. (i.e. save money)

This timing coincides with the departure of some interns and as such, there should be a minimum of problems as several desks will be freed up.

I'm specifically not interested in catering to anyone's ego problems if they don't share my opinion regarding this shift.

Each of you needs to plan to box up materials (many boxes exist in direct mail) and coordinate amongst yourselves. I will make myself available to help once the packing is completed.

Let me know if you have questions etc.

LEN:dab

9104037309 8

EXHIBIT "C"

LEASE AGREEMENT

This is a LEASE AGREEMENT, dated June 19, 1989, between the NATIONAL CONSERVATIVE FOUNDATION ("Lessor"), a Virginia nonstock corporation with its principal offices located at 1001 Prince Street, Alexandria, Virginia 22314 and National Conservative Political Action Committee ("Lessee").

1. Term: The term of this Lease shall be for 36 months, commencing on the 1st day of August, 1989, and expiring on the 31st day of July, 1992. After this date, the Lease will be on a month-to-month basis, with thirty (30) days written notice of termination of Lease, by either the Lessor or the Lessee to one another.

2. Rent: Lessee agrees to pay rent in the sum of $ 1650.00 per month (or pro-rata portion thereof for any part of a month), for premises described as: approximately 1200 sq. ft. of office space located at 618 S. Alfred Street, Alexandria, VA 22314. Such square footage includes the allocated share of the common areas and operating expenses.

Rent is due and payable by the first of each month that it is due. All rent, and other charges which Lessee is obligated to pay Lessor under any provision of this Lease, is due by the first of any month, paid to Lessor at Lessor's address without any set-off, counterclaim, or deduction whatsoever. A Ten Percent (10%) surcharge shall be charged should rent be more than ten (10) days late.

3. Parking: During the term of this Lease, Lessor shall provide for Lessee's use ____ parking space(s).

4. Security Deposit: Lessee has deposited with the Lessor the sum of $0.00. The Lessor may use, apply, or retain the whole or any part of the security so deposited to the extent required for the payment of any rent and additional rent or other sum as to which the Lessee is in default or for any sum which the Lessor may expend or may be required to expend by reason of the Lessee's default in respect of any of the terms of this Lease, including, but not limited to, any damages or deficiency in the reletting of the leased premises, whether such damages or deficiency accrued before or after summary proceedings or other re-entry by Lessor. In the event that the Lessee shall comply with all of the terms of this Lease, the Security Deposit shall be returned to the Lessee, without interest, after the date fixed as the end of the Lease and after delivery of possession of leased premises to the Lessor. The Lessee shall not assign or encumber the money deposited as security, and neither the Lessor nor its successors or assigns shall be bound by any such assignment or encumbrance.

5. Taxes: Lessee will pay all taxes of every kind and description levied against its business, appliances, equipment and personal property.

6. Inspection: Lessor shall have the right to enter the leased premises at any reasonable time to inspect the condition of the premises.

9104087309 9

7. Surrender: Upon termination of this Lease, Lessee will surrender the premises to Lessor in as good condition as received at commencement of this Lease, except for ordinary wear and tear, and damage by fire or casualty.

8. Liability Insurance: Lessee will indemnify and save harmless Lessor, its successors and assigns, from any and all claims, demands, actions, causes of action, and judgments, whether for personal injury or property damage, asserted by any person arising out of Lessee's possession and use of the premises. Lessee shall maintain liability insurance throughout the term of this Lease, with an insurance company authorized to do business in the Commonwealth of Virginia, such policy to have liability limits of at least five hundred thousand ($500,000) for personal injury for one person, aggregate liability for all persons in any one action of at least one million dollars ($1,000,000) for property damage. Lessor shall be named co-insured in such insurance policy or policies. Such policies shall contain provision for ten days' notice to Lessor prior to cancellation.

9. Default: Lessee shall, without any previous demand therefor, pay to Lessor the said rent at the times and in the manner above provided. In the event of non-payment of said rent, and if the same shall remain in default for ten days after becoming due, or if the leased premises shall be deserted or vacated, Lessor or its agent shall without further notice have the right to and may enter the said premises and may re-let the premises and receive the rent therefor upon such terms as shall be satisfactory to Lessor, and all rights of Lessee to repossess the premises under this Lease shall be forfeited. Such re-entry by Lessor shall not operate to release Lessee from any rent to be paid or covenants to be performed hereunder during the full term of the Lease. In the case of ciolation by Lessee of any of the covenants, agreements and conditions of this Lease, other than the payment of the rent, and upon failure to discontinue such violation within ten days after written notice thereof to Lessee, this Lease shall henceforth, at the option of the Lessor, become null and void and Lessor may re-enter without further notice or demand. Upon violation by Lessee of any of the agreements, covenants, and conditions of this Lease, all future installments of rent unpaid and all other monies due to and payable to Lessee shall at once become due and payable.

10. Use of Premises: As an inducement for Lessor to enter into this Lease, Lessee has represented and warranted that the sole and exclusive purpose of Lessee's leasing the premises is for the purpose of operating general business offices.

11. Acceptance of Premises: Lessee does hereby unconditionally and irrevocably warrant that authorized agents have inspected the premises and that Lessee is satisfied with the present condition of the premises. Lessee further accepts the premises on an as-is and where-is basis and accepts full responsibility for all costs that may be incurred in remodeling to a condition satisfactory to meet their specifications. Remodeling must be approved by the Lessor prior to commencement.

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12.) Subleasing: Lessee may not assign this Lease or sublease the premises in whole or in part without the written permission of Lessor which will not be unreasonably withheld.

13.) Hold Harmless: Lessee agrees it will hold Lessor harmless and it will pay to Lessor any losses which Lessor may incur from any default of Lessee under the terms and conditions of this Lease and from or as a result of Lessee's possession and use of the leased premises save for landlord's negligence or intentional conduct.

14.) Arbitration: Any controversy arising under, out of, in connection with or relating to, this Lease, and any consequent amendment thereof, or the breach thereof, shall be determined by arbitration in the City of Alexandria, Virginia, in accordance with the rules of the American Arbitration Association. Any award rendered therein shall Be final and binding on each and all of the parties thereto and their representatives, and judgement may be entered thereon in any court having jurisdiction thereon.

15.) Modification: This Lease may only be modified in writing, executed on behalf of Lessor and Lessee. The term "Lease" as used herein includes any future written amendments, modifications, or supplements made in accordance herewith.

16.) Addenda: There are no addenda attached to this Lease. As with any written-in changes, any future addenda shall be initialed by both Lessee and Lessor.

IN WITNESS HEREOF, the Lessor and the Lessee have executed this Lease as of the date first above written.

LESSOR:

NATIONAL CONSERVATIVE FOUNDATION

Mairelle Dolan Shortley

Mairelle Dolan Shortley, Chairman

6/20/89

Date

LESSEE:

NATIONAL CONSERVATIVE POLITICAL ACTION COMMITTEE

Cassandra O. Scholte

Cassandra O. Scholte, Asst. Treasurer

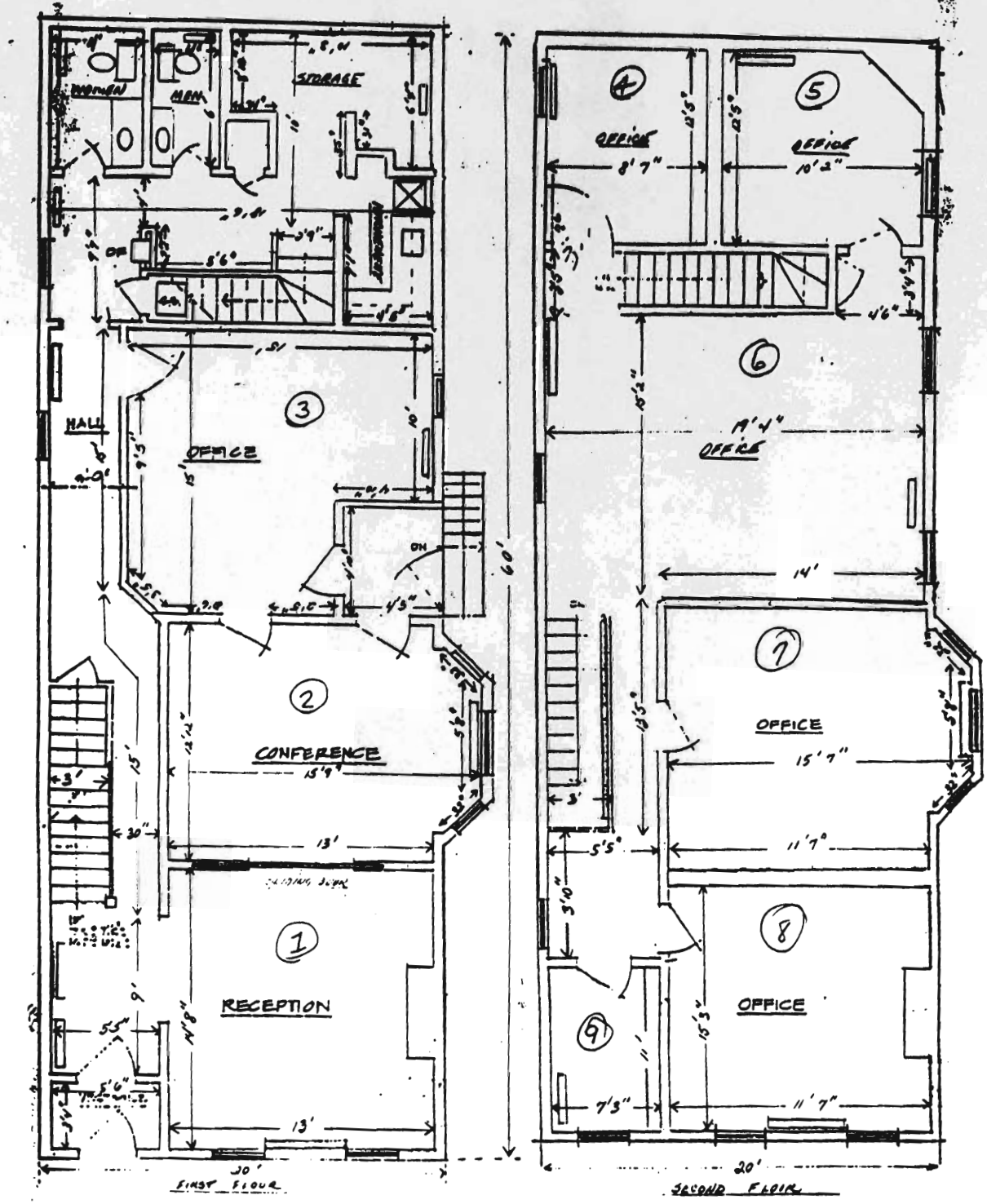
6/20/89

Date

9104087310 1

EXHIBIT "D"

9104087310 2



SCALE: 1 cm = 2 FT.

EXHIBIT "E"

NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22313
(703) 548-0900

John T. (Terry) Dolan
Founder

Maiselle Dolan Shortley
Chairman

July 13, 1989

Miss Laurie Martinson
Virginia Tech Foundation
233 Burruss Hall
Blacksburg, VA 24061

Dear Miss Martinson:

We would like to propose that the National Conservative Foundation rent from the Virginia Tech Foundation approximately 550 Square feet of storage space in the northwest basement crawl space of your building at 1001 Prince Street in Alexandria, VA.

We would like to rent this space for $150.00 per month (or prorated for portion thereof) on a month-to-month basis beginning as of August 1, 1989. This agreement would be terminable upon thirty (30) days written notice by either party to the other.

If this proposal is satisfactory, please let us know by signing below where indicated and returning the copy of this proposal to us.

Thank you for your consideration of this request.

Maiselle Dolan Shortley 7/13/89

The National Conservative Foundation — Date
By: Maiselle Dolan Shortley
1001 Prince Street
Alexandria, VA 22314

Raymond D. Smoot, Jr.

The Virginia Tech Foundation, Inc. — Date
By: Laurie Martinson Raymond D. Smoot, Jr.
233 Burruss Hall
Blacksburg, VA 24061

cc: Shirley Bailey

9104037310 3

EXHIBIT "P"

ATTACHMENT 3

	Square Feet Office	Square Feet Storage	Total Rent Due	Rent Paid	Refund Due
Page 4 of 6 Attachment 2 June 1985 thru July 1985	4267.4 @ $18.00/ sq. ft.	1004.8 @ $5.00/ sq. ft.	$13,639.54	$ 24,000	$ 10,360.46
Page 3 of 6 Attachment 2 August 1985 thru May 1986	3572.6 @ $18.00/ sq. ft.	800 @ $5.00/ sq. ft.	57,973.30	120,000	62,026.70
Page 2 of 6 Attachment 2 June 1986 thru Sept. 1987	2877.3 @ $18.00/ sq. ft.	800 @ $5.00/ sq. ft.	74,388.64	190,000*	115,611.36
Page 1 of 6 Attachment 2 Oct. 1987 thru July 1989	1509.8 @ $18.00/	600 @ $5.00/	55,323.34	24,000	<31,323.34>
618 S. Alfred Alexandria, VA	1080 @ $17.50/ sq. ft.	1/2 area leased from VA Tech. Fnd. @ $150.00/mo.	8,250.00	-0-	< 8,250.00>

TOTAL RENT REIMBURSEMENT DUE NCPAC $148,425.18

TOTAL RENT REIMBURSEMENT AGREED UPON BY NCPAC/NCF 146,000.00

THIS AMOUNT HAS BEEN PAID IN FULL

* $12,000 rent per month was paid except for September 1987 when $10,000 rent was paid.

9104087310 4

EXHIBIT "C"

NCPAC Interrogatories
MUR 3053
Question Number 7
1984 373 Employees

Adams James
Albertson Richard
Allen Edward
Allen Everett
Allen Peter
Allen Cheryl
Altmire Cheryl
Anayt Sultan
Andleman Mary
Andrukonis Mary
Arsaga Ivonne
Arthur Jay
Baker Jesse
Baker Margaret
Baker Vivian
Belcher Susan
Benjamin Sammie
Benton Charles
Bingol Selim
Bingol Mehmet
Blankenship David
Bodnar Dora
Bogard Becerlee
Bostick Claudine
Bowden Lynda
Boyle Joyce
Bozell Brent
Braddy Marita
Bradford Ray
Bragg Amy
Brandt Robert
Brasfield Naomi
Brickell Hays
Briscoe Gem
Brooks Maudie
Bui Huong
Burch Robert
Burnette Linda
Burris Janis
Butler Darryl
Butler Ray
Bylander Sheri
Caldwell Jeff
Campbell Brewster
Carpenter William
Carroll John
Carroll James
Cassell Celestine
Cataldo Nancy

9104087310 5

NCPAC Interogatories
MUR 3053
Question 7
Page 2 1984

Chaplin Charles
Chesser Michael
Christianson Paul
Chrysostim Sean
Cipra Fredesuinda
Ciskanik Paul
Clark Brian
Clark Ken
Clay Adam
Clay Anthony
Cobb Laurie
Coleman Amasa
Coleman Rial
Coleman Patricia
Coles Juanita
Conover Robert
Cooper Gorodesky
Cothran Beatrice
Crawford Joseph
Creighton Dierdre
Crosby James
Davis Stephen
Davy Tom
Delgaudio Sheila
Dennison Margaret
Desidero Lisa
Destry Harry
Diggs Cecile
Dolan John
Doorfee Linda
Downey Lisa
Doyle Lois
Draper Darlene
Drinkwater Myrdett
Dunchan Ronald
Duy Cong
Ebens Wallace
Eddy Michael
Eklund Mary
Ellis William
Eudy Ronald
Evans Tristin
Evans Catherine
Faber Thomas
Fanning Thomas
Faridani Lorraine
Feaganes Terry
Ferguson Ruby
Fletcher Betty

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Flores Rafael
French Nancy
Froelich Margaret
Fulmore Stephani
Gabriel Basliel
Gainer Denise
Gaines Herman
Gallagher William
Garrison Alexander
George William
Gigliotti Joe
Ginish Michael
Giusti Augusta
Glass Laura
Glowa Mary
Godun Alex
Golding Barbara
Gordon Rose
Gorski John
Goss Robin
Gourley Lawrence
Grant Andrew
Granuzzo Pamela
Grayson Aretha
Grimes Sharon
Hamilton David
Hamilton Michael
Hamilton Susan
Hannegan Eleanor
Hansen Todd
Hardiman Michael
Harris Scherle
Hart Sammie
Hartsoe Sherri
Harvey Michael
Hashim Phil
Hawkins George
Hayes Annie
Hayes Lisa
Haynes Winifred
Henderson Reese
Herman Gary
Hicks Angela
Higgs Al
Hill Charles
Hohman Kenneth
Holloman William
Holmes David

2104037310 7

Horn Elsie
Horvat Zoran
Houghton Yvonne
Howell Wardell
Hulett Josephine
Hunt Linda
Hupp Julie
Huskey Ted
Ingrahm Ricardo
Jackson John
Jackson Eula
Jakub Joseph
Jalesnianska Slvana
James Edwin
Jawish Nancy
Jawish Henry
Jenkins Mal
Jenkins Edward
Jennings Yvette
Jennings Edna
Jimenez Lisa
Johnson Steve
Johnson John
Johnson Marlene
Johnson Darry
Jones Myles
Jones Brenda
Jordon Rodney
Kacmarek Corrie
Kerksey Tracey
Kilcullen Victoria
Kimble Richard
King Myron
Kirksey Kellie
Kitchel Robert
Kohn Doug
Kolodny Robin
Kortelkink Angela
Kuhlthau Leslie
Lakin Steven
Lam Minh
Lamay David
LaMay Daniel
Larson Drew
Lazott Sharon
Lebkicher Monica
Lee Be
Lenk Peter

2104087310 8

NCPAC Interogatories
MUR 3053
Question 7
Page 5 1984

LeVere Darryl
Lewis Sylvia
Lewis John
Lewis Deborah
Lewis Mary
Lichty Karen
Lima Marietta
Lipscomb Robert
Lodge Holly
Lombardi Lisa
Long Lewis
Lours Peggy
Lyles Sarah
Lyons Darryl
MacPhersen Diane
Madison Consuello
Maggio Mark
Malone Cheryl
Marshall Harold
Mason Leola
Massaquoi Julia
Massaquoi Nathaniel
Matthews Ted
McAndrew Alice
McCormack Brian
McCuaig Margaret
McDaniel Fletcher
McDonald Geraldine
McGriff Constance
McKernan Mary
McLain Mike
McLeod Barbara
Mild Jeffrey
Miles Danny
Milzman Mark
Mims Margaret
Monaco Joe
Mont Brad
Moore Linwood
Mota Christine
Mueller Erich
Muldower Alan
Murry Nina
Murry Tammy
Nave Theresa
Nelson Marilyn
Nelson Caroline
Nestlerode Mal

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Neville Kathleen
Newton Rachia
Nguyen Hoa
Nguyen Thanh
Nguyen Thien
Noren Leif
O'Bannion Beverly
Odom Angie
Ortmeier Mark
Ostria Marcelo
Palermino Beth
Palmer Andrew
Pannell Ricky
Parker James
Patterson Ronnie
Person Joyce
Petty William
Phares Tim
Porickell Hays
Powell Josephine
Prior Roger
Proctor Wendy
Proctor Timothy
Pruitt Charlotte
Pugh Polly
Quinlan Scott
Rasmussen Larry
Reardon Robin
Reddick Sherri
Reed Sally
Reed Yvonne
Regan Scott
Remeika Ray
Rice Anthony
Richardson Marnice
Ritter Mark
Robinson Tina
Robinson Calvin
Ryan Lisa
Sample Josephine
Sanders Retta
Sanders Thea
Saunders Randall
Scampoli Donna
Schmitz Terry
Schofner Cheryl
Schroder Patricia
Schroeder Judy

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Sciorrino Dawn
Scotland Helenita
Shaffer Beth
Shaw Julie
Shiben Carolyn
Shirley Cragan
Sholes Juanita
Short Ben
Siphom Oudon
Smith James
Smith Vannessa
Smith Michael
Smith Kim
Smith George
Snow Ed
Sorrells Larry
Sotiriou Helen
Speck Arthur
Spoeri Jeffrey
Staggers Paul
Stanley June
Steadman Roberto
Steed Randall
Steer Betty
Steer Angel
Stewart Yvonne
Stokes Jeri
Strasser Darrell
Stump Kimberly
Summers Lavin
Tanks Geraldine
Tatum Paul
Telligman Toni
Tenham Ramsey
Terry Chauncy
Thomas Jule
Thomas Josiah
Thompson Patrick
Thompson Michael
Thorn Jim
Thurman Enrique
Tidwell Rene
Tran Nga
Tribble Chris
Truong Chi
Tucker Calvin
Tucker Joylene
Utter David

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Valentine Charles
Van Thong
Vanek Tom
Waller Andre
Ward Mark
Warner Sharon
Washington Ruth
Washington LaAnthia
Watkins Chris
Watson Connie
Watts Percy
Webber Leslie
Wheeler Jamey
White Cassandra
White Denise
White Kevin
Wickersham Peter
Wildes Brenda
Wiley Betty
Wilkinson Lisa
Wilkinson Leola
Willard Chris
Willey Sharon
Willis Edith
Willis Glenn
Wilson Gregory
Wilson Al
Wok Jim
Wood Dixon
Wright Angel
Wylegala Andy
Xanthakos Eleni
Young Lee
Yuma Rashaan
Zerbe Mason

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NCPAC Interrogatories
Question 7
1985 114 Employees

Altmire Cheryl
Andrukonis Mary
Arthur Jay
Baker Vivian
Baker Jesse
Baker Margaret
Bartick Marilyn
Belcher Susan
Belliveau Scott
Bethea Renee
Bodnar Dora
Bostick Claudine
Bozell Brent
Braddy Marita
Bringas Elizabeth
Caldwell Jeff
Campbell Bill
Caperton Lynn
Clay Adam
Cobb Laurie
Coleman Amasa
Coleman Jackie
Colman Patricia
Conde Juan
Conover Robert
Daubenspeck Edith
Davis Maureen
Davis Stephen
Destry Harry
Dolan John
Douglas Denise
Doyle Lois
Feaganes Terry
Fentress Danauta
Fulmore Stephanie
Gaines Kim
Gaither Aggie
Garrison Alexander
Glowa Mary
Golding Barbara
Gourlay Lawrence
Green Gwendolyn
Hardiman Michael
Harris Briscoe
Henderson Reese
Hicks Angela
Hohman Kenneth
Hollowamn William
Holmes David

9104037311 3

Horn Elsie
Jackson Eula
Jackson Thomas
Jimenez Lisa
Johnson John
Jones Herman
Kacmarek Corrie
Kedmanyuank Oudon
Kemp Christopher
Kiennan Joanne
Kimble Richard
Kinter Dora
Kitchel Robert
Ledbetter Shonda
Lowell Brenda
Lyles Sarah
Madison Consuello
Mason Leola
Massaquoi Nathaniel
McCormack Brian
McDaniel Fletcher
McKenny Wendy
McPherson Sandra
Meade Rouland
Mendel John
Mont Brad
Morris Denise
Murray Tammy
Neville Kathleen
Noisette Rickey
Noren Lief
Ortmeier Mark
Palermino Beth
Person Joyce
Pierson Timothy
Powell Josephine
Quander Kevin
Quick Ronnie
Rice Anthony
Ruppert Paul
Ryan Lisa
Sanders Thea
Sanders Retta
Scholte Sandy
Shiben Carolyn
Sholes Juanita
Slattery Patrick
Smith James

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Staufenberg Michael
Steed Randall
Stewart Yvonne
Stump Kimberly
Sutler Pam
Terry Chauncy
Valentine Charles
Valentine Michael
Washington Ruth
White Denise
White Angela
Wynn DeWayne
Young Lee
Young Braxton
Zerbe Mason

9104087311 5

NCPAC Interrogatories
Question 7
1987 30 Employees

Bailey Shirley
Batory L. Jane
Belcher Susan
Belliveau Scott
Bozell Brent
Coleman Trish
Feaganes Terry
Fulmore Stephanie
Golding Barbara
Gourlay Lawrence
Hightower Karrie
Hoyle Stephen
James Edward
Kimble Richard
Kinter Dora
Kitchel Robert
Marchall Mona
Masciarelli Dorothy
McPherson Sandy
Mulligan H. Clark
Murphy Kevin
Neville Kathleen
Noren Lief
Ortmeier Mark
Redmon Lisa
Russell Shannon
Scholte Sandy
Shiben Carolyn
Sholes Juanita
Wright John

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NCPAC Interrogatories
Question 7
1986 34 Employees

Bartick Melissa
Belcher Susan
Belliveau Scott
Bozell Brent
Caperton Lynn
Coleman Trisha
DeMarigny Philip
Dolan John
Edmunds Sarah
Elliott Kate
Feaganes Terry
Fulmore Stephanie
Golding Barbara
Gourlay Lawrence
Hoyle Steve
Kimble Richard
Kinter Dora
Kitchel Robert
Marshall Mona
Masciarelli Dorothy
McPherson Sandra
Mosley Ellen
Neville Kathleen
Noren Lief
Ortmeier Mark
Redmon Lisa
Ruppert Paul
Ryan Lisa
Scholte Sandy
Shanahan David
Shiben Carolyn
Sholes Juanita
Strykul Sherri
Sutler Pam

2104087311 7

NCPAC Interrogatories
Question Number 7
1988 12 Employees

Bailey, Shirley
Belliveau, Scott
Cobb, Laurie
Feaganes, Terry
Hoyle, Steve
Marshall, Mona
Martin, Edna
Mulligan, Clark
Ortmeier, Mark
Scholte, Sandy
Shiben, Carolyn
Staples, Jonathan

9104087311 8

NCPAC Interrogatories
Question Number 7
1989 10 Employees

Bailey, Shirley
Belliveau, Scott
Cobb, Laurie
Feaganes, Terry
Johnson, Christian
Martin, Edna
Ortmeier, Mark
Scholte, Sandy
Shiben, Carolyn
Staples, Jonathan

9104087311 19

EXHIBIT "H"

ATTACHMENT 1

Date	Name	Amount per Square Foot	Square Feet	Parking
7/84	U.S Government	$17.82	3354	8 Spaces incl.
12/84	Dolan Report	14.40	800	2 Spaces incl.
1/85	Conservative	14.95	3200	9 Spaces incl.
11/85	Cheryl Smith	16.50	700	1 Space incl.
11/85	Holsinger	16.50	700	Not included
11/85	Myron McKee	14.40	625	2 Spaces incl.
12/85	David Glazer	15.00	687.5	Not included
1/86	Special Olympics	15.00	556.5	1 Space incl.
7/86	American Resume	15.63	192	Not included
12/86	State of Virginia	13.09	318	Not included
12/86	Bond & Co.	16.50	800	Not included
1/87	Muese, Rinker	15.75	687.5	Not included
1/87	C. Shirley Assoc.	15.00	702	Not included
11/87	Kindness Assoc.	15.00	715	Not included
11/87	D. Yatras	15.00	400	Not included
1/88	Steven Daniel	14.00	311	Not included
2/88	Count System	15.75	678	Not included
4/88	United Express	14.41	458	Not included
9/88	Borden Group	15.75	737	Not included
11/88	Conover & Co.	13.50	400	Not included
11/88	NCBE	14.32	712	Not included
12/88	Equinox	17.33	800	Not included

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Office	TOTAL SQ. FEET	%NCPAC	NCPAC SQ. FEET	%NCF	NCF SQ FEET	
COMPUTER/ACTUALITY NW CENTER 2ND FL.	642	50%	321	50%	321	
DIRECT MAIL NW CORNER	737	50%	368.5	50%	368.5	
ADMIN./POLITICAL SW CORNER 2ND FL.	737	50%	368.5	50%	368.5	
MEDIA/ACCOUNTING SW CORNER 2ND FL.	642	40%	256.8	60%	385.2	
WEST HALL 2ND FLOOR	280	50%	140	50%	140	
LOBBY 2ND FLOOR	220	25%	55	25%	55	
TOTAL OFFICE SPACE			1509.8			
BASEMENT STORAGE	700 ~~600~~		600.0		100	

JUNE 1986 TO SEPTEMBER 1987

Office	TOTAL SQ. FEET	%NCPAC	NCPAC SQ. FEET	%NCF	NCF SQ FEET	
DIRECT MAIL NE CORNER 2ND FL.	737	100%	737	0%	0	
POLITICAL SE CORNER 2ND FL.	737	100% ~~10%~~	737.0 ~~516.9~~	30%	221.1	
CHAIRMAN'S OFFICE NE CENTER 2ND FL.	642	30.% ~~10%~~	192.6 ~~64.2~~	90 ~~90%~~	577.8	
MEDIA RESEARCH SE CENTER 2ND FL.	642	0%	0	100%	642	
EAST HALL 2ND FLOOR	280	50% ~~69%~~	140 ~~194.4~~	50 ~~51%~~	145.6	
LOBBY 2ND FLOOR	220	34%	74.8	66%	145.2	
WEST HALL 2ND FLOOR	280	50% ~~20%~~	140 ~~56~~	50 ~~80%~~	224	
NCF/COMPUTERS NW CENTER 2ND FL.	642	10%	64.2	90%	577.8	
ADMINISTRATION NW CORNER 2ND FL.	737	40%	294.8	60%	442.2	
HIGH $/NCF SW CORNER 2ND FL.	737	~~10%~~ 50%	~~73.7~~ 368.5	90%	663.3	
NCF FUNDRAISING SW CENTER 2ND FL.	642	20%	128.4	80%	513.6	
TOTAL OFFICE SPACE			2,877.3			
STORAGE	BASEMENT		800		100	

AUGUST 1985 TO MAY 1986

Office	TOTAL SQ. FEET	%NCPAC	NCPAC SQ. FEET	%NCF	NCF SQ FEET	
DIRECT MAIL NE CENTER 2ND FL.	737	100%	737	0%	0	
POLITICAL SE CORNER 2ND FL.	737	100% ~~70~~	737 ~~515.9~~	30	221.1	
CHAIRMAN'S OFFICE NE CENTER 2ND FL.	642	75%	481.5	25%	160.5	
MEDIA BIAS/NCF SE CENTER 2ND FL.	642	20%	128.4	80%	513.6	
EAST HALL 2ND FLOOR	280	60%	168	40%	112	
LOBBY 2ND FLOOR	220	66%	145.2	34%	74.8	
WEST HALL 2ND FLOOR	280	50% ~~25%~~	140 ~~70~~	75%	210	
NCF/COMPUTERS NW CENTER 2ND FL.	642	0%	0	100%	642	
ADMINISTRATION NW CORNER 2ND FL.	737	70%	515.9	30%	221.1	
HIGH $/NCF SW CORNER 2ND FL.	737	80%	589.6	20%	147.4	
TOTAL OFFICE SPACE			3642.6			
STORAGE	BASEMENT		800		100	

DECEMBER 1984 TO AUGUST 1985

Office	TOTAL SQ. FEET	%NCPAC	NCPAC SQ. FEET	%NCF	NCF SQ FEET	
DIRECT MAIL NW CORNER 2ND FL.	737	100%	737	0%	0	
POLITICAL SE CORNER 2ND FL.	.737	~~90%~~ 100%	~~663.3~~ 737	10%	74.6	
CHAIRMAN'S OFFICE NE CENTER 2ND FL.	642	75%	481.5	25%	160.5	
COMMUNICATIONS SE CENTER 2ND FL.	642	90%	577.8	10%	64.2	
EAST HALL 2ND FLOOR	280	70%	196	20%	56	DOLAN RPT. USED REMNG SPACE
LOBBY 2ND FLOOR	220	70%	154	20%	44	DOLAN RPT. USED RMG SP
WEST HALL 2ND FLOOR	280	35%	98	40%	112	DOLAN RPT. USED RMG SP
ADMINISTRATION NW CORNER 2ND FL.	737	80%	589.60	20%	147.4	
HIGH $/NCF SW CORNER 2ND FL.	737	~~40%~~ 50	~~294.8~~ 368.5	60%	442.2	
NCF FUNDRAISING SW CENTER 2ND FL.	642	0%	0	100%	642	
PHONE BANK BASEMENT EAST WING DISCONTINUED IN MAY 1985	1,753	100%	~~1,753~~	0%	0	Disbanded in May 1985
NCF/HIGH $ PHN BNK BASEMENT SW OFFICE	656	50%	328	50%	328	
TOTAL OFFIC SPACE			4267.4			
STORAGE			1004.8		102	

JULY 1984 TO NOVEMBER 1984

Office	TOTAL SQ. FEET	%NCPAC	NCPAC SQ. FEET	%NCF	NCF SQ FEET	
COMMUNICATIONS NW CORNER 2ND FL.	737	90%	663.3	10%	74.6	
POLITICAL SE CORNER 2ND FL.	737	90%	663.3	10%	74.6	
CHAIRMAN'S OFFICE NE CENTER 2ND FL.	642	75%	481.5	25%	160.5	
DEVELOPMENT/GRSRTS SE CENTER 2ND FL.	642	90%	577.8	10%	64.2	
EAST HALL 2ND FLOOR	280	75%	210	25%	70	
LOBBY 2ND FLOOR	220	75%	165	25%	55	
WEST HALL 2ND FLOOR	280	60%	168	40%	112	
DIRECT MAIL NW CENTER 2ND FL.	642	90%	577.80	10%	64.2	
ADMINISTRATION NW CORNER 2ND FL.	737	80%	589.6	20%	147.4	
HIGH $/NCF FND RSNG SW CORNER 2ND FL.	737	40%	294.8	60%	442.2	
NCF FUNDRAISING SW CENTER 2ND FL.	642	0%	0	100%	642	
PHONE BANK BASEMENT EASH WING	1,753	100%	1,753	0%	0	
BASEMENT STORAGE	1,256	80%	1,004.8	20%	251	
BASEMENT STORAGE (UNDER STAIRS)	100	0%	0	100%	100	
NCF/HIGH $/PHONE BNK SW OFFICE BSMT ½ HL	656	50%	328	50%	328	
GRAND TOTAL	10,061.0		7,476.9		2,585.9	

DECEMBER 1983 TO JUNE 1984

Office	TOTAL SQ. FEET	%NCPAC	NCPAC SQ. FEET	%NCF	NCF SQ FEET	
COMMUNICATIONS NW CORNER 2ND FL.	737	90%	663.3	10%	74.6	
DEVELOPMENT SE CORNER 2ND FL.	737	90%	737 ~~663.3~~	10%	74.6	
CHAIRMAN'S OFFICE NE CENTER 2ND FL.	642	75%	481.5	25%	160.5	
POLITICAL SE CENTER 2ND FL.	642	90%	642 ~~577.8~~	10%	64.2	
EAST HALL 2ND FLOOR	280	75%	210	25%	70	
LOBBY 2ND FLOOR	220	75%	165	25%	55	
WEST HALL 2ND FLOOR	280	60%	168	40%	112	
DIRECT MAIL NW CENTER 2ND FL.	642	~~90%~~	642 ~~577.8~~	10%	64.2	
ADMINISTRATION NW CORNER 2ND FL.	737	80%	589.6	20%	147.4	
HIGH $/NCF SW CORNER 2ND FL.	737	50 ~~40%~~	368.5 ~~294.8~~	60%	442.2	
NCF/DIRECT MAIL SW CENTER 2ND FL.	642	0%	0	100%	642	
RESEARCH NE CENTER 1ST FL.	642	90%	577.8	10%	64.2	
PHONE BANK BASEMENT EAST WING	1,753	100%	1,753	0	0	
BASEMENT STORAGE	1,912	80%	1,529.6	20%	382.4	
BASEMENT STORAGE (UNDER STAIRS)	100	0%	0	100%	100	
GRAND TOTALS	10,703		8,251.5		2,453.3	

ATTACHMENT 3

	Square Feet Office	Square Feet Storage	Total Rent Due	Rent Paid	Refund Due
Page 4 of 6 Attachment 2 June 1985 thru July 1985	4267.4 @ $18.00/ sq. ft.	1004.8 @ $5.00/ sq. ft.	$13,639.54	$ 24,000	$ 10,360.46
Page 3 of 6 Attachment 2 August 1985 thru May 1986	3572.6 @ $18.00/ sq. ft.	800 @ $5.00/ sq. ft.	57,973.30	120,000	62,026.70
Page 2 of 6 Attachment 2 June 1986 thru Sept. 1987	2877.3 @ $18.00/ sq. ft.	800 @ $5.00/ sq. ft.	74,388.64	190,000*	115,611.36
Page 1 of 6 Attachment 2 Oct. 1987 thru July 1989	1509.8 @ $18.00/	600 @ $5.00/	55,323.34	24,000	<31,323.34>
618 S. Alfred Alexandria, VA	1080 @ $17.50/ sq. ft.	1/2 area leased from VA Tech. Fnd. @ $150.00/mo.	8,250.00	-0-	< 8,250.00>
			TOTAL RENT REIMBURSEMENT DUE NCPAC		$148,425.18
			TOTAL RENT REIMBURSEMENT AGREED UPON BY NCPAC/NCF		146,000.00

THIS AMOUNT HAS BEEN PAID IN FULL

* $12,000 rent per month was paid except for September 1987 when $10,000 rent was paid.

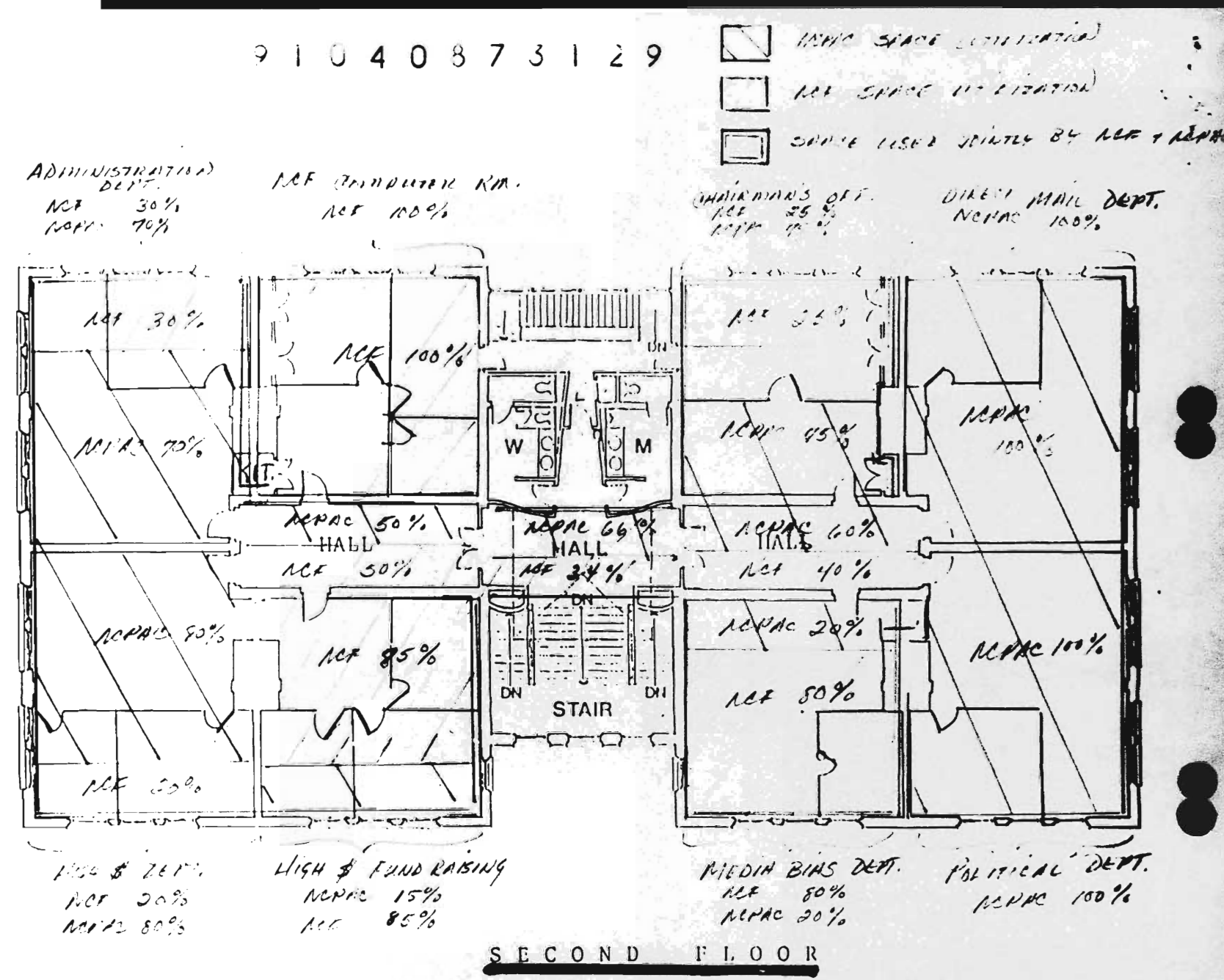
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AUGUST 1985 TO MAY 1986

EXHIBIT H (1)

Office	TOTAL SQ. FEET	%NCPAC	NCPAC SQ. FEET	%NCF	NCF SQ FEET	
DIRECT MAIL NE CENTER 2ND FL.	737	100%	737	0%	0	
POLITICAL SE CORNER 2ND FL.	737	100% ~~70~~	737 ~~515.9~~	30	221.1	
CHAIRMAN'S OFFICE NE CENTER 2ND FL.	642	75%	481.5	25%	160.5	
MEDIA BIAS/NCF SE CENTER 2ND FL.	642	20%	128.4	80%	513.6	
EAST HALL 2ND FLOOR	280	60%	168	40%	112	
LOBBY 2ND FLOOR	220	66%	145.2	34%	74.8	
EWST HALL 2ND FLOOR	280	50% ~~25%~~	140 ~~70~~	75%	210	
NCF/COMPUTERS NW CENTER 2ND FL.	642	0%	0	100%	642	
ADMINISTRATION NW CORNER 2ND FL.	737	70%	515.9	30%	221.1	
HIGH $/NCF SW CORNER 2ND FL.	737	80%	589.6	20%	147.4	
TOTAL OFFICE SPACE			3642.6			
STORAGE	BASEMENT		800		100	
HIGH $ FUNDRAISING	642	15%	96.3	85%	545.7	

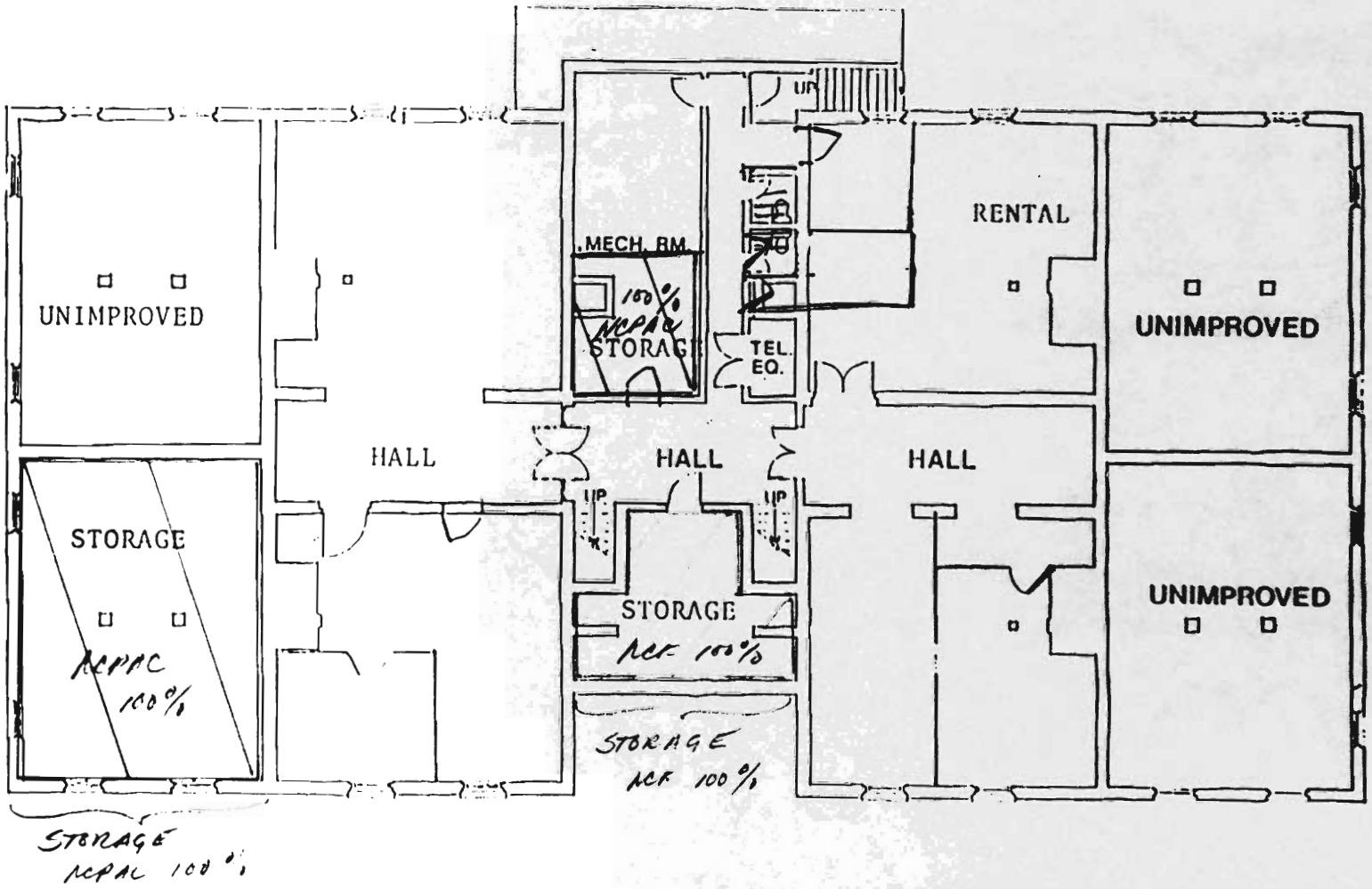
9 1 0 4 0 8 7 3 1 2 9



SECOND FLOOR

SCALE: 1/16" = 1'

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LOWER LEVEL

SCALE: 1/16" = APPROX. 1'

EXHIBIT "I"

Bernard J. Simbole, P.C.
1655 North Fort Myer Drive
Ste. 700
Arlington, VA 22209
703-522-8011

Bernard J. Simbole

TELEX 379-2632 (Park PW)
FAX (703) 525-8841

1825 K St., N.W.
Suite 901
Washington, D.C. 20006
202-783-7833

February 21, 1989

Ms. Shirley J. Bailey
National Conservative Political
Action Committee
1001 Prince Street
Alexandria, VA 22314

Dear Shirley:

I have your letter dated February 15, 1989 requesting opinion on the overpayment of rent by NCPAC as tenant of 1001 Prince Street, to the landlord, National Conservative Foundation. This opinion reviews the applicable Federal Election Commission Law and Internal Revenue Code Provisions. What follows is a digest of the applicable sections of those laws:

The Federal Election Commission Law is found in Title 2 of the United States Code, under the general heading of laws dealing with the Congress of the United States. Section 433 requires all "Political Committees" to register as such. The following section requires regular reporting of all financial activity by the treasurer of each such organization. These reports include annuals, pre- and post- election, as well as monthlies if the monies received by the organization exceed a certain amount. Section 437 establishes the body known as the Federal Election Commission and empowers it with certain executive and judicial functions to carry out it's "watchdog" responsibility. It is interesting to note that any person or committee may, by section 437f request a written advisory opinion from the Commission on any matter pertaining to the act. Such an opinion shall be rendered within 60 days from receipt of a "full written inquiry" by the Commission. I personally suspect such a response to be untimely, given the speed at which an organization such as

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yours must operate. Secondly, the body created by the FEC law is partisan in nature, and although the law requires the appointments to be 6 in number with not more than three of the same political party, that same section (437c) appoints the Secretary of the Senate and the Clerk of the House of Representatives as the heads of this commission. I fear that both of these leaders may be hostile to your organization. I therefore question the value of disclosing this matter to the FEC by requesting an advisory opinion.

The significant issue to review is whether a reimbursement by NCF (the landlord) to NCPAC (the tenant) for overpayment of rent can be construed as a "contribution" as defined by the FEC law. In doing so I refer specifically to two items: 1) the standard lease contract used by NCF; and 2) The definition of the word "contribution" under the FEC law. Beginning with the latter, I find under Title 2, Section 431 of the U.S. Code a long definition containing two inclusive paragraphs and seven exclusive paragraphs. It seems the act tries more to define what <u>is not</u> a "contribution" rather than what is a contribution. Summarizing those definition terms, a contribution is:

A) Any gift of money or anything of value made by a person for the purpose of influencing any election;

B) Payment by any person of compensation for the personal service of another person which are rendered to a political committee without charge for any purpose.

A contribution is not:

C) The value of services by a volunteer

D) Use of real or personal property (Church or community rooms) regularly used by members of a community for non commercial purposes.

E) The sale of any food or beverage for use in a candidates campaign.

F) Unreimbursed payment for travel expense.

G) Payment by a local political party for the printing of a Slate card.

2104087313 2

H) Any payment made,or obligation incurred by a corporation which under 441b of this title would not constitute an expenditure by such corporation

I) Payment for legal or accounting services

J. Payment by a State or local committee for the cost of campaign materials.

A review of the Standard lease used by NCF (the landlord) indicates a sum certain to be paid for rent, and a clause which allows for the adjustment of any and all terms of the lease.

I summary I find reason for permissibility of refund by the lease contract terms, and no definition under the FEC listing a rent overpayment refund as a contribution.

Lastly, I have also reviewed certain pertinent sections of the Internal Revenue Code, (Title 26, sections 24 et seq U.S. Code) for possible taxation effect. This section does not apply as it deals with individual contributions to committees in the amount of $50 for which the individual is allowed a tax credit of 50%. Section 527 defines political organizations as tax exempt and defines the types of income which are exempt. It is of no value in interpretation of your particular issue.

I find a refund is proper in these circumstances and is not a contribution under the FEC law.

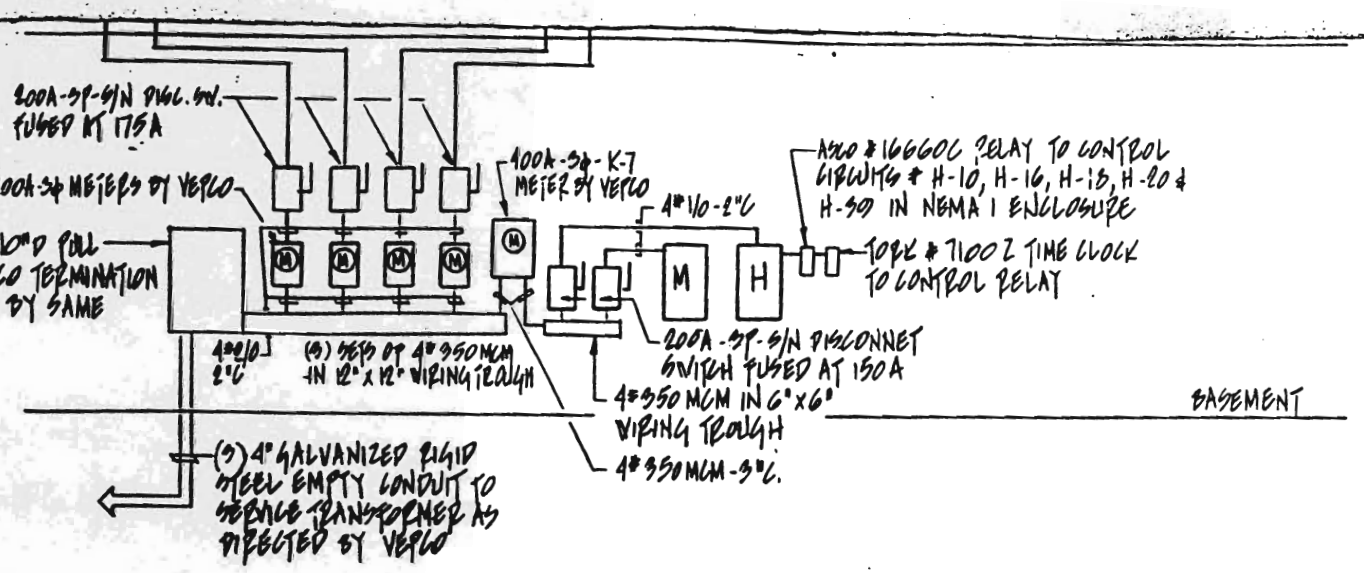
Yours truly,

Bernard J. Simbole, P.C.

cc: File

BJS/nrc

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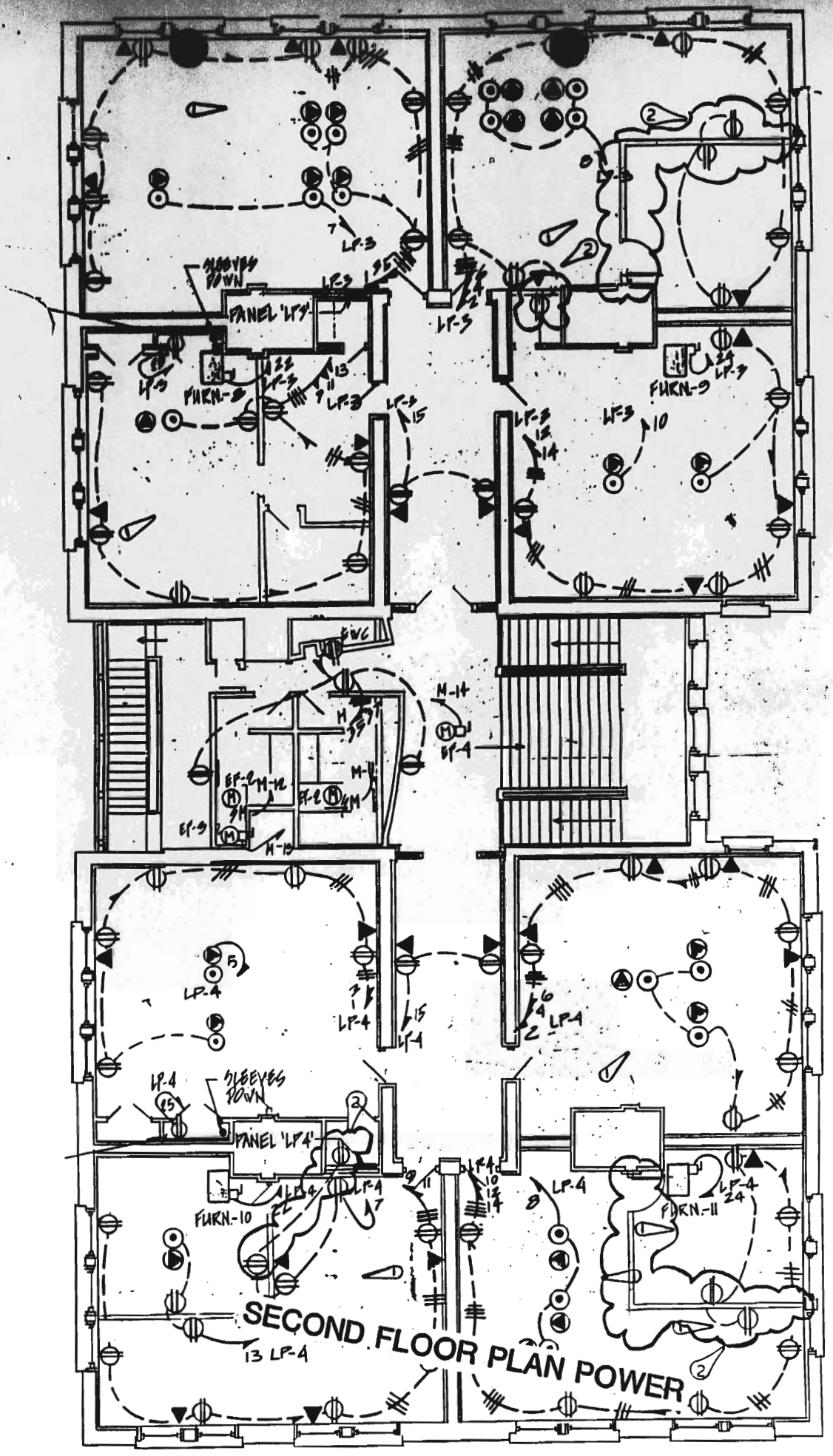


4 / E-4 ELECTRICAL RISER DIAGRAM

NOTE: ELECTRIC SERVICE SHALL BE 120/208V-3Φ-4W 1000A UNDERGROUND

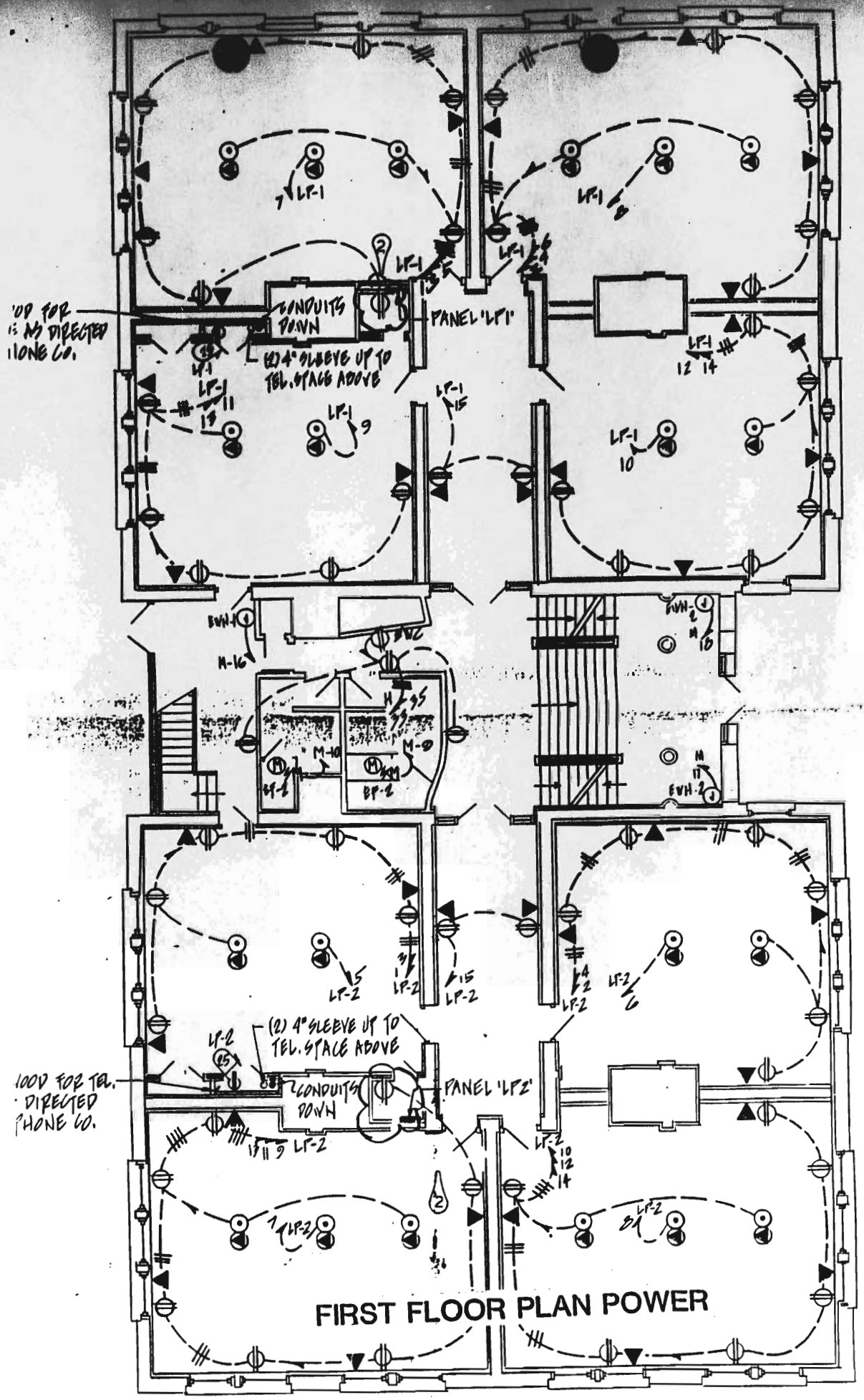
9104087313 4

9104087313135

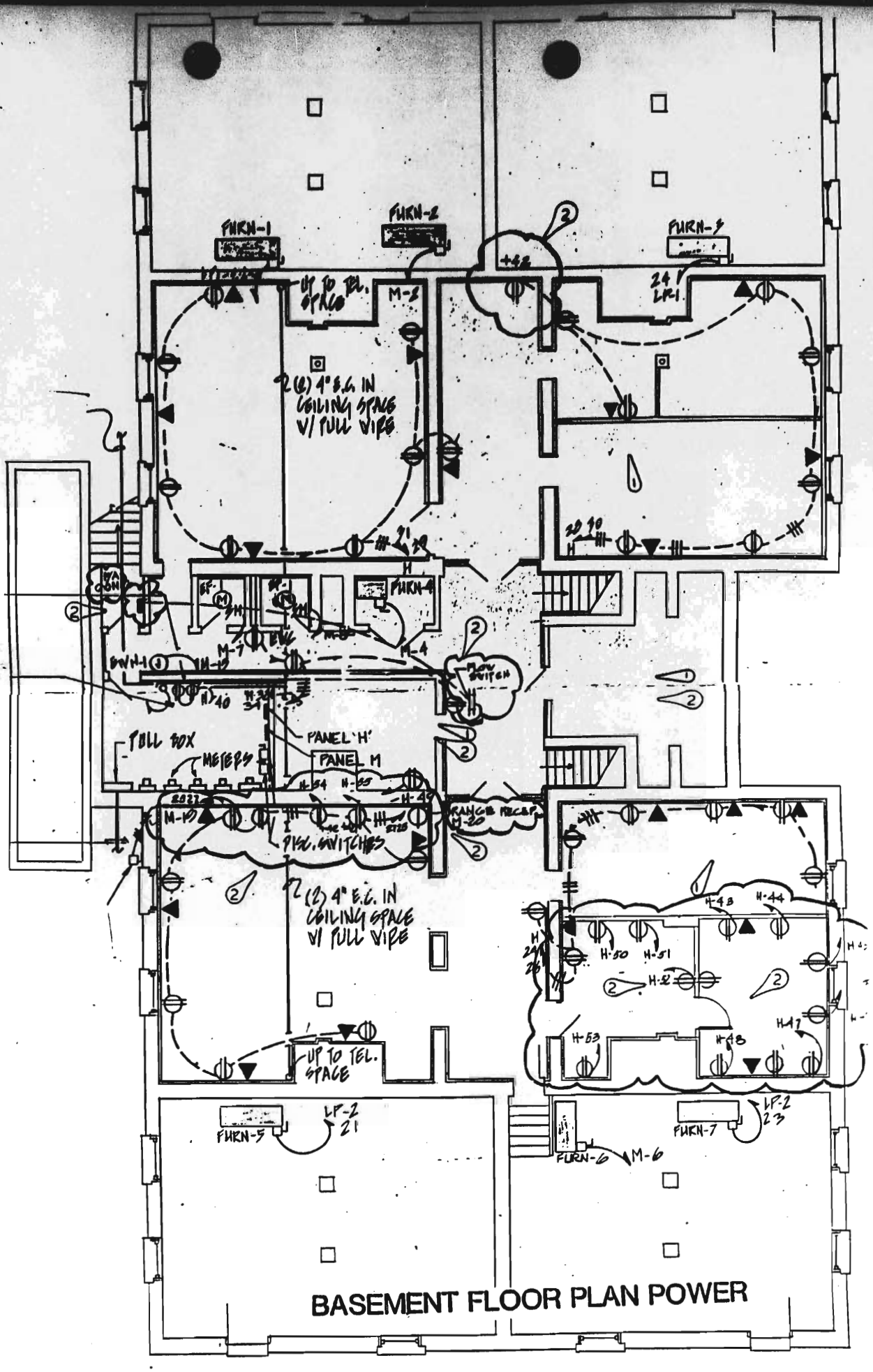


SECOND FLOOR PLAN POWER

9104087331336

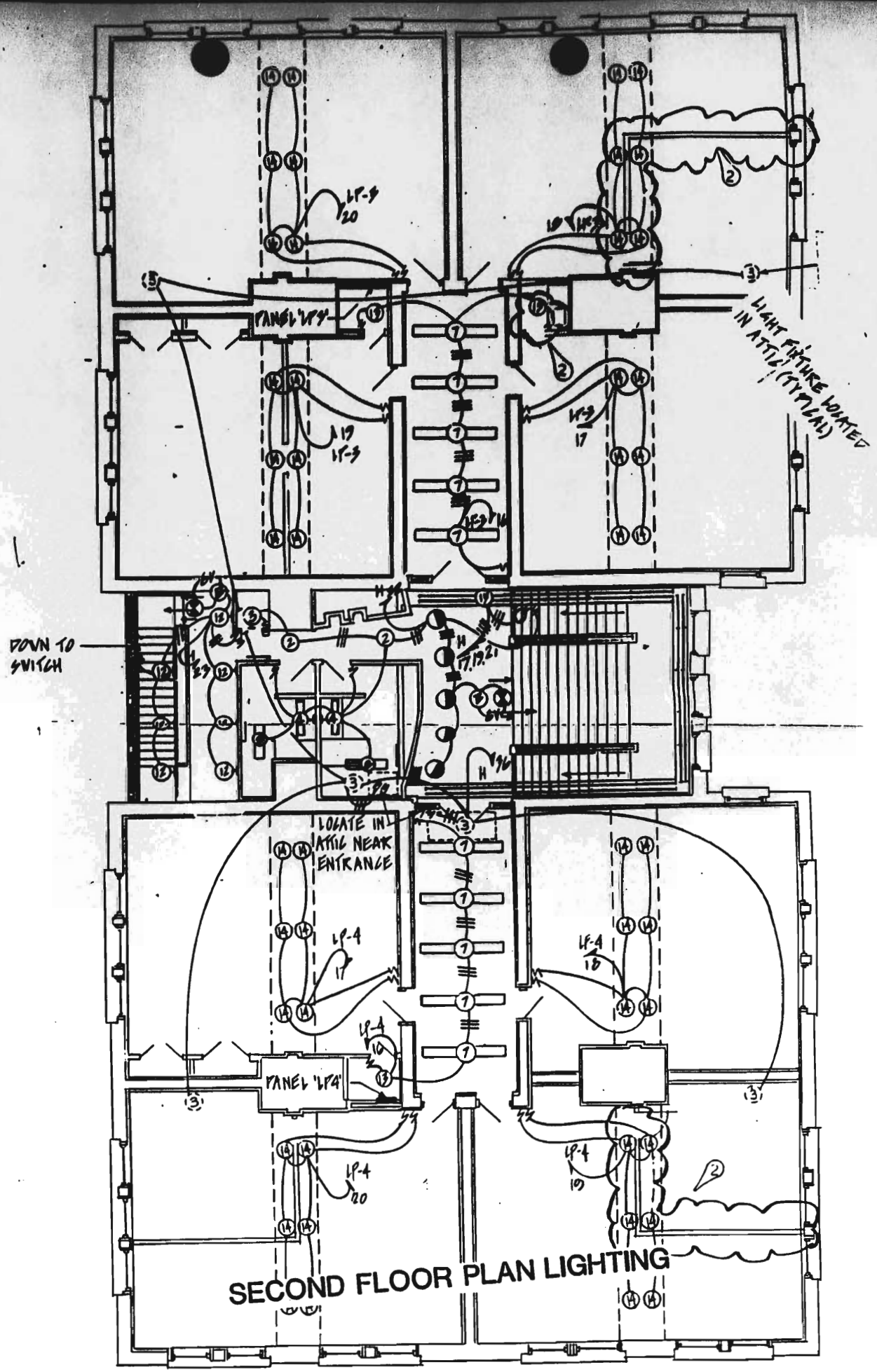


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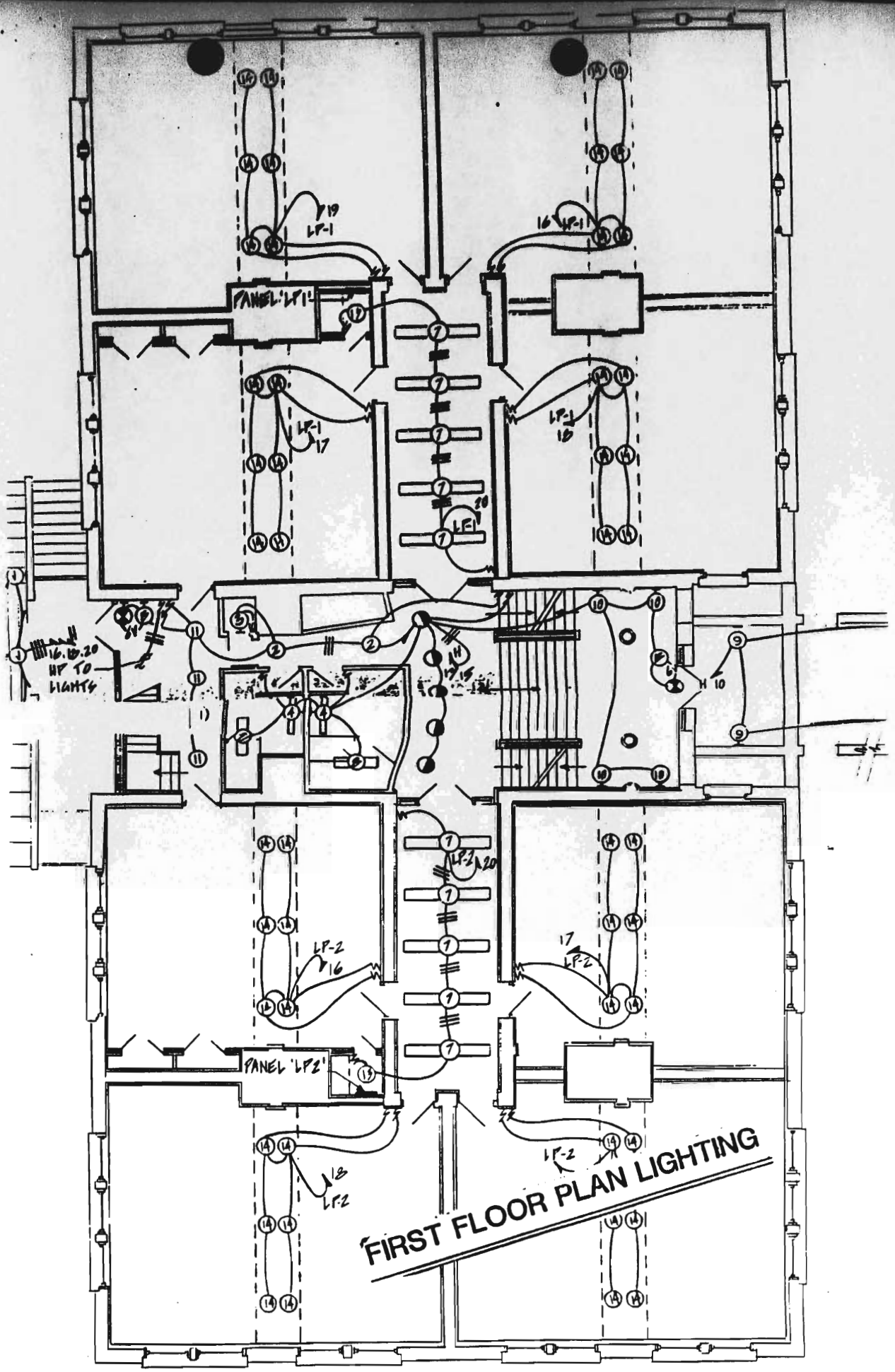
BASEMENT FLOOR PLAN POWER

9104087313138



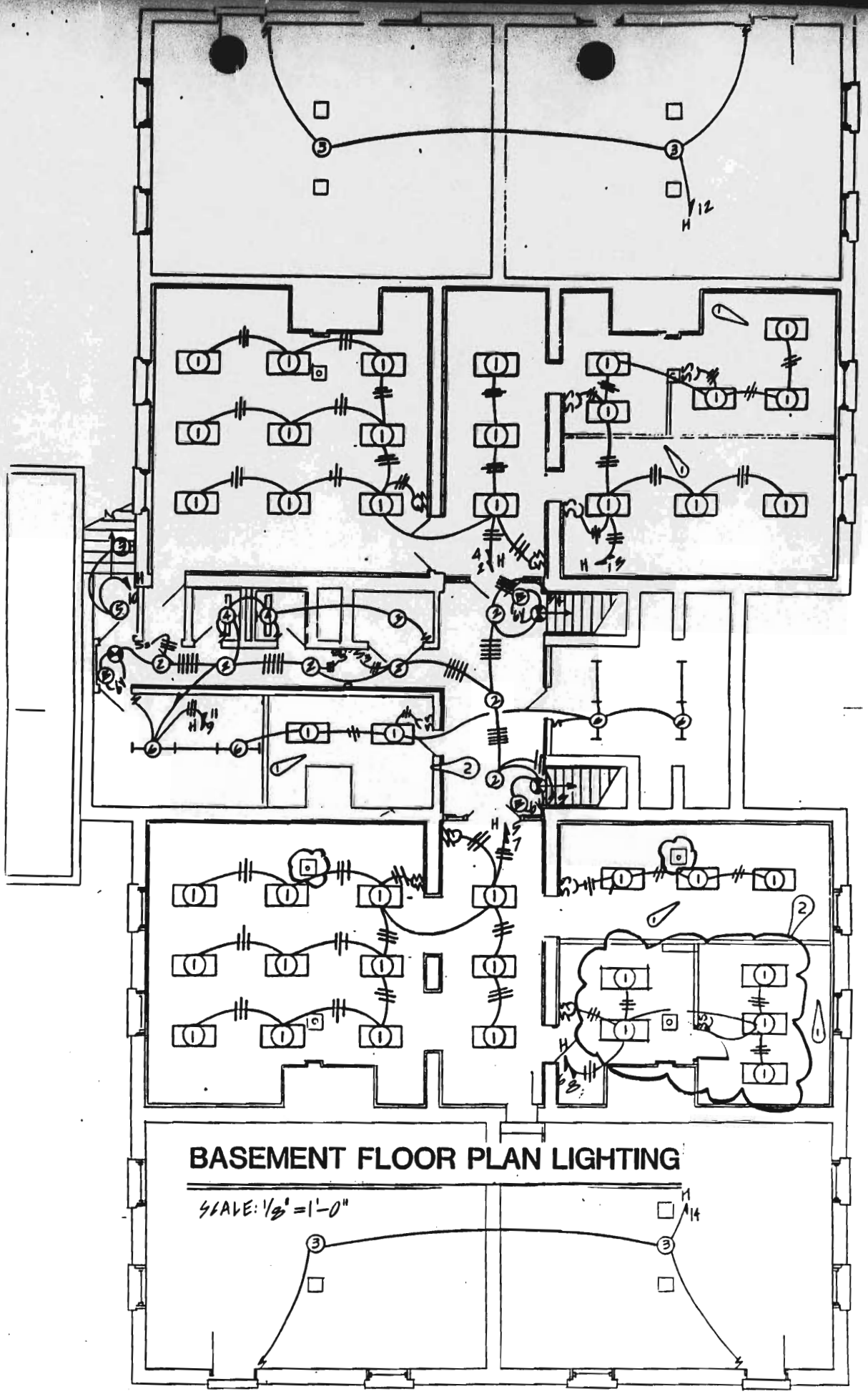
SECOND FLOOR PLAN LIGHTING

9104087331139



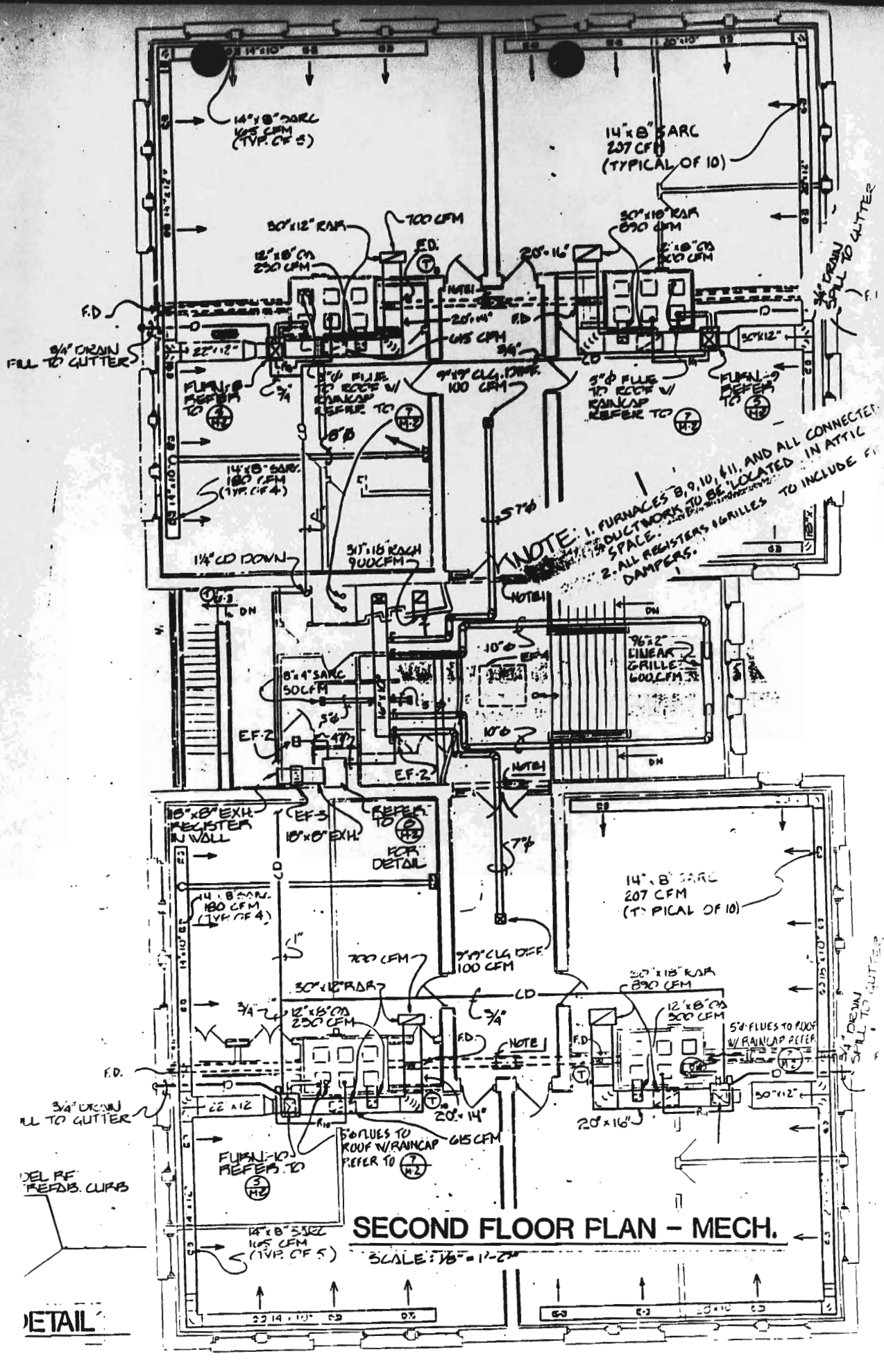
FIRST FLOOR PLAN LIGHTING

9104087314O



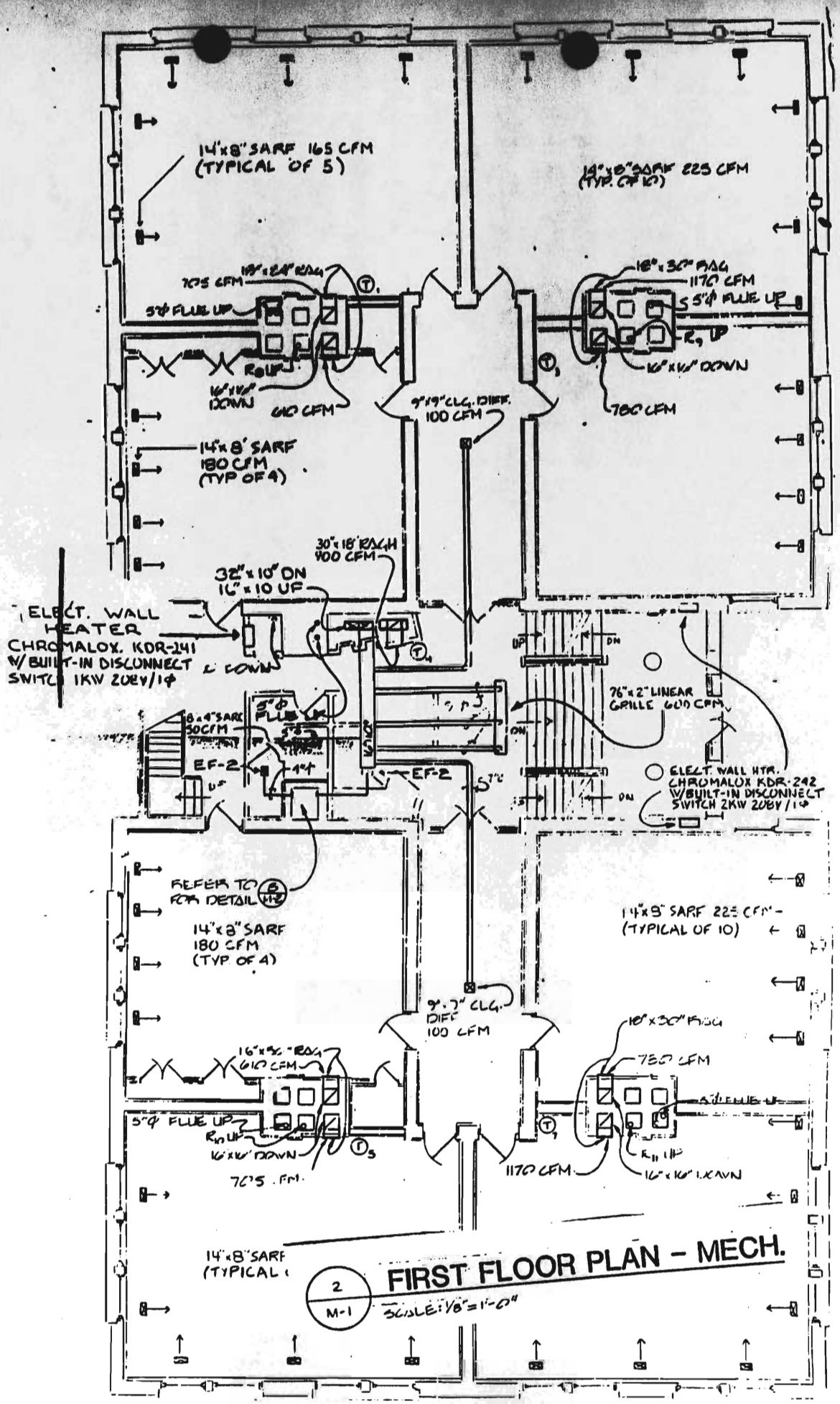
BASEMENT FLOOR PLAN LIGHTING

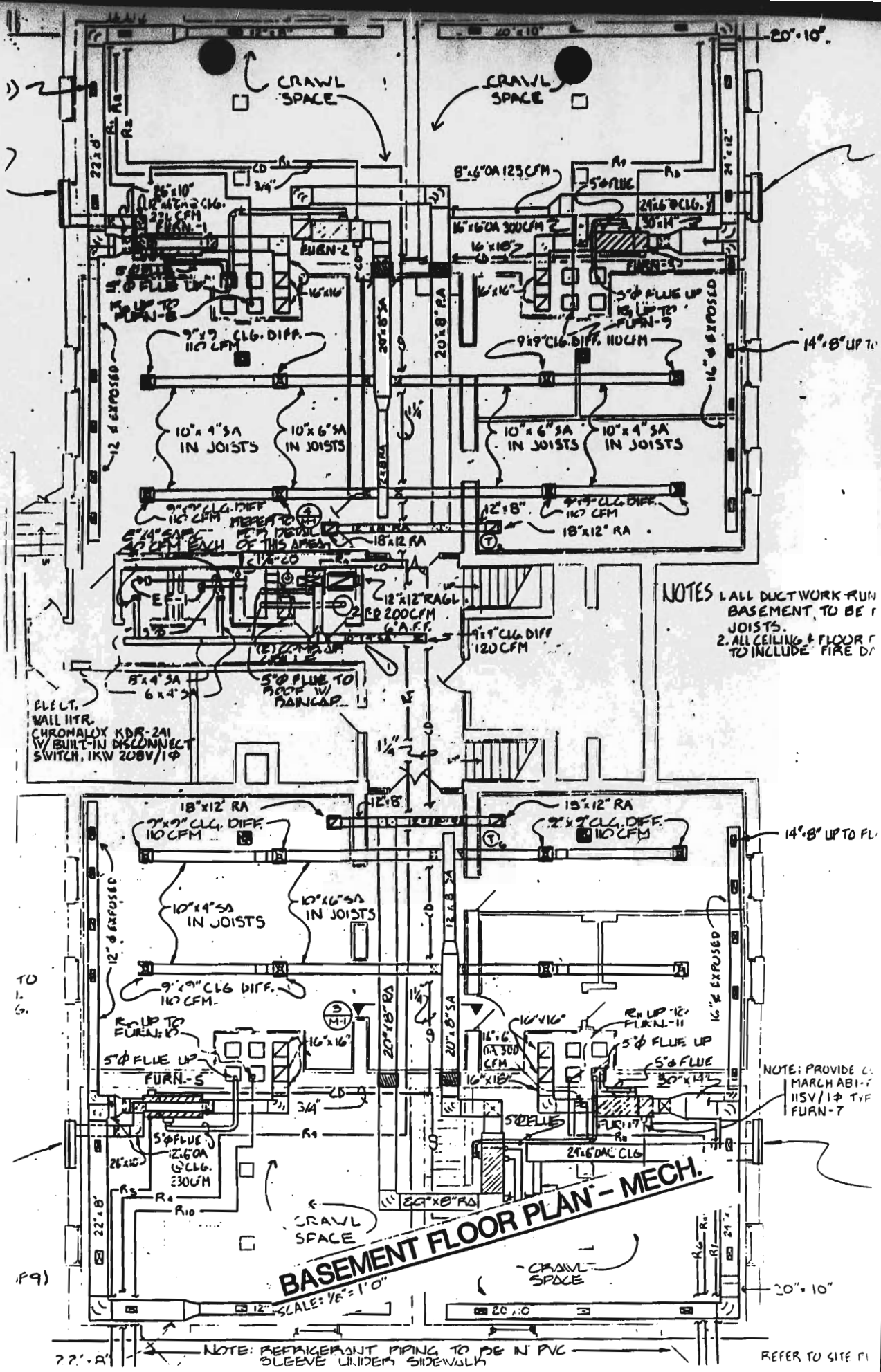
SCALE: 1/8" = 1'-0"



9104087314 1

9104037314 2



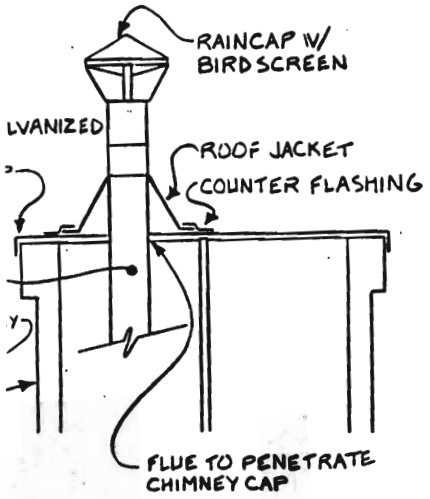


9104087313143

9104087 3144

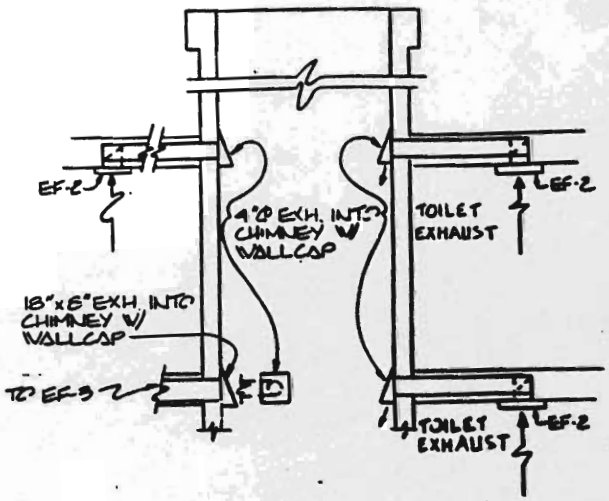
LEGEND

—CD—	CONDENSATE DRAIN
—D—	DRAIN
—R,—	REFRIGERANT PIPING DESIGNATION
CU	CONDENSING UNIT
FURN.	FURNACE
SA	SUPPLY AIR
RA	RETURN AIR
OA	OUTSIDE AIR
RAR	RETURN AIR REGISTER
SARF	SUPPLY AIR REGISTER - FLOOR
SARC	SUPPLY AIR REGISTER - CEILING
F.D.	FIRE DAMPER
CLG. DIFF.	CEILING DIFFUSER
A.F.F.	ABOVE FINISHED FLOOR
EF-1	EXHAUST FAN DESIGNATION
T	THERMOSTAT
■	STEEL LINTEL



FLUE DETAIL (TYP.)

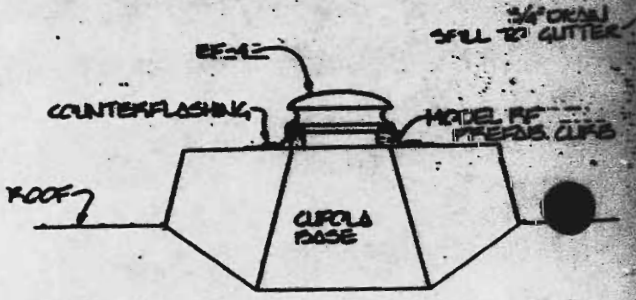
NO SCALE



EXHAUST DUCTWORK DETAIL

8 / M-2

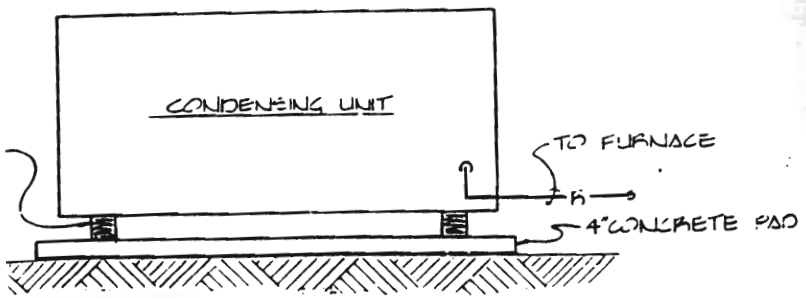
NO SCALE

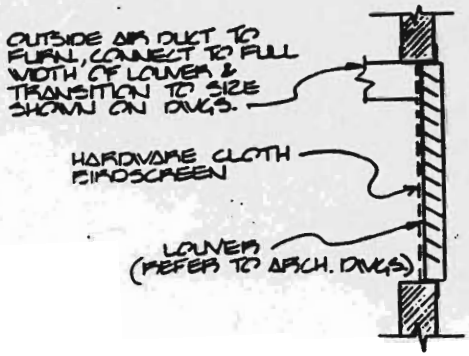


ATTIC EXHAUST DETAIL

11 / M-2

NO SCALE





INTAKE LOUVER DETAIL

9 1 0 4 0 8 7 3 1 4 5

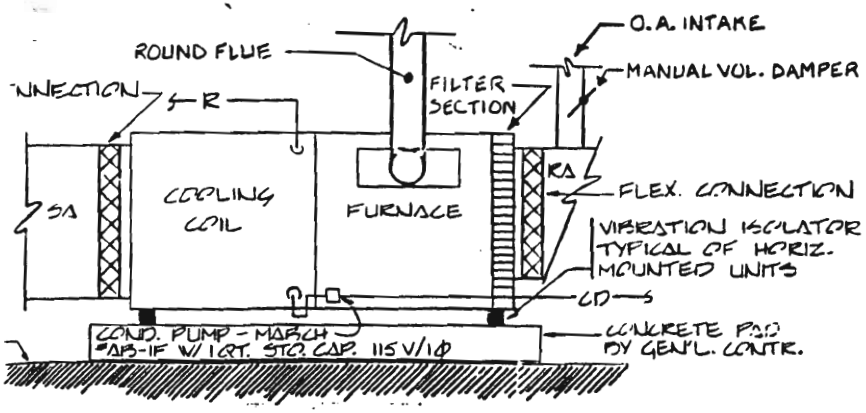
AIR CFM TOT.	AIR CFM OA	EXT. S.P.	COOLING MBH SENS.	COOLING MBH TOTAL	MBH	NAME & MODEL	REMARK/SERVES
1545	230	.5	33.0	46.0	100	58 EG100 SERIES 200/38CL048/28HQ048	1ST FLR. NE
880	125	.5	20.0	27.0	80	58 EG080 SERIES 200/38CL030/28HQ030	BSMT. E
2250	300	.5	43.0	55.0	160	58 EG160 SERIES 300/38CL060/28HQ060	1ST FLR. SE
2000	–	.5	39.0	56.5	125	58GS125 SERIES 400/38CL060/28ARC060	LOBBY
1545	230	.5	33.0	46.0	100	58 EG100 SERIES 200/38CL048/28HQ048	1ST FLR. NW
880	125	.5	20.0	27.0	80	58 EG080 SERIES 200/38CL030/28HQ030	BSMT. W
2250	300	.5	43.0	55.0	160	58 EG160 SERIES 300/38CL060/28HQ060	1ST FLR. SW
1545	230	.5	31.5	45.0	100	58GS100 SERIES 300/38CL048/28ARC048	2ND FLR. NE
2070	290	.5	40.0	55.0	150	58GS150 SERIES 300/38CL060/28ARC060	2ND FLR. SE
1545	230	.5	31.5	45.0	100	58GS100 SERIES 300/38CL048/28ARC048	2ND FLR. NW
2070	290	.5	40.0	55.0	150	58GS150 SERIES 300/38CL060/28ARC060	2ND FLR. SW

: ALL FURNACES TO BE 120V/1Φ, ALL CONDENSING UNITS TO BE 208V/3Φ

M-2

SUPPLY AIR REGISTERS - FLOOR AND CEILING DIFFUSER
RETURN AIR REGISTER/EXHAUST REGISTER
COMBUSTION AIR GRILLE
OUTSIDE AIR GRILLE

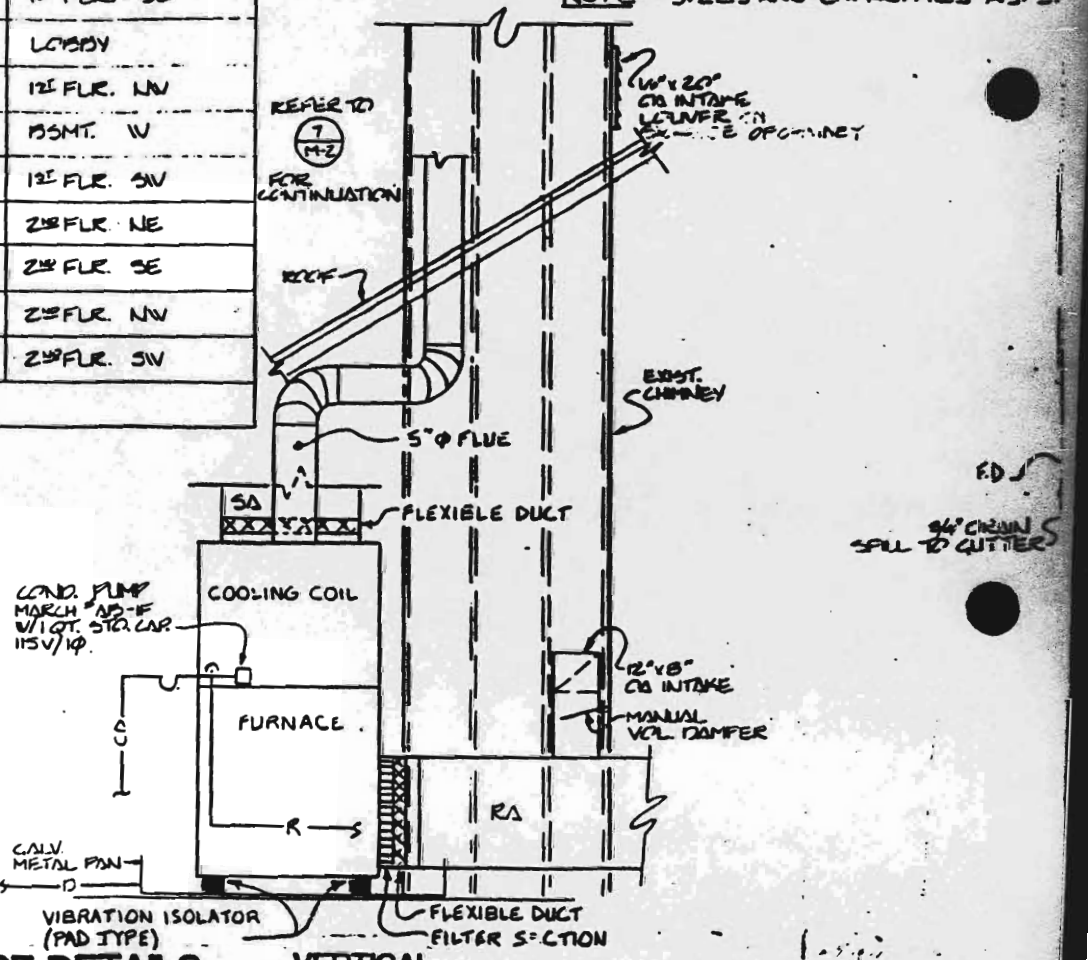
NOTE - SIZES AND CAPACITIES AS SH



HORIZONAL

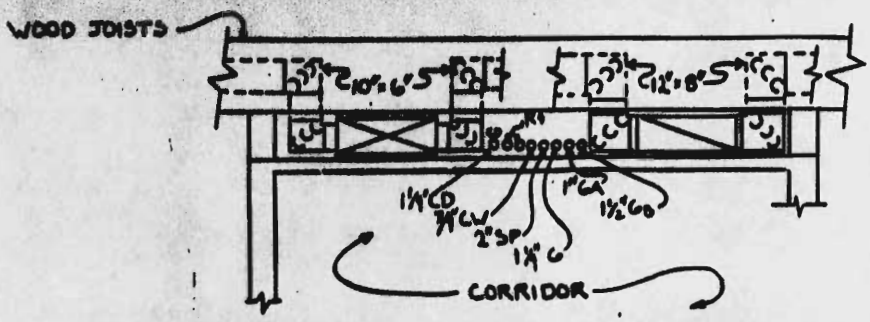
5 / M-2 NO SCALE

GAS FIRED FURNACE DETAILS



VERTICAL

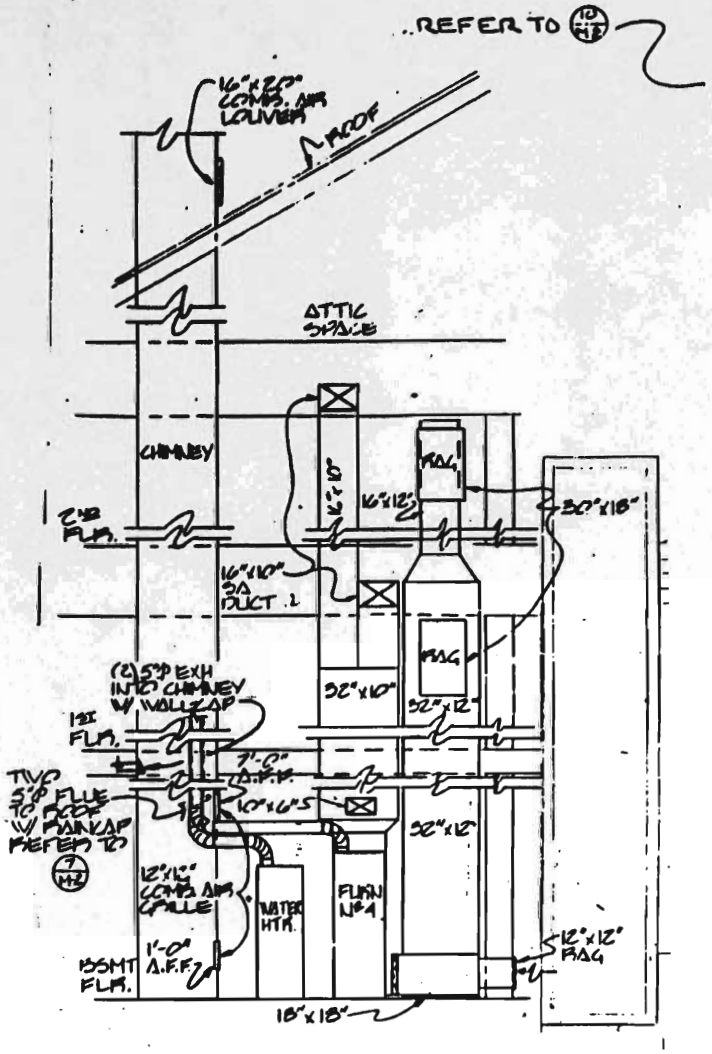
9104037314 6



3 / M-1 **BSMT. CORRIDOR-SECTION**

NO SCALE

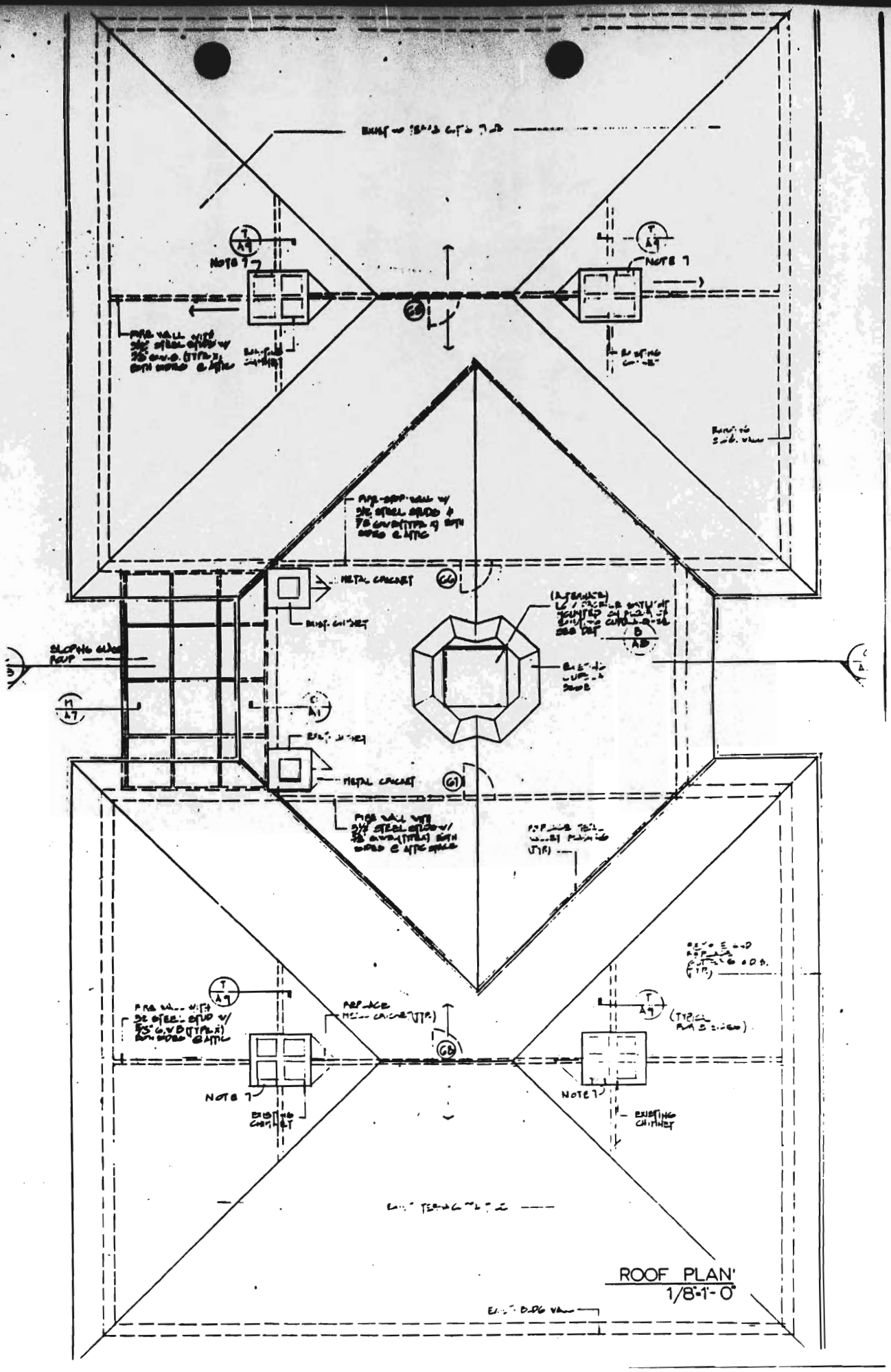
14"x8" UP TO FLOOR REG. (TYP OF 10)



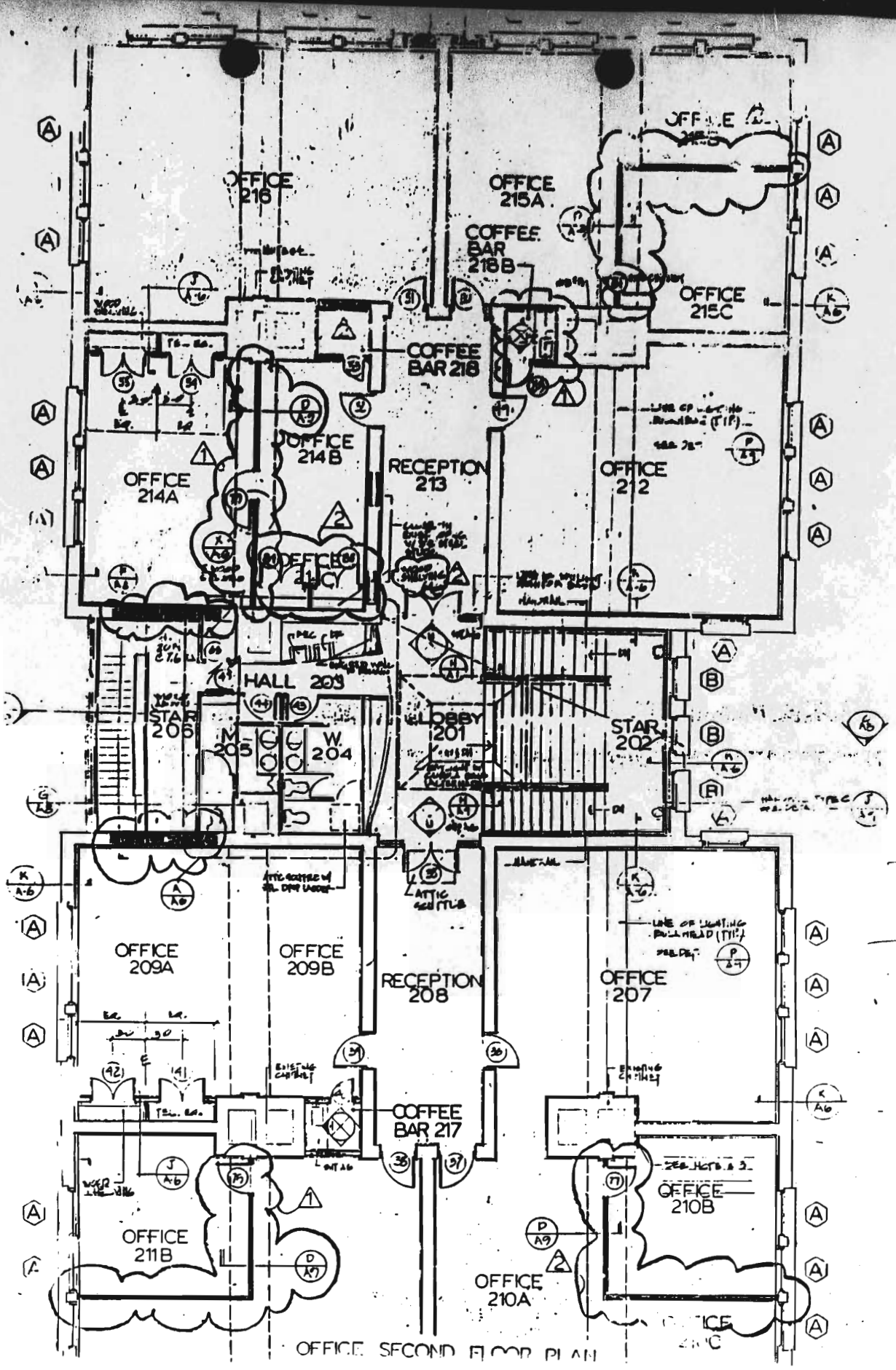
4 / M-1 **EQUIP. ROOM DETAIL**

NO SCALE

9104087317

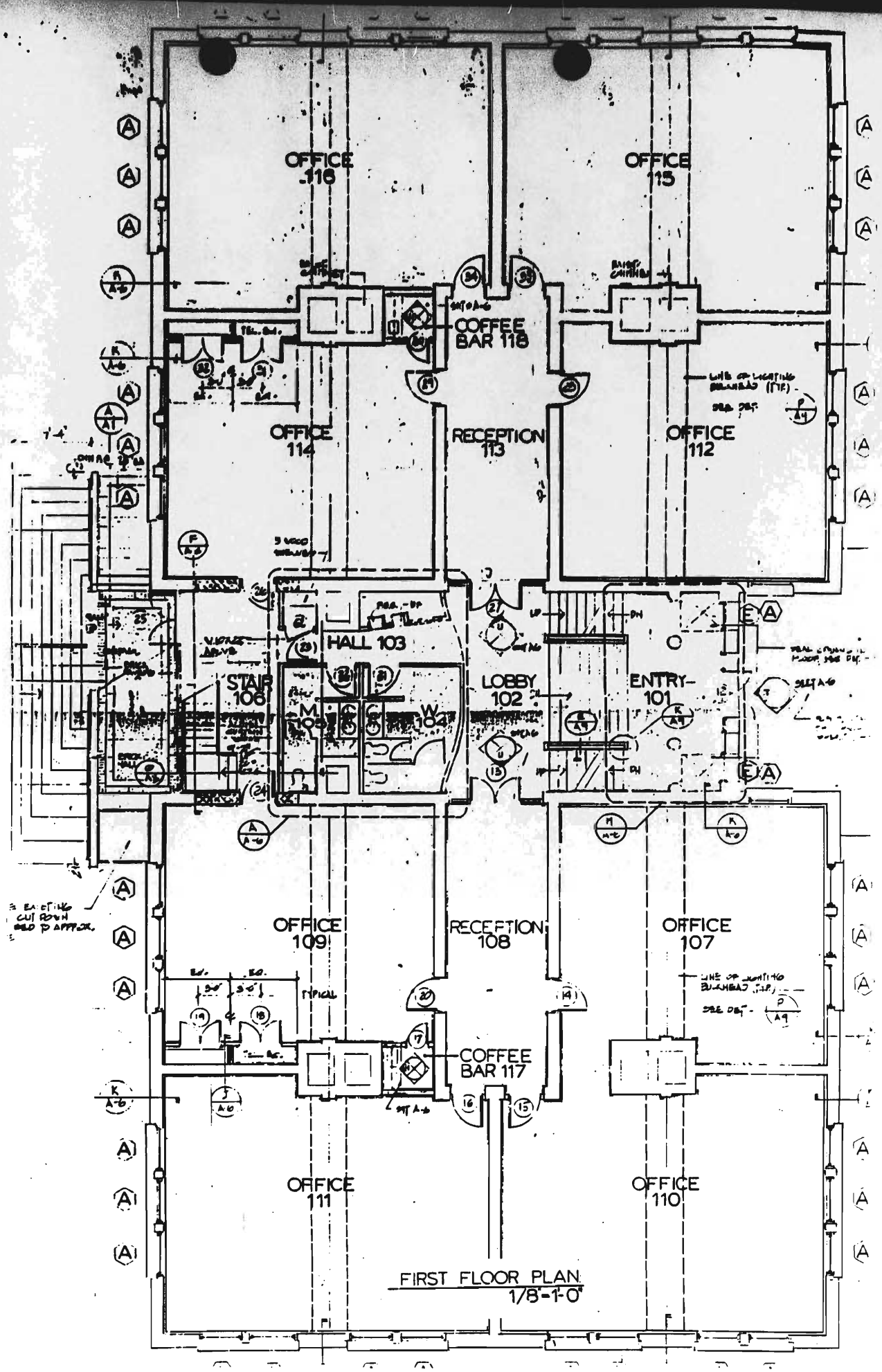


ROOF PLAN
1/8"-1'-0"

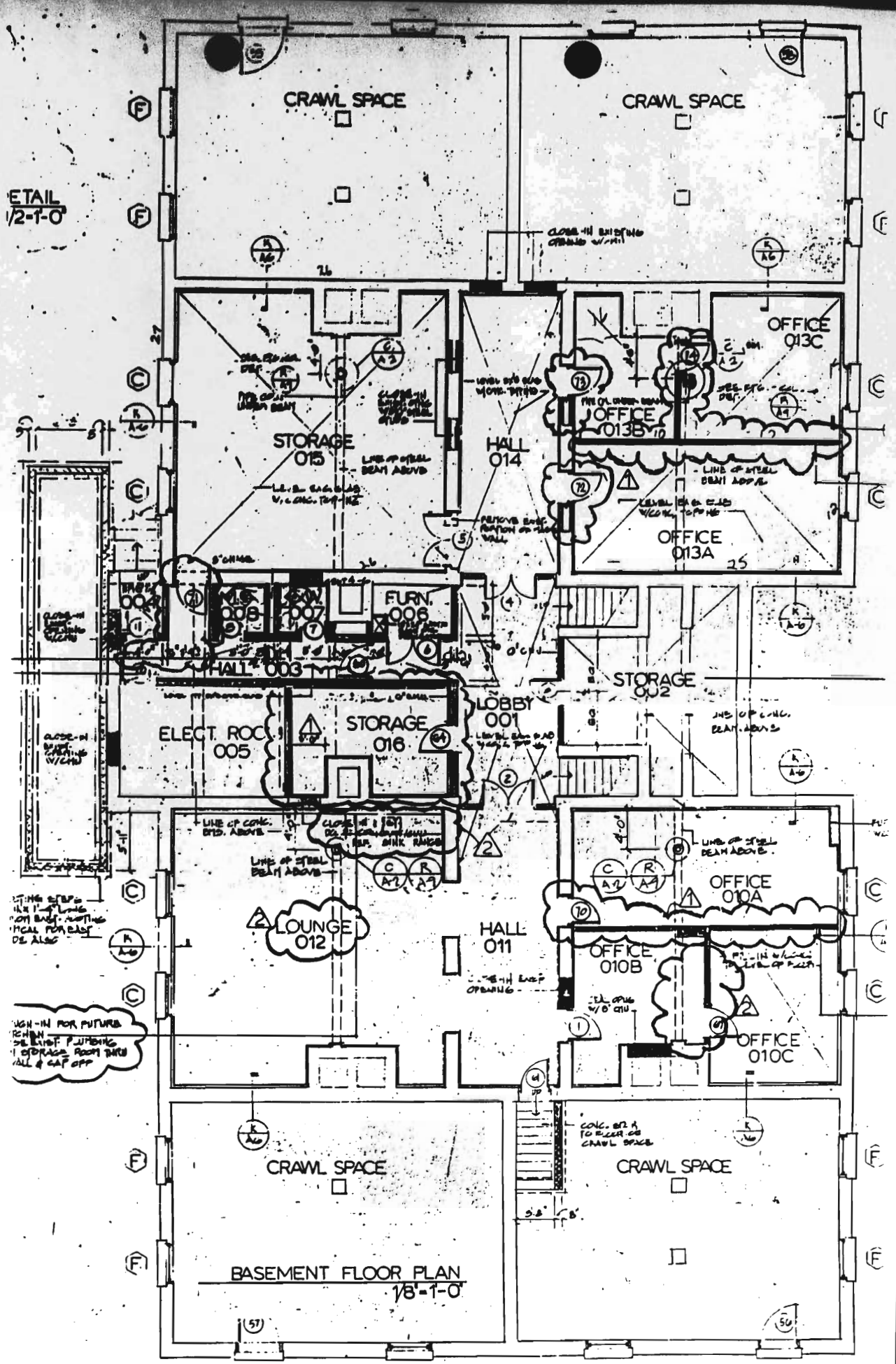


OFFICE SECOND FLOOR PLAN

9104087318


OFFICE 116
OFFICE 115
COFFEE BAR 118
OFFICE 114
RECEPTION 113
OFFICE 112
HALL 103
STAIR 106
M 105
W 104
LOBBY 102
ENTRY- 101
OFFICE 109
RECEPTION 108
OFFICE 107
COFFEE BAR 117
OFFICE 111
OFFICE 110
FIRST FLOOR PLAN
1/8"-1'-0"

9104037149

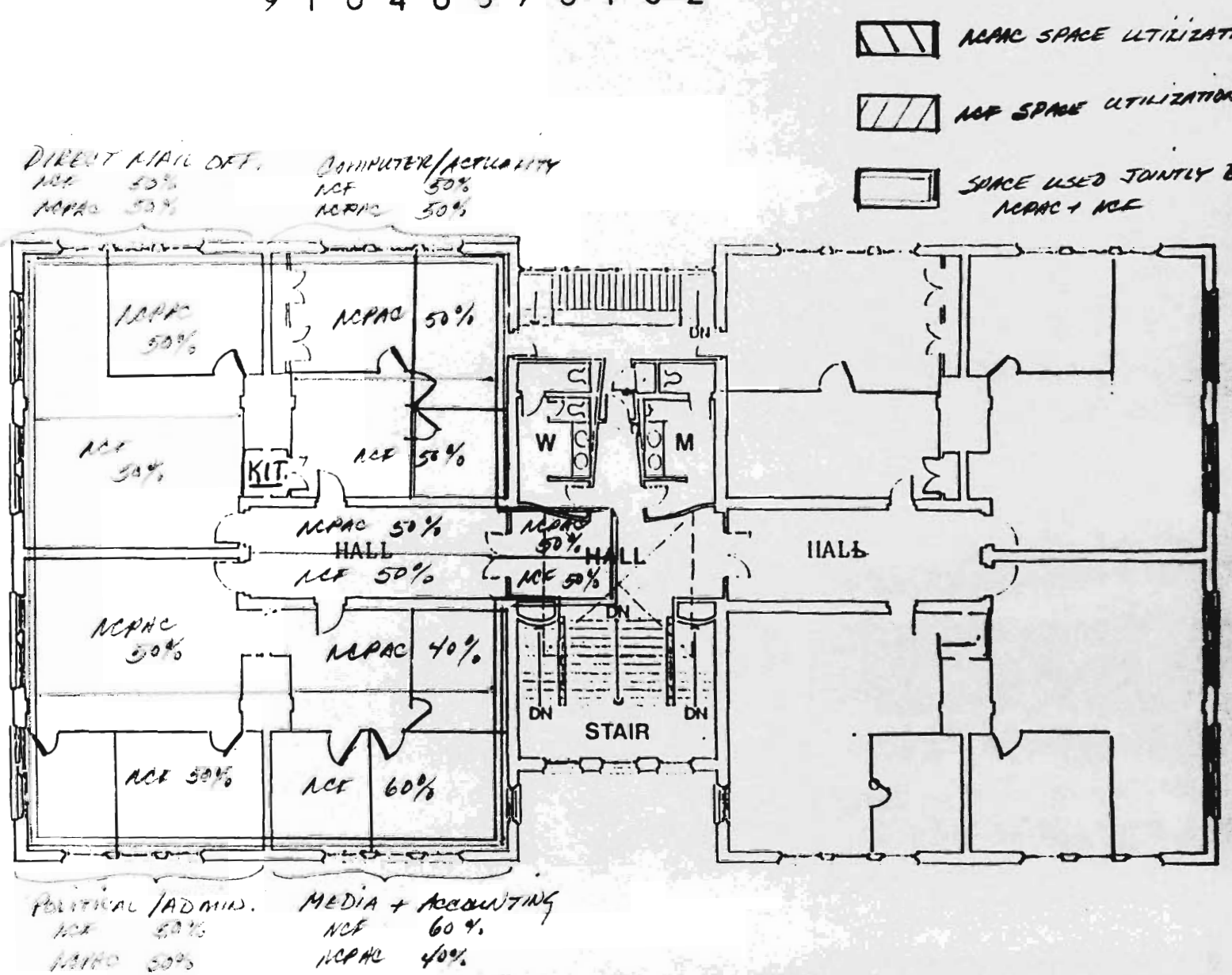


9104038731150

EXHIBIT "K"

Office	TOTAL SQ. FEET	%NCPAC	NCPAC SQ. FEET	%NCF	NCF SQ FEET	
COMPUTER/ACTUALITY NW CENTER 2ND FL.	642	50%	321	50%	321	
DIRECT MAIL NW-CORNER	737	50%	368.5	50%	368.5	
ADMIN./POLITICAL SW CORNER 2ND FL.	737	50%	368.5	50%	368.5	
MEDIA/ACCOUNTING SW CORNER 2ND FL.	642	40%	256.8	60%	385.2	
WEST HALL 2ND FLOOR	280	50%	140	50%	140	
LOBBY 2ND FLOOR	220	25%	55	25%	55	
TOTAL OFFICE SPACE			1509.8			
BASEMENT STORAGE	700 ~~600~~		600.0		100	

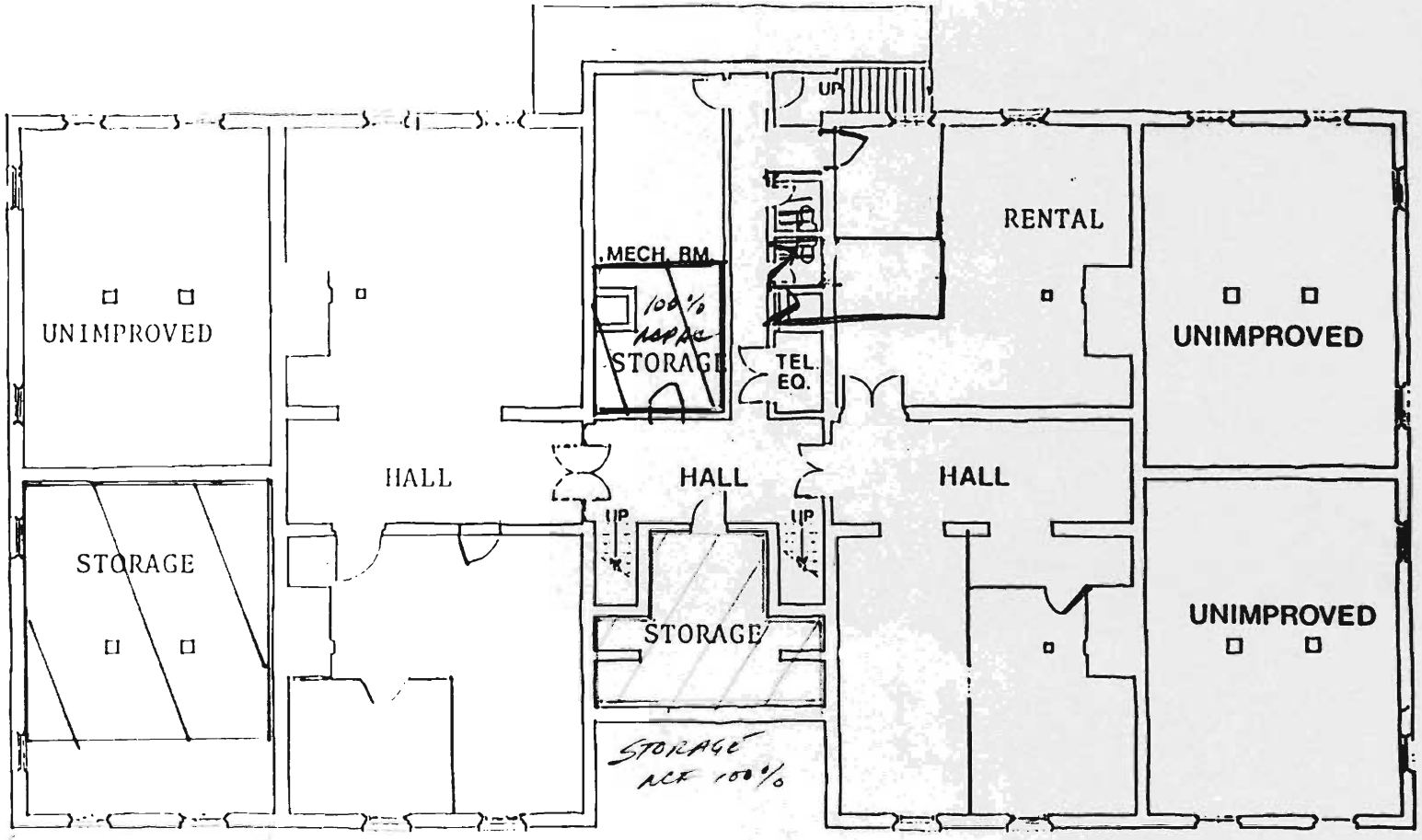
9 1 0 4 0 8 7 3 1 5 2



SECOND FLOOR

SCALE: 1/16' = APPROX 1"

9 1 0 4 0 8 7 3 1 5 3

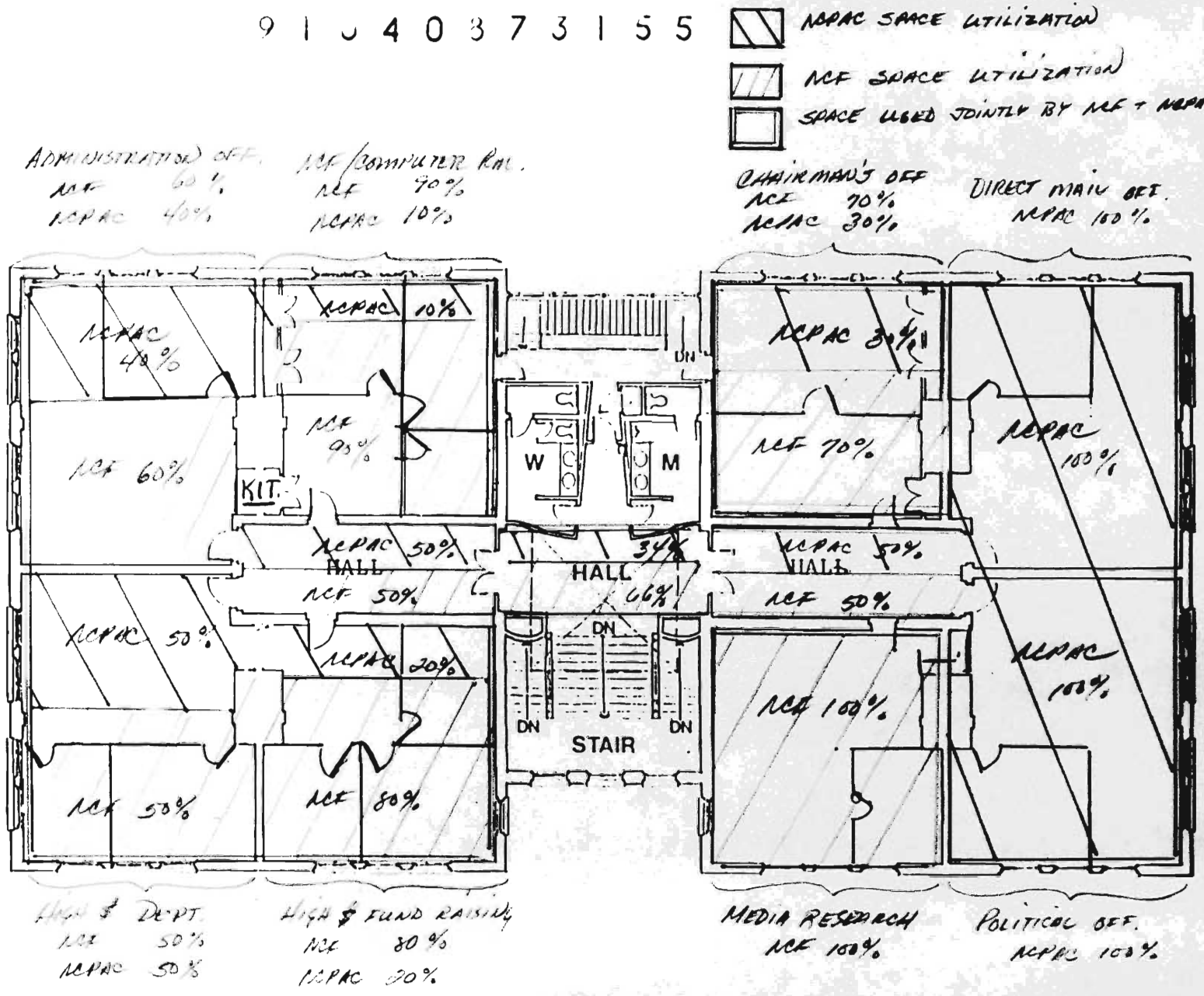


LOWER LEVEL

JUNE 1986 TO SEPTEMBER 1987

Office	TOTAL SQ. FEET	%NCPAC	NCPAC SQ. FEET	%NCF	NCF SQ FEET	
DIRECT MAIL NE CORNER 2ND FL.	737	100%	737	0%	0	
POLITICAL SE-CORNER 2ND FL.	737	100% ~~70%~~	737.0 ~~515.9~~	30%	221.1	
CHAIRMAN'S OFFICE NE CENTER 2ND FL.	642	30.% ~~10%~~	192.6 ~~64.2~~	70 ~~90%~~	577.8	
MEDIA RESEARCH SE CENTER 2ND FL.	642	0%	0	100%	642	
EAST HALL 2ND FLOOR	280	50% ~~69%~~	140 ~~194.4~~	50 ~~51%~~	145.6	
LOBBY 2ND FLOOR	220	34%	74.8	66%	145.2	
WEST HALL 2ND FLOOR	280	50% ~~20%~~	140 ~~56~~	50 ~~80%~~	224	
NCF/COMPUTERS NW CENTER 2ND FL.	642	10%	64.2	90%	577.8	
ADMINISTRATION NW CORNER 2ND FL.	737	40%	294.8	60%	442.2	
HIGH $/NCF SW CORNER 2ND FL.	737	~~10%~~ 50%	~~73.7~~ 368.5	90%	663.3	
NCF FUNDRAISING SW CENTER 2ND FL.	642	20%	128.4	80%	513.6	
TOTAL OFFICE SPACE			2,877.3			
STORAGE	BASEMENT		800		100	

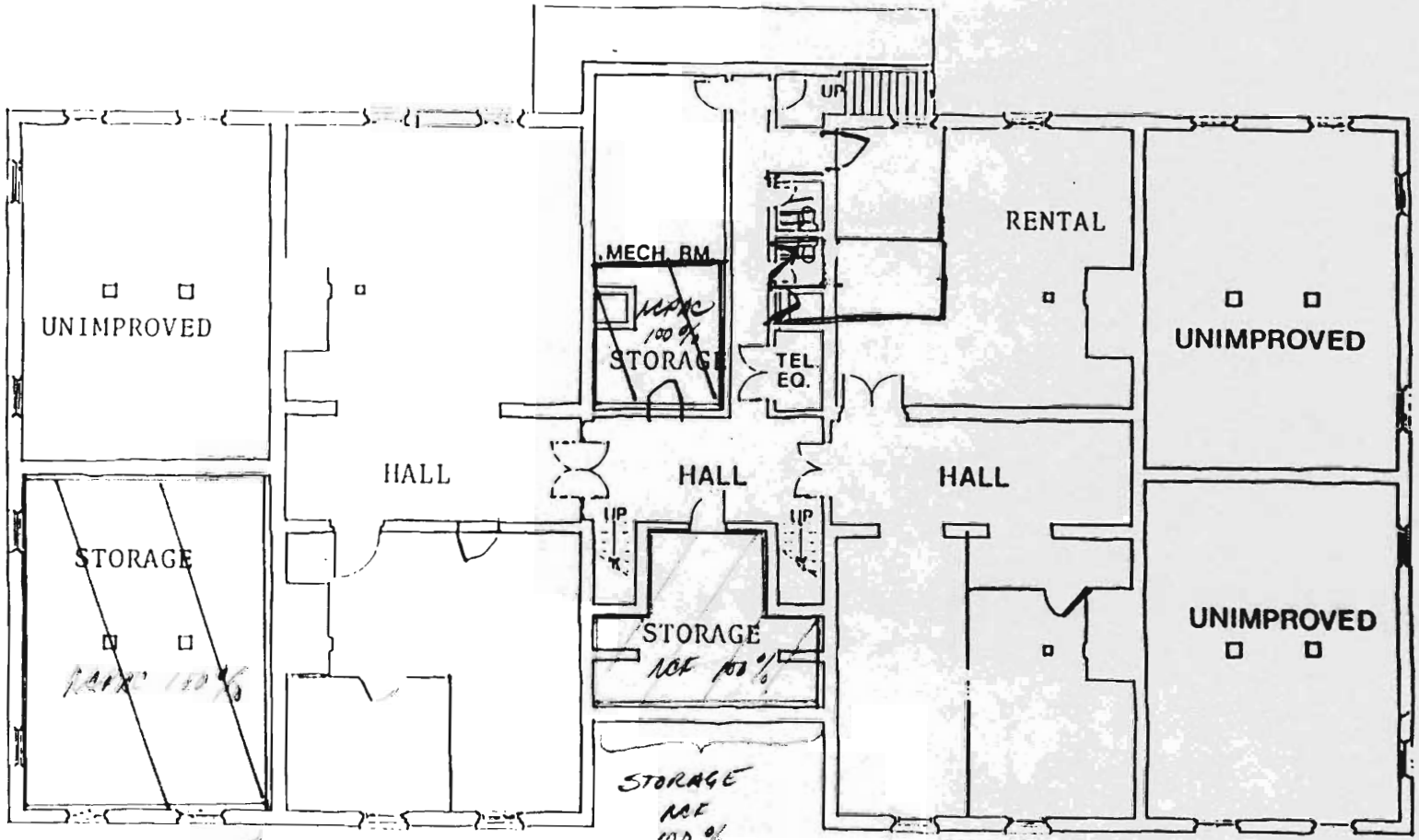
9 1 0 4 0 3 7 3 1 5 5



SECOND FLOOR

SCALE: 1/16" = APPROX. 1'

9 1 0 4 0 8 7 3 1 5 6



LOWER LEVEL

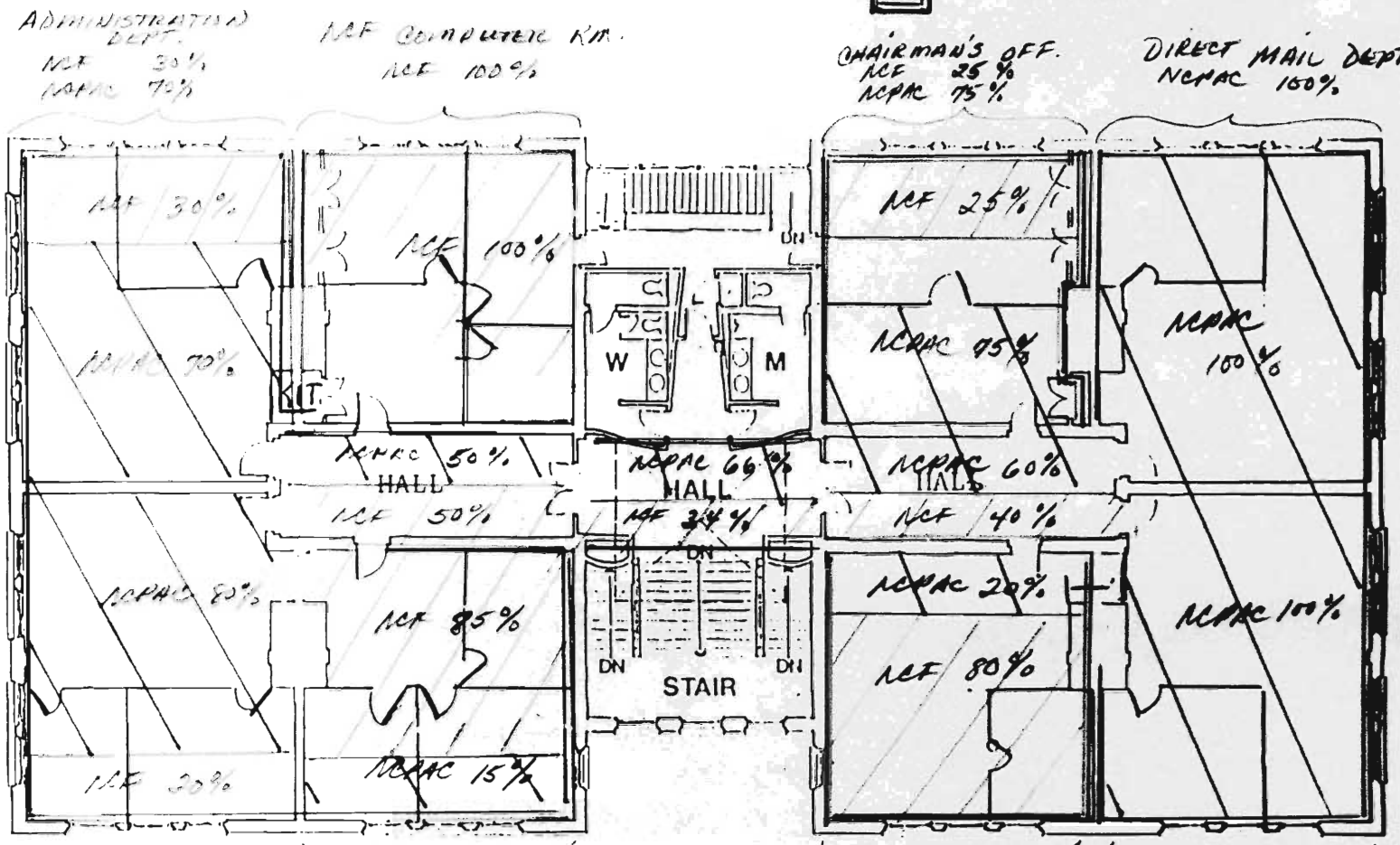
SCALE: 1/16" = APPROX 1'

AUGUST 1985 TO MAY 1986

Office	TOTAL SQ. FEET	%NCPAC	NCPAC SQ. FEET	%NCF	NCF SQ FEET	
DIRECT MAIL NE CENTER 2ND FL.	737	100%	737	0%	0	
POLITICAL SE CORNER 2ND FL.	737	~~70~~ 100%	~~515.9~~ 737	30	221.1	
CHAIRMAN'S OFFICE NE CENTER 2ND FL.	642	75%	481.5	25%	160.5	
MEDIA BIAS/NCF SE CENTER 2ND FL.	642	20%	128.4	80%	513.6	
EAST HALL 2ND FLOOR	280	60%	168	40%	112	
LOBBY 2ND FLOOR	220	66%	145.2	34%	74.8	
EWST HALL 2ND FLOOR	280	~~25%~~ 50%	~~70~~ 140	75%	210	
NCF/COMPUTERS NW CENTER 2ND FL.	642	0%	0	100%	642	
ADMINISTRATION NW CORNER 2ND FL.	737	70%	515.9	30%	221.1	
HIGH $/NCF SW CORNER 2ND FL.	737	80%	589.6	20%	147.4	
TOTAL OFFICE SPACE			3642.6			
STORAGE	BASEMENT		800		100	
HIGH $ FUNDRAISING	642	15%	96.3	85%	545.7	

91040873158

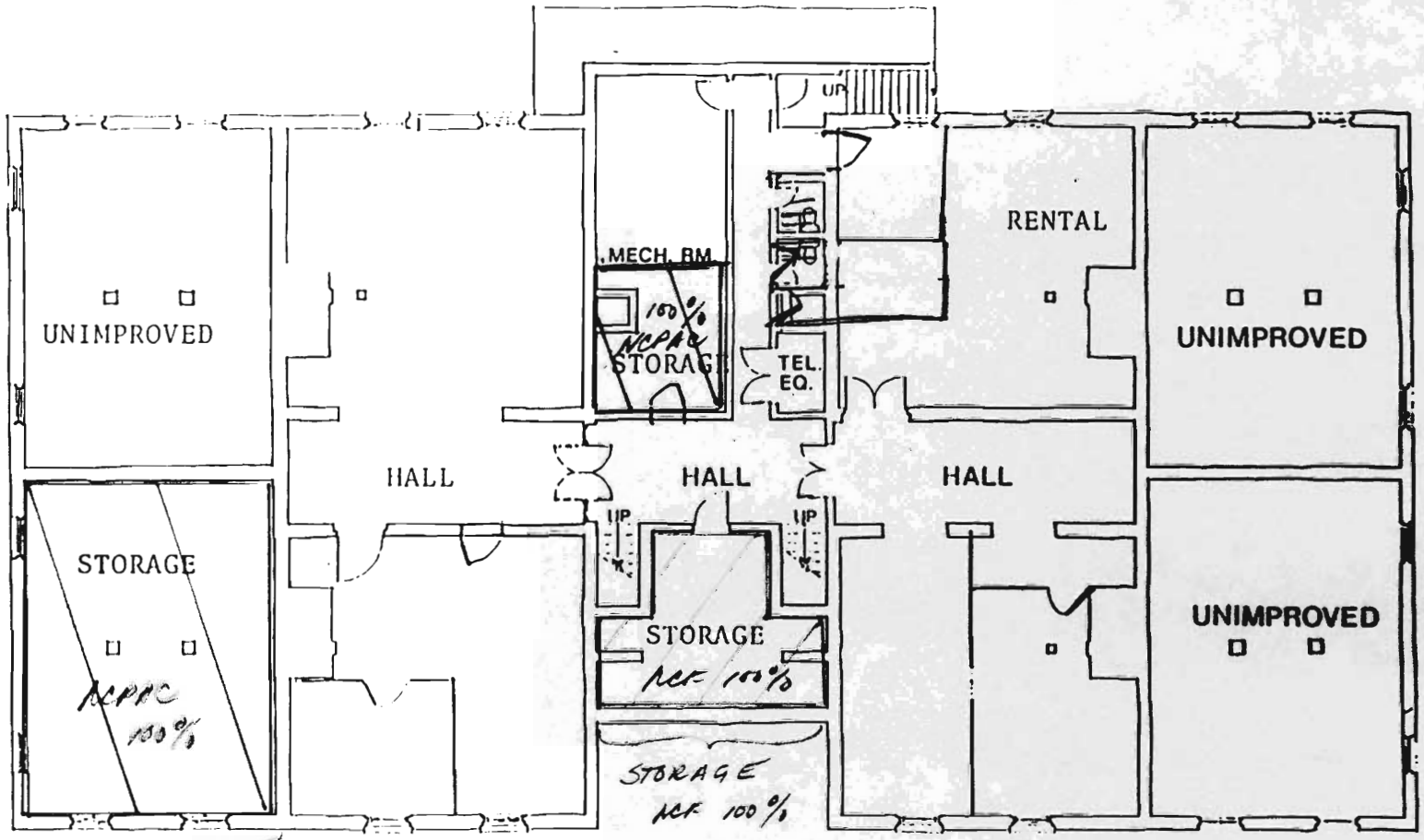
NCPAC SPACE UTILIZATION
NCF SPACE UTILIZATION
SPACE USED JOINTLY BY NCF + NCPAC



SECOND FLOOR

SCALE: 1/16" = APPROX. 1'

9104087 3159



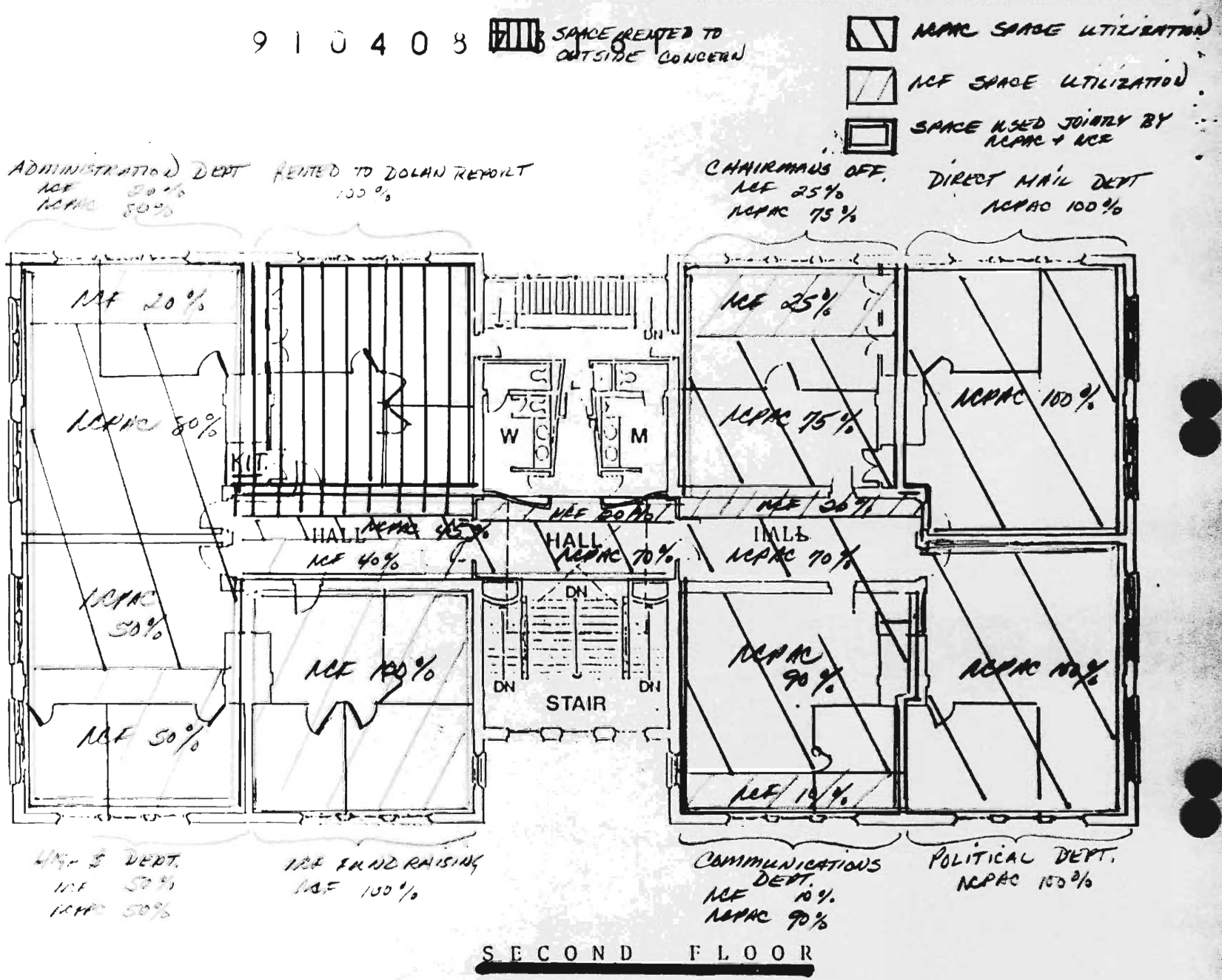
LOWER LEVEL

SCALE: 1/16" = APPROX. 1'

DECEMBER 1984 TO AUGUST 1985

Office	TOTAL SQ. FEET	%NCPAC	NCPAC SQ. FEET	%NCF	NCF SQ FEET	
DIRECT MAIL NW CORNER 2ND FL.	737	100%	737	0%	0	
POLITICAL SE CORNER 2ND FL.	.737	~~90%~~ 100%	~~663.3~~ 737	10%	74.6	
CHAIRMAN'S OFFICE NE CENTER 2ND FL.	642	75%	481.5	25%	160.5	
COMMUNICATIONS SE CENTER 2ND FL.	642	90%	577.8	10%	64.2	
EAST HALL 2ND FLOOR	280	70%	196	20%	56	DOLAN RPT. USED REMNG SPACE
LOBBY 2ND FLOOR	220	70%	154	20%	44	DOLAN RPT. USED RMG SP
WEST HALL 2ND FLOOR	280	35%	98	40%	112	DOLAN RPT. USED RMG SP
ADMINISTRATION NW CORNER 2ND FL.	737	80%	589.60	20%	147.4	
HIGH $/NCF SW CORNER 2ND FL.	737	~~40%~~ 50	~~294.8~~ 368.5	60%	442.2	
NCF FUNDRAISING SW CENTER 2ND FL.	642	0%	0	100%	642	
PHONE BANK BASEMENT EAST WING DISCONTINUED IN MAY 1985	1,753	100%	~~1,753~~	0%	0	Disbanded in May 1985
NCF/HIGH $ PHN BNK BASEMENT SW OFFICE	656	50%	328	50%	328	
TOTAL OFFIC SPACE			4267.4			
STORAGE			1004.8		100	

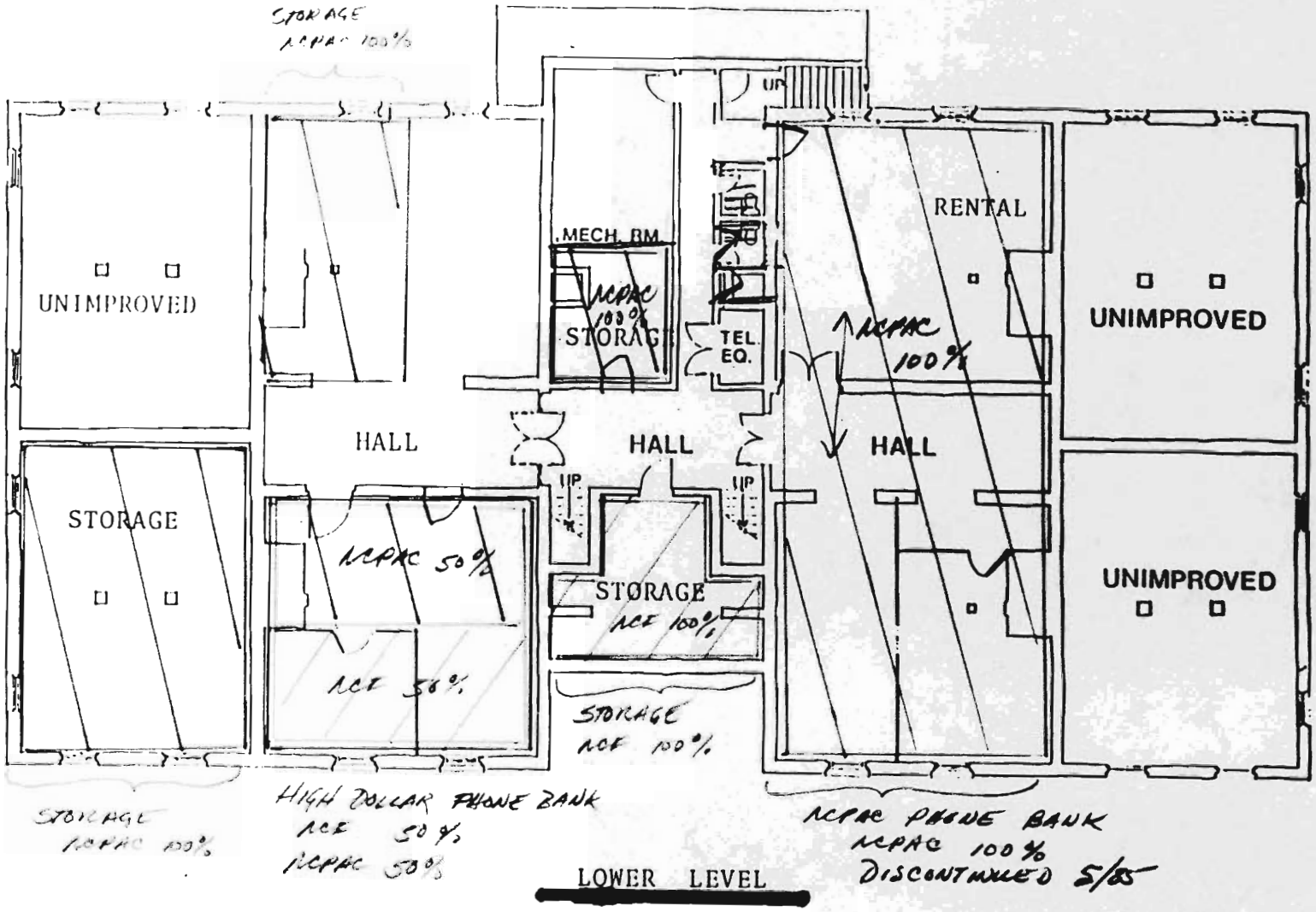
9 1 0 4 0 8



SECOND FLOOR

SCALE: 1/16" = APPROX. 1'

9104073162


STORAGE
NCPAC 100%
UNIMPROVED
HALL
STORAGE
NCPAC 50%
ACE 50%
MECH. RM
NCPAC 100%
STORAGE
TEL. EQ.
HALL
UP
UP
STORAGE
ACE 100%
STORAGE
NCPAC 100%
HIGH DOLLAR PHONE BANK
ACE 50%
NCPAC 50%
UP
RENTAL
NCPAC 100%
HALL
UNIMPROVED
UNIMPROVED
NCPAC PHONE BANK
NCPAC 100%
DISCONTINUED 5/85
LOWER LEVEL
SCALE: 1/16' = APPROX 1'

JULY 1984 TO NOVEMBER 1984

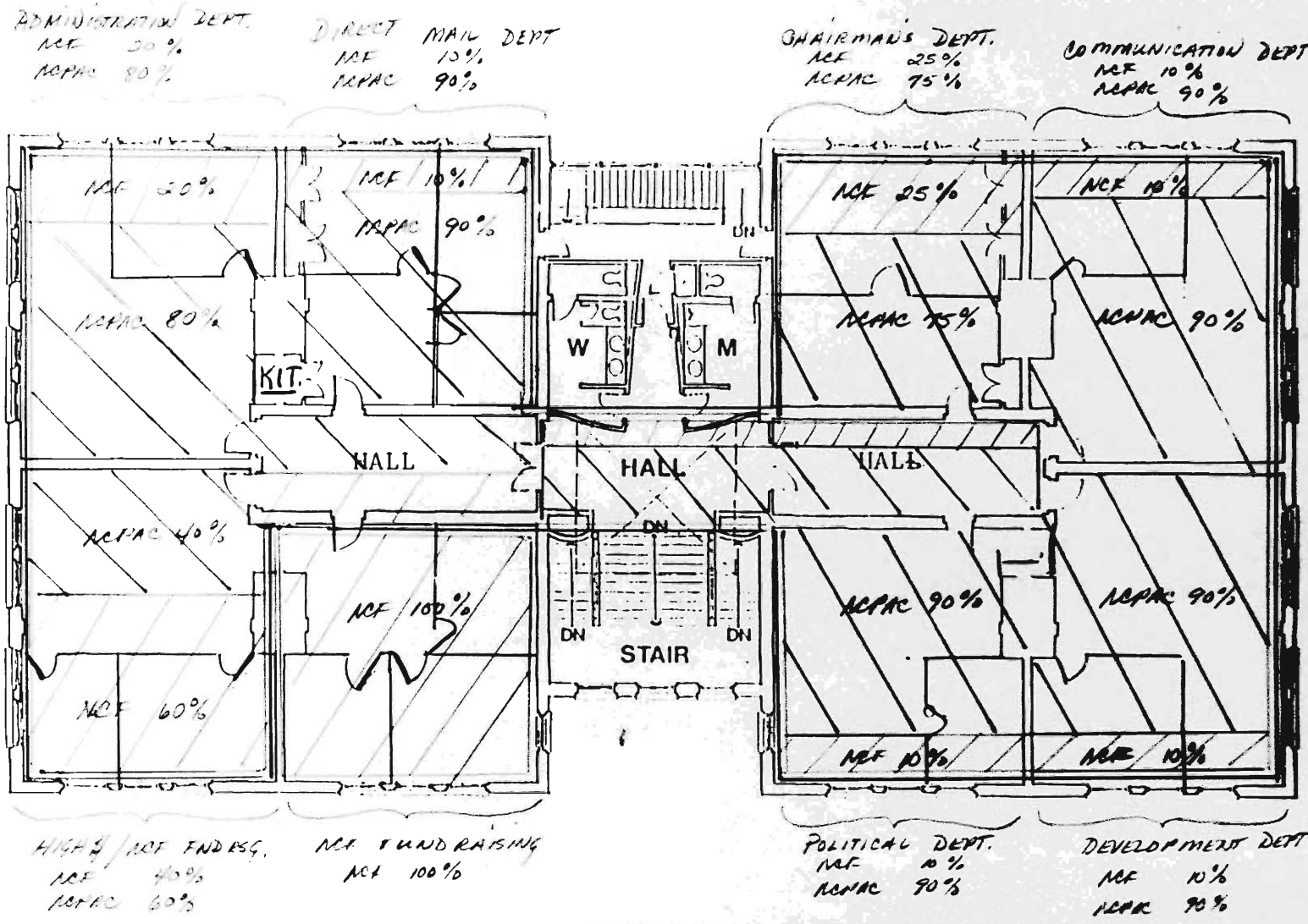
Office	TOTAL SQ. FEET	%NCPAC	NCPAC SQ. FEET	%NCF	NCF SQ FEET	
COMMUNICATIONS NW CORNER 2ND FL.	737	90%	663.3	10%	74.6	
POLITICAL SE CORNER 2ND FL.	737	90%	663.3	10%	74.6	
CHAIRMAN'S OFFICE NE CENTER 2ND FL.	642	75%	481.5	25%	160.5	
DEVELOPMENT/GRSRTS SE CENTER 2ND FL.	642	90%	577.8	10%	64.2	
EAST HALL 2ND FLOOR	280	75%	210	25%	70	
LOBBY 2ND FLOOR	220	75%	165	25%	55	
WEST HALL. 2ND FLOOR	280	60%	168	40%	112	
DIRECT MAIL NW CENTER 2ND FL.	642	90%	577.80	10%	64.2	
ADMINISTRATION NW CORNER 2ND FL.	737	80%	589.6	20%	147.4	
HIGH $/NCF FND RSNG SW CORNER 2ND FL.	737	40%	294.8	60%	442.2	
NCF FUNDRAISING SW CENTER 2ND FL.	642	0%	0	100%	642	
PHONE BANK BASEMENT EASH WING	1,753	100%	1,753	0%	0	
BASEMENT STORAGE	1,256	80%	1,004.8	20%	251	
BASEMENT STORAGE (UNDER STAIRS)	100	0%	0	100%	100	
NCF/HIGH $/PHONE BNK SW OFFICE BSMT ½ HL	656	50%	328	50%	328	
GRAND TOTAL	10,061.0		7,476.9		2,585.9	

9 1 0 4 0 8 7 3 1 6 4

NCPAC SPACE UTILIZATION

NCF SPACE UTILIZATION

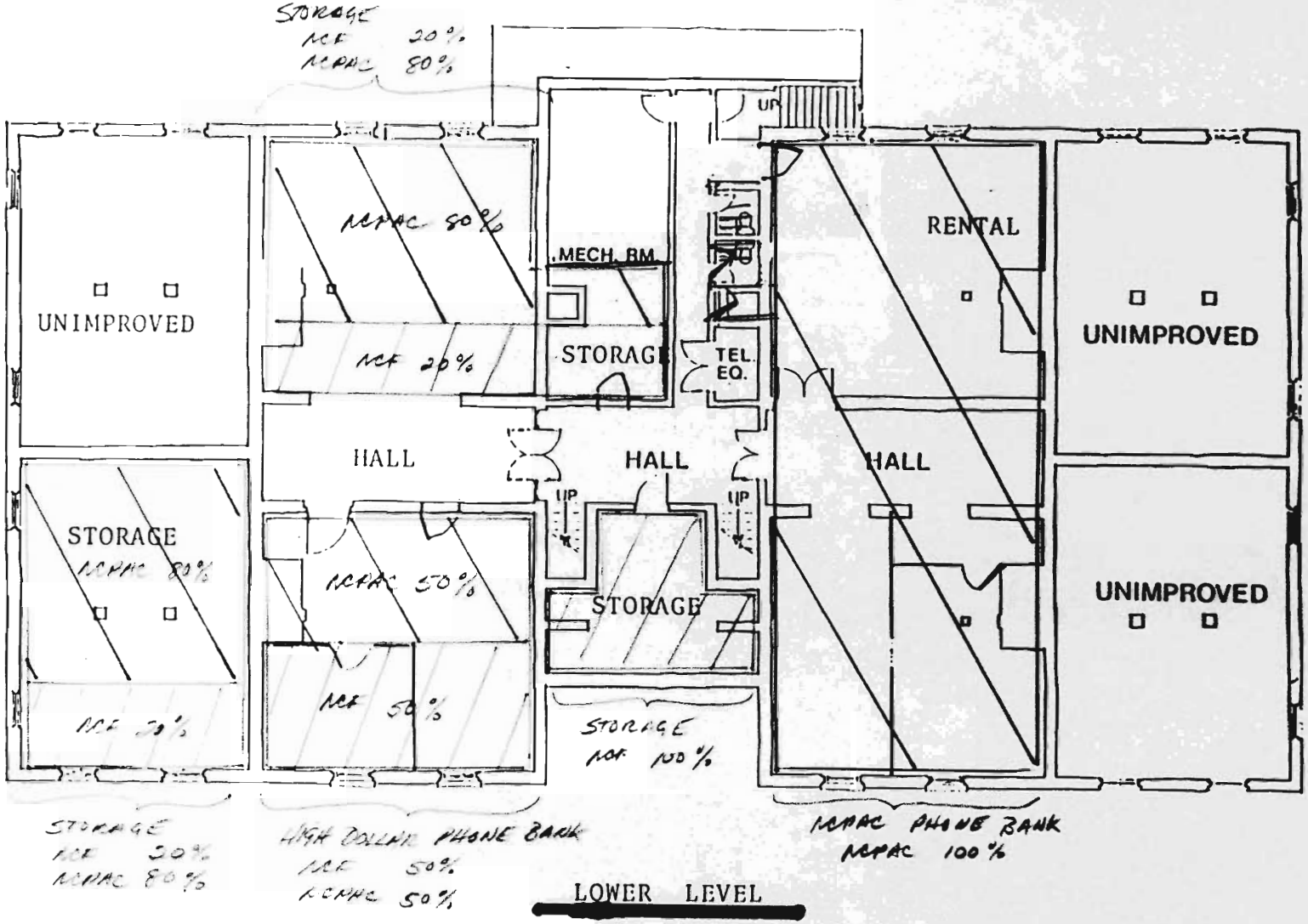
SPACE USED JOINTLY BY NCPAC + NCF



SECOND FLOOR

SCALE: 1/16" = APPROX. 1'

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SCALE: 1/16' = APPROX. 1'

DECEMBER 1983 TO JUNE 1984

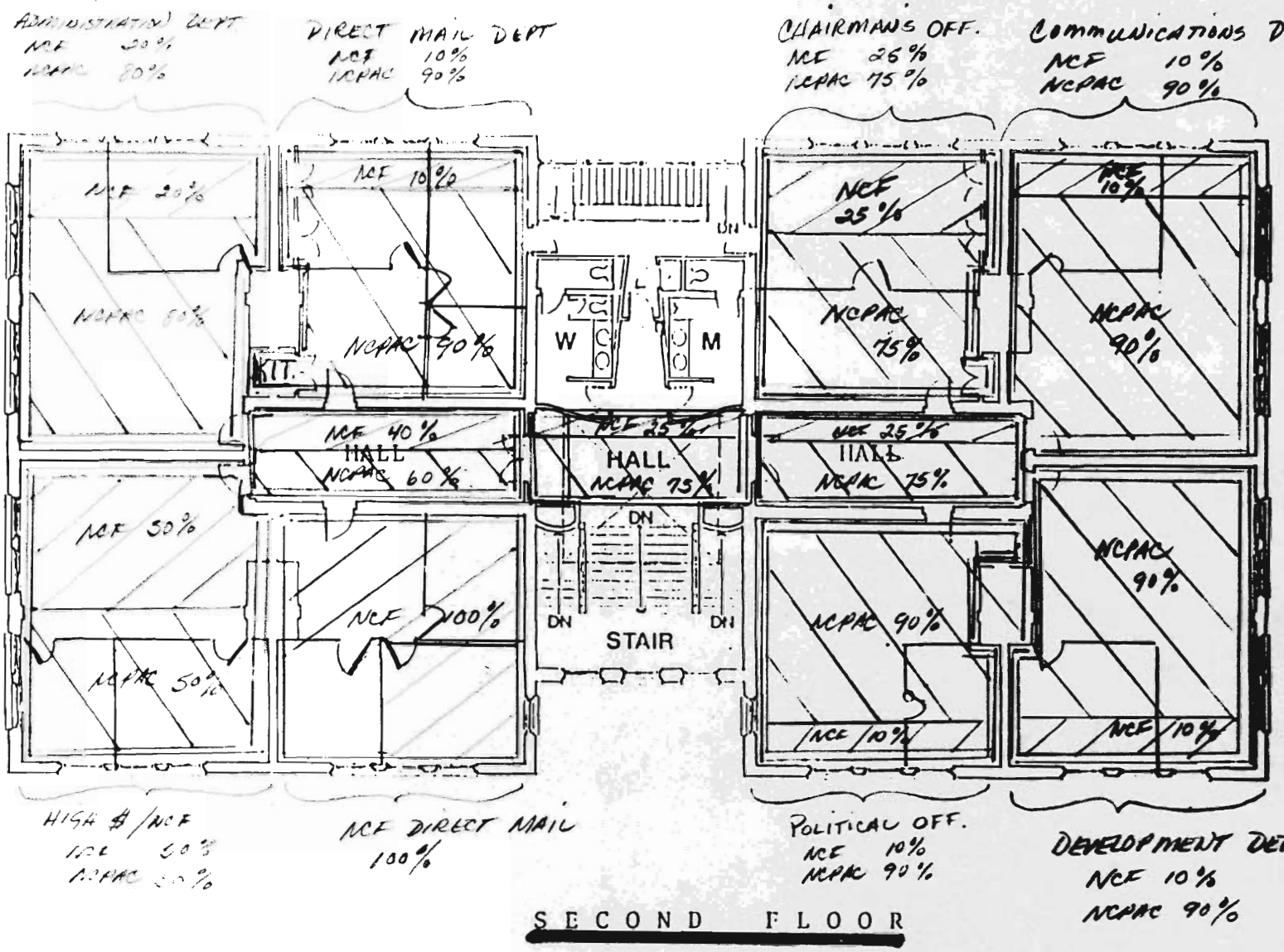
Office	TOTAL SQ. FEET	%NCPAC	NCPAC SQ. FEET	%NCF	NCF SQ FEET	
COMMUNICATIONS NW CORNER 2ND FL.	737	90%	663.3	10%	74.6	
DEVELOPMENT SE-CORNER 2ND FL.	737	90%	~~663.3~~ 737	10%	74.6	
CHAIRMAN'S OFFICE NE CENTER 2ND FL.	642	75%	481.5	25%	160.5	
POLITICAL SE CENTER 2ND FL.	642	90%	~~577.8~~ 642	10%	64.2	
EAST HALL 2ND FLOOR	280	75%	210	25%	70	
LOBBY 2ND FLOOR	220	75%	165	25%	55	
WEST HALL 2ND FLOOR	280	60%	168	40%	112	
DIRECT MAIL NW CENTER 2ND FL.	642	~~90%~~	~~577.8~~ 642	10%	64.2	
ADMINISTRATION NW CORNER 2ND FL.	737	80%	589.6	20%	147.4	
HIGH $/NCF SW CORNER 2ND FL.	737	~~40%~~ 50	~~294.8~~ 368.5	60%	442.2	
NCF/DIRECT MAIL SW CENTER 2ND FL.	642	0%	0	100%	642	
RESEARCH NE CENTER 1ST FL.	642	90%	577.8	10%	64.2	
PHONE BANK BASEMENT EAST WING	1,753	100%	1,753	0	0	
BASEMENT STORAGE	1,912	80%	1,529.6	20%	382.4	
BASEMENT STORAGE (UNDER STAIRS)	100	0%	0	100%	100	
GRAND TOTALS	10,703		8,251.5		2,453.3	

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NCPAC SPACE UTILIZATION

NCF SPACE UTILIZATION

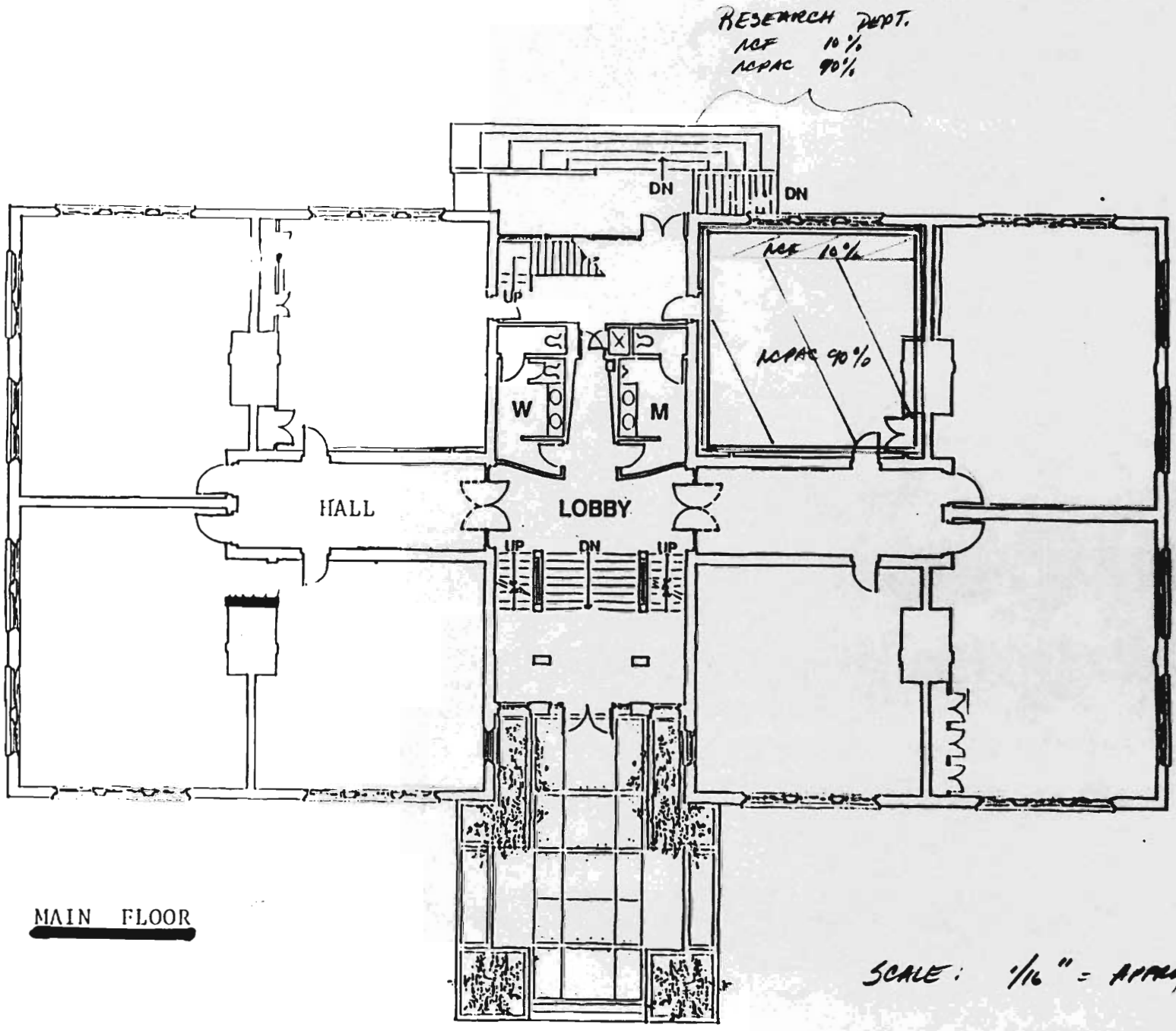
SPACE USED JOINTLY BY NCF + NCPAC



SECOND FLOOR

SCALE: 1/16" = APPROX. 1'

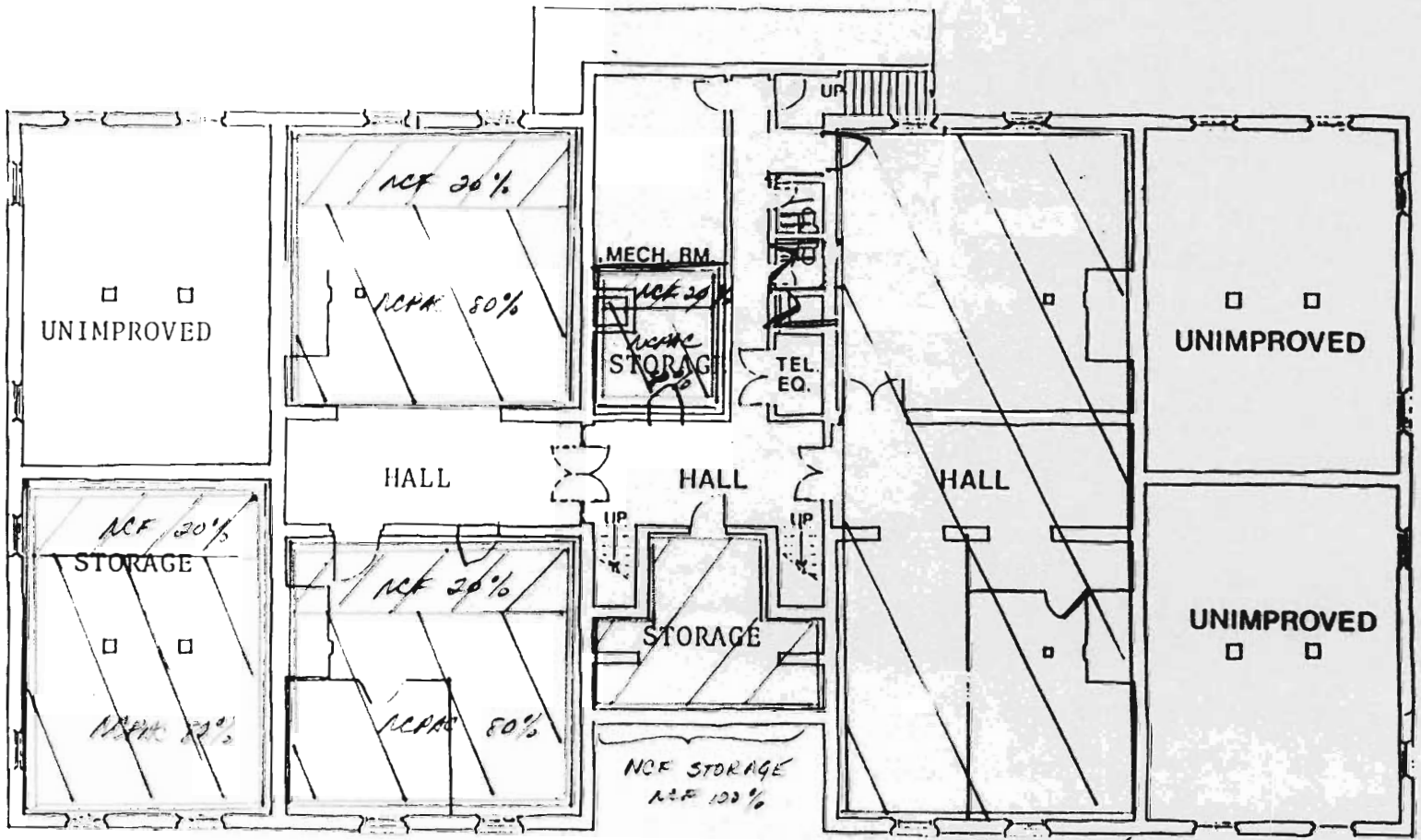
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MAIN FLOOR

SCALE: 1/16" = APPROX. 1'

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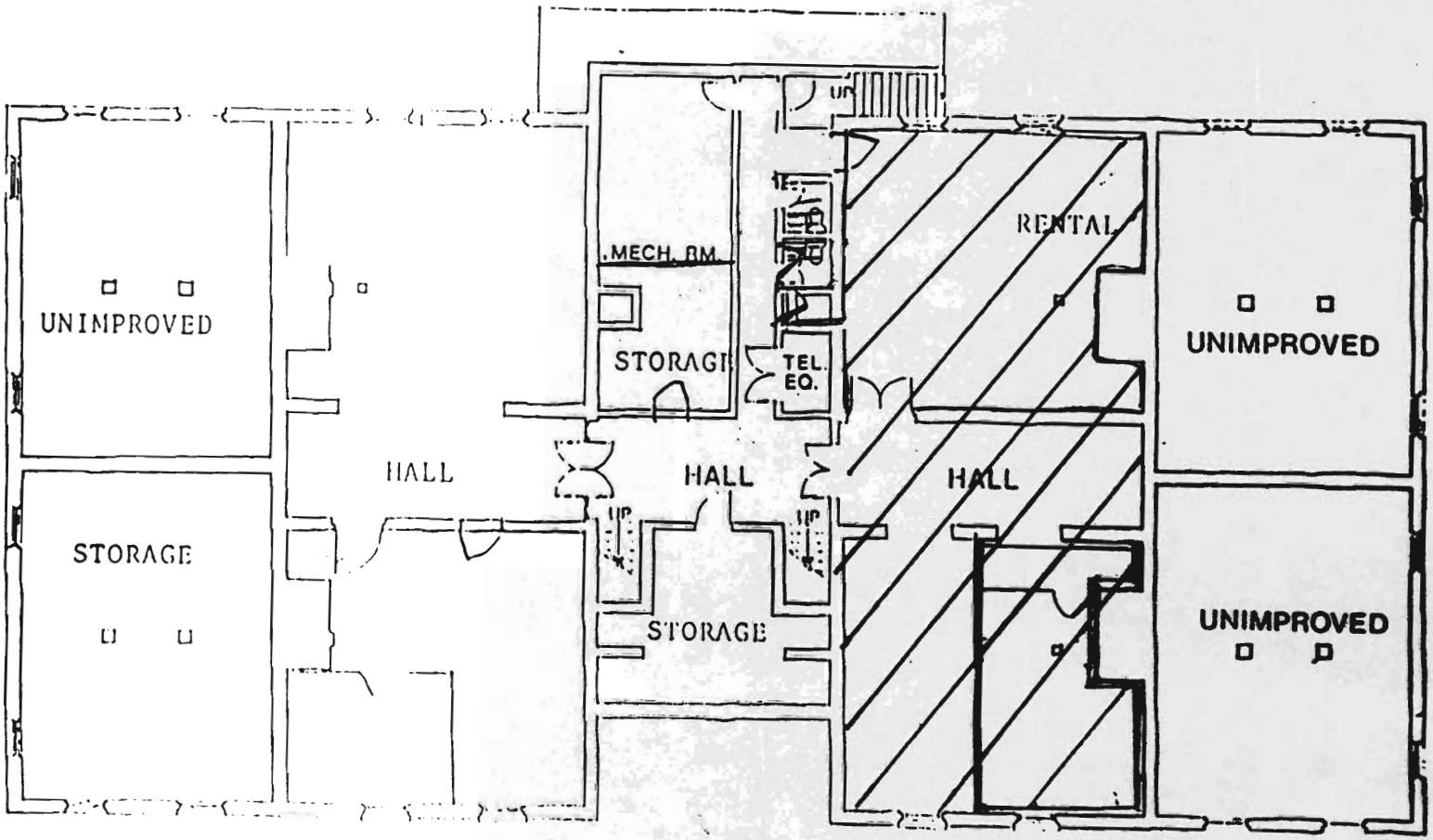
STORAGE
NCPAC 80%
NCF 20%

STORAGE
NCF 20%
NCPAC 80%

LOWER LEVEL

SCALE: 1/16' = Approx. 1'

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LOWER LEVEL

EXHIBIT "L"

EXHIBIT "M"

NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

(703) 548-0900

Date of Lease: July 1, 1985

This lease, is made and entered into this date by and between:

National Conservative Foundation
1001 Prince Street
Alexandria, Virginia 22314

hereinafter described as lessor and

AJF, Incorporated
16 N. Astor Street
Irvington, NY 10533

hereinafter described as lessee.

1. The lessor herby leases to lessee the following described premises:

   Full time exclusive use of approximately 702 square feet of net useable office space on the basement floor, southeast corner, of the building known as Prince Street School at 1001 Prince Street, Alexandria, Virginia 22314. (Blueprint copy attached)

2. To have and hold the said premises for the term beginning on 1 July 1985 through 24 April 1986.

3. Lessee shall pay lessor by extending a discount on polling services equal to $8,000.00.

4. Lessor shall furnish the lessee the following:

   a. Heating and/or air conditioning
   b. Janitorial services
   c. Lighting and electrical services
   d. One (1) parking space

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5. At Lesee's option, the lease may be extended beyond April 24, 1986. The rate will be established at current market value. The term of the lease will be through November 1986 or as mutually agreed upon by Lessor and Lessee.

6. Lessee agrees to provide his own telephone service and equipment billed in the lessee's name. Lessee may, however, utilize Lessor's existing phone jacks.

In witness whereof, the parties hereto have subscribed their names as of the date first above written.

Lessor: National Conservative Foundation

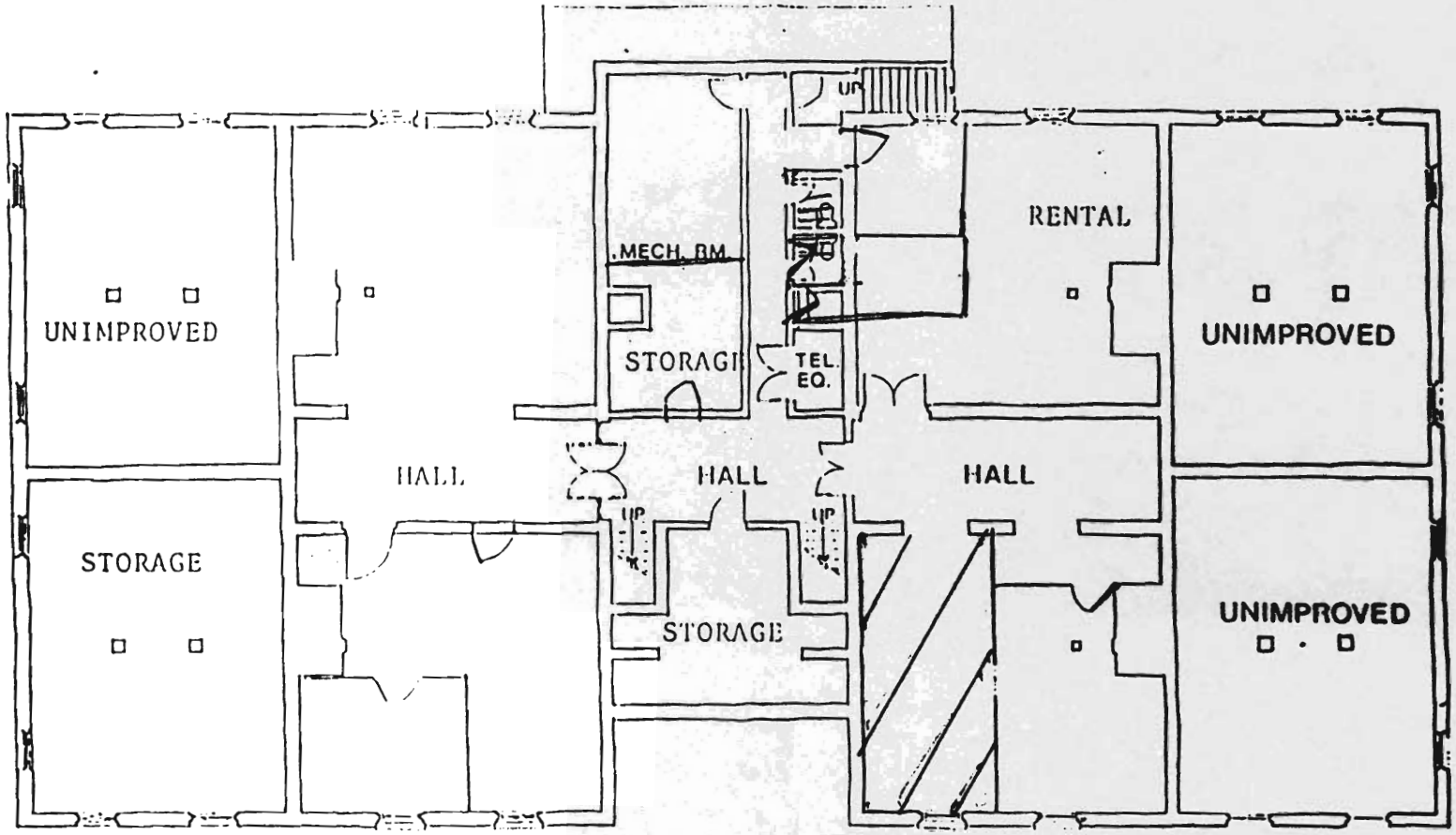
By: _____ Witness _____

Lessee: AJF, Incorporated

By: _____ Witness _____

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LOWER LEVEL

Myron EXHIBIT "N"

NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

John T. Dolan
Chairman

(703) 548-0900

Date: October 21, 1985

This lease is made and entered into this date by and between:

National Conservative Foundation
1001 Prince Street
Alexandria, Virginia 22314

hereinafter described as lessor and

Myron McKee
1322 Vermont Ave., NW
Washington, DC 20005

hereinafter described as lessee.

1. The lessor hereby leases to lessee the following described premises: Approximately 625 square feet of net useable office space in the building known as Prince Street School at 1001 Prince Street, Alexandria, Virginia 22314.

2. Lease shall commence on November 15, 1985 and will be on a month-to-month basis. Either party may terminate the agreement with 30 days written notice.

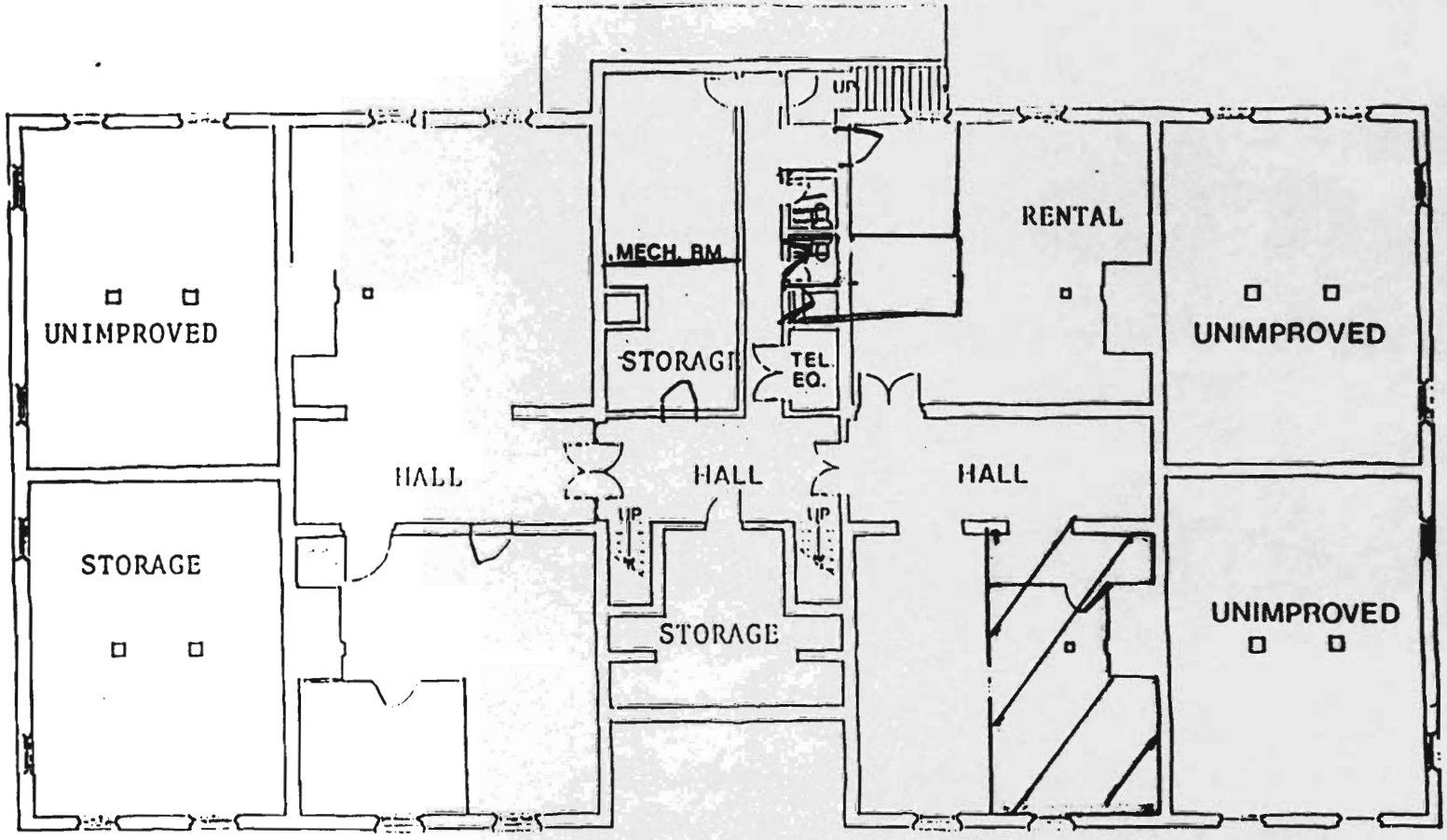
3. Lessee shall pay lessor the sum of $750 per month, in advance, payable to the lessor at the address listed above.

4. Lessor shall furnish the lessee the following:

   a. Heating and/or air conditioning
   b. Janitorial services
   c. Lighting and electrical services
   d. Two (2) parking spaces
   e. Reasonable storage space in basement
   f. Lessee will secure separate local telephone lines at his own expense and billing. Lessor agrees to have local lines pass through lessor's pnone switch for the purpose of having lessor's receptionist answer calls and transfer to lessee.

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LOWER LEVEL

Pursuant to 28 U.S.C. Section 1746, I hereby declare under penalty of perjury that the foregoing is true and correct to be best of my knowledge and information.

Executed on June 14, 1990.

Robert L. Shortley

Robert L. Shortley
Treasurer

9104087317 6

Lisa will be out the end of March '88

SUBLEASE AGREEMENT

SUBLEASE AGREEMENT, dated between NATIONAL CONSERVATIVE FOUNDATION ("Lessor"), a Virginia nonstock corporation with principal offices located at 1001 Prince Street, Alexandria, Virginia 22314, and CRAIG SHIRLEY ASSO ("Sublessee"), with its principal offices located at 1001 Prince Street, Alexandria, Virginia 22314.

W I T N E S S E T H:

WHEREAS, on February 23, 1983, Lessor entered into a Deed of Lease with Walter F. O'Connell in respect to the leasing of 1001 Prince Street, Alexandria, Virginia 22314, to be effective on December 1, 1983, being the date then projected that the premises would be available for occupancy by Lessor, containing approximately 21,500 gross rentable square feet; and

WHEREAS, Walter F. O'Connell1 has granted Lessor permission pursuant to the terms of the Deed of Lease to enter into a Sublease Agreement to sublet the premises or any part thereof; and

WHEREAS, the Deed of Lease betwen Walter F. O'Connell and Lessor is now effective.

NOW, THEREFORE, in consideration of the following mutual covenants and other good and valuable consideration, the parties hereto agree as follows:

1. Sublease. The Lessor hereby sublets to the Sublessee and Sublesseehires from the Lessor the following described premises: approximately 702 square feet of office space located on the first floor, known as Suite 100 of 1001 Prince Street, Alexandria, Virginia 22314, to be used only for a business office, for the term and at the rental hereinafter stated. A floor plan of said office space is attached hereto and

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incorporated herein as Exhibit A. Such square footage includes allocated share of the common areas and operating expenses.

2. Master Lease. It is understood and agreed that this instrument is a Sublease Agreement by which lessor is subleasing to Sublessee for the term and at the rental hereinafter stated the premises which are part of the same premises leased to lessor in the aforesaid Deed of Lease dated February 23, 1983, which is hereinafter referred to as the "Master Lease." Said Master Lease is attached hereto and incorporated herein as Exhibit B. Except as otherwise specifically stated herein, Sublessee does hereby assume and agree to perform all of the duties and obligations imposed upon Lessor by the Master Lease for the term of this Sublease and it is agreed that Lessor shall have all the rights and powers, and assume all the obligations with respect to the subleased premises that are conferred and imposed upon the Lessor as identified in the Master Lease.

3. Parking. During the term of this Sublease, Lessor shall provide for Sublessee's use Two(2) parking space(s) at $40 per month.

4. Rent. All rent and other charges which Sublessee is obligated to pay Lessor under any provision of the Sublease shall be paid timely to Lessor at Lessor's address without any set-off, counterclaim, or deduction whatsoever.

(a) Base Rent. The Sublessee agrees to pay a rental in the sum of $10,530.00 payable in equal monthly installments of $877.50 per month (or pro rata portion thereof for any part of a month). The rent for each month shall be paid in advance on the first day of each calendar month during their term hereof. On each subsequent year of the lease beginning on the first anniversary of lease commencement the base rent shall be raised by the sum of five percent. A 10% late fee will be charged if rent is not received by the 10th of the month for which it is due.

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5. Security Deposit. The Sublessee Will Deposit with the Lessor the sum of $777.50 as security for the performance of the Sublessee of the terms of this Sublease. The Lessor may use, apply, or retain the whole or any part of the security so deposited to the extent required for the payment of any rent and additional rent or other sum as to which the Sublessee is in default or for any sum which the Lessor may expend or may be required to expend by reason of the Sublessee's default in respect of any of the terms of this Sublease, including, but not limited to, any damages or deficiency in the reletting of the subleased premises, whether such damages or deficiency accrued before or after summary proceedings or other reentry by Lessor. In the event that the Sublessee shall comply with all of the terms of this Sublease, the security deposit shall be returned to the Sublessee, without interest, after the date fixed as the end of the Sublease and after delivery of possession of the subleased premises to the Lessor. The Sublessee shall not assign or encumber the money deposited as security, and neither the Lessor nor its successors or assigns shall be bound by any such assignment or encumbrance.

6. Term. The term of this Sublease shall be for MONTH TO MONTH commencing on the 1ST DAY of JANUARY, 1987. and expiring WITH 60 DAYS WRITTEN NOTICE

7. Taxes. Sublessee will pay all taxes of every kind and description levied against its business, appliances, equipment and personal property.

8. Inspection. Lessor or the Lessor in the Master Lease shall have the right to enter the subleased premises at any reasonable time to inspect the condition of the premises.

9. Surrender. Upon termination of this Sublease, Sublessee will surrender the premises to Lessor in as good

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condition as received at commencement of this Sublease, except for ordinary wear and tear, and damage by fire or casualty, and will indemnify Lessor from any and all claims made by the Lessor in the Master Lease due to any alterations of the premises made by Sublessee.

10. Liability Insurance. Sublessee will indemnify and save harmless Lessor and the Lessor in the Master Lease, their successors and assigns, from any and all claims, demands, actions, causes of action, and judgments, whether for personal injury or property damage, asserted by any person arising out of Sublessee's possession and use of the premises. Sublessee shall maintain liability insurance throughout the term of this Sublease, with an insurance company authorized to do business in the Commonwealth of Virginia, such policy to have liability limits of at least $500,000 for personal injury for one person, aggregate liability for all persons in any one action of at least One Million Dollars ($1,000,000.00) for property damage. The terms of such policy shall also conform to those terms set forth in paragraph 13 of the Master Lease with respect to the scope of coverage to be provided. Lessor and Lessor in the Master Lease shall be named co-insured in such insurance policy or policies. Such policies shall contain provision for ten days' notice to Lessor and Lessor in the Master Lease prior to cancellation.

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11. Default. Sublessee shall, without any previous demand therefor, pay to Lessor the said rent at the times and in the manner above provided. In the event of nonpayment of said rent, or any installment thereof, and if the same shall remain in default for ten days after becoming due, or if the subleased premises shall be deserted or vacated, Lessor or its agent shall without further notice have the right to and may enter the said premises as agents of Sublessee, and may relet the premises and receive the rent therefor upon such terms as shall be satisfactory to Lessor and all the rights of Sublessee to repossess the premises under this Sublease shall be forfeited. Such reentry by Lessor shall not operate to release Sublessee from any rent to be paid or covenants to be performed hereunder during the full term of this Sublease. In the case of violation by Sublessee of any of the covenants, agreements and conditions of this Sublease, other than the payment of the rent, and upon failure to discontinue such violation within ten days after written notice thereof to Sublessee this Sublease shall henceforth, at the option of Lessor, become null and void and Lessor may reenter without further notice or demand. Upon violation by Sublessee of any of the agreements, covenants, and conditions of this Sublease, all future installments of rent unpaid and all other monies due to and payable by Lessee shall at once become due and payable.

12. Use of Premises. As an inducement for Lessor to enter into this Sublease, Sublessee has represented and warranted that the sole and exclusive purpose of Lessee's leasing the premises is for the purpose of operating general business offices.

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13. Acceptance of Premises. Sublessee does hereby unconditionally and irrevocably warrant that authorized agents have inspected the premises and that Sublessee is satisfied with the present condition of the premises. Sublessee further accepts the premises on an as-is where-is basis and accepts full responsibility for all costs that may be incurred in remodeling to a condition satisfactory to meet their specifications. Remodeling must be approved by the Lessor prior to commencement.

14. Subleasing. Sublessee may not assign this Sublease or sublease the premises in whole or in part without the written permission of Lessor which will not be unreasonably withheld.

15. Notice. Any notice required or permitted under this Sublease shall be given in writing by first class certified mail, return receipt requested, as follows:

To:
CRAIG SHIRLEY + ASSO
1001 Prince Street
Alexandria, Virginia 22314

in the case of Sublessee; and

National Conservative Foundation
1001 Prince Street
Alexandria, Virginia 22314
ATTN: Mr. Leif Noren

in the case of the Lessor.

16. Hold Harmless: Sublessee agrees it will hold Lessor harmless and it will pay to Lessor any losses which Lessor may incur from any default of Sublessee under the terms and conditions of the Master Lease and/or this Sublease and from or as a result of Lessee's possession and use of the subleased premises.

17. Arbitration. Any controversy arising under, out of, in connection with, or relating to, this Sublease, and any consequent amendment thereof, or the breach thereof, shall be determined by arbitration in the City of Alexandria, Virginia, in accordance with the rules of the American Arbitration Association. Any award rendered therein shall be final and binding on each and all of the parties thereto and their representatives,

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and judgment may be entered thereon in any court having judrisdiction thereon.

18. Severability. If any provision or provisions of this Sublease shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not, in any way, be affected or impaired thereby.

19. Counterparts. This Sublease may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

20. Incorporation. All Exhibits and other documents referred to herein are incorporated in this Sublease by reference and shall become a part of this Sublease, except as otherwise conflicting with the provision hereof.

21. Waiver of Breach. The waiver by either Party of a breach of any provision of this Sublease by the other Party shall not operate or be construed as a waiver of any subsequent breach by the then breaching Party.

22. Modification. This Sublease may only be modified in writing, executed on behalf of Lessor and Sublessee. The term "Sublease" as used herein includes any future written amendments, modifications, or supplements made in accordance herewith.

23. Entire Agreement. This instrument contains the entire agreement between the parties hereto with respect to the transactions contemplated herein.

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IN WITNESS WHEREOF, the Lessor and Sublessee have executed this Lease as of the date first above written.

SUBLESSEE

CRAIG SHIPLEY & ASSOC.

BY: _____

LESSOR

NATIONAL CONSERVATIVE FOUNDATION

BY: _____

9104087311884

Myron EXHIBIT "M"

NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

John T. Dolan
Chairman

(703) 548-0900

Date: October 21, 1985

This lease is made and entered into this date by and between:

National Conservative Foundation
1001 Prince Street
Alexandria, Virginia 22314

hereinafter described as lessor and

Myron McKee
1322 Vermont Ave., NW
Washington, DC 20005

hereinafter described as lessee.

1. The lessor hereby leases to lessee the following described premises: Approximately 625 square feet of net useable office space in the building known as Prince Street School at 1001 Prince Street, Alexandria, Virginia 22314.

2. Lease shall commence on November 15, 1985 and will be on a month-to-month basis. Either party may terminate the agreement with 30 days written notice.

3. Lessee shall pay lessor the sum of $750 per month, in advance, payable to the lessor at the address listed above.

4. Lessor shall furnish the lessee the following:

   a. Heating and/or air conditioning
   b. Janitorial services
   c. Lighting and electrical services
   d. Two (2) parking spaces
   e. Reasonable storage space in basement
   f. Lessee will secure separate local telephone lines at his own expense and billing. Lessor agrees to have local lines pass through lessor's phone switch for the purpose of having lessor's receptionist answer calls and transfer to lessee.

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Pursuant to 28 U.S.C. Section 1746, I hereby declare under penalty of perjury that the foregoing is true and correct to be best of my knowledge and information.

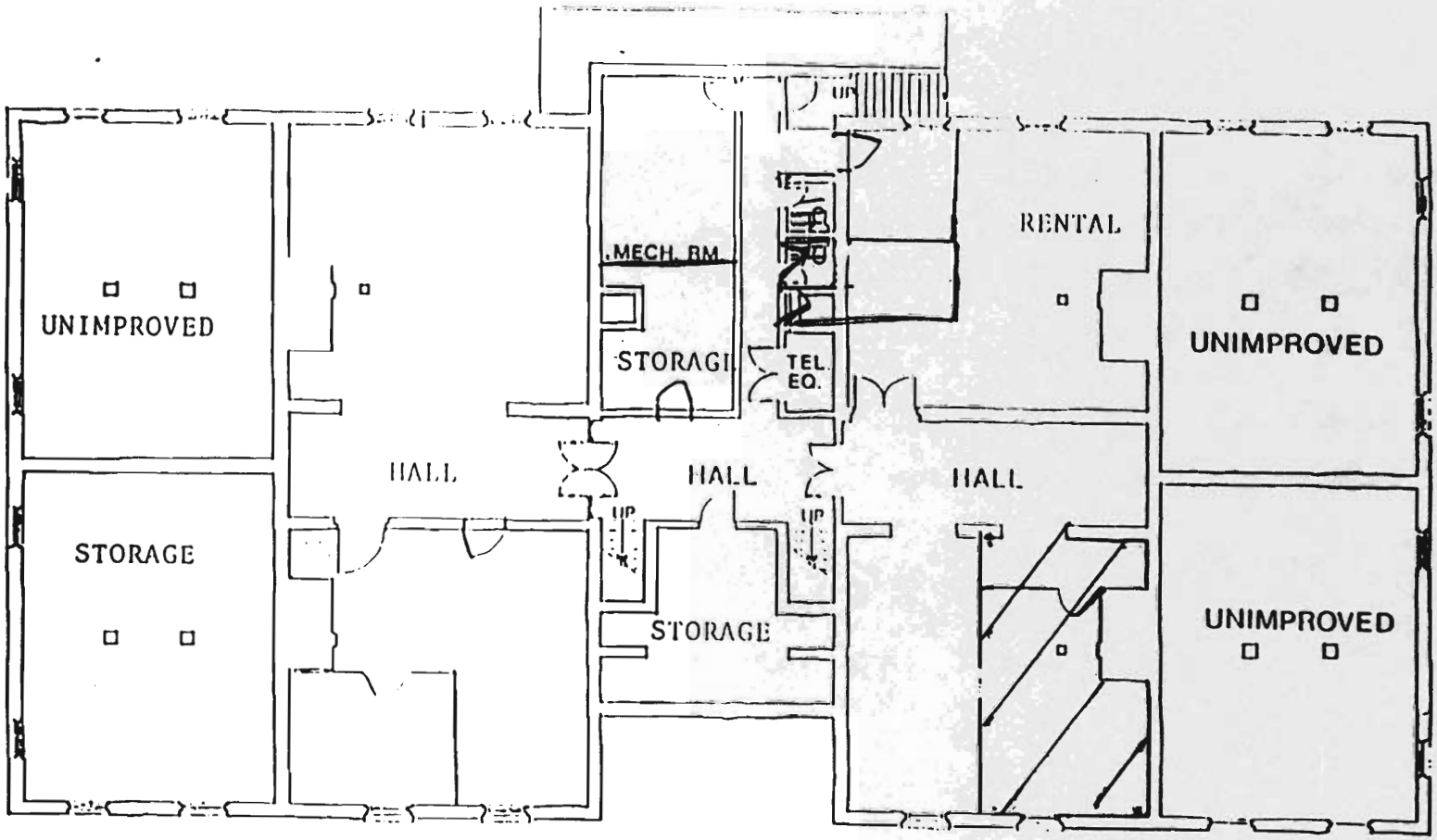
Executed on June 14, 1990.

Robert L. Shortley

Robert L. Shortley
Treasurer

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LOWER LEVEL

Lisa will be out the end of March CS

SUBLEASE AGREEMENT

SUBLEASE AGREEMENT, dated between NATIONAL CONSERVATIVE FOUNDATION ("Lessor"), a Virginia nonstock corporation with principal offices located at 1001 Prince Street, Alexandria, Virginia 22314, and CRAIG SHIRLEY Assn. ("Sublessee"), with its principal offices located at 1001 Prince Street, Alexandria, Virginia 22314.

W I T N E S S E T H:

WHEREAS, on February 23, 1983, Lessor entered into a Deed of Lease with Walter F. O'Connell in respect to the leasing of 1001 Prince Street, Alexandria, Virginia 22314, to be effective on December 1, 1983, being the date then projected that the premises would be available for occupancy by Lessor, containing approximately 21,500 gross rentable square feet; and

WHEREAS, Walter F. O'Connelll has granted Lessor permission pursuant to the terms of the Deed of Lease to enter into a Sublease Agreement to sublet the premises or any part thereof; and

WHEREAS, the Deed of Lease betwen Walter F. O'Connell and Lessor is now effective.

NOW, THEREFORE, in consideration of the following mutual covenants and other good and valuable consideration, the parties hereto agree as follows:

1. Sublease. The Lessor hereby sublets to the Sublessee and Sublesseehires from the Lessor the following described premises: approximately 702 square feet of office space located on the first floor, known as Suite 100 of 1001 Prince Street, Alexandria, Virginia 22314, to be used only for a business office, for the term and at the rental hereinafter stated. A floor plan of said office space is attached hereto and

9104087318 8

incorporated herein as Exhibit A. Such square footage includes allocated share of the common areas and operating expenses.

2. Master Lease. It is understood and agreed that this instrument is a Sublease Agreement by which lessor is subleasing to Sublessee for the term and at the rental hereinafter stated the premises which are part of the same premises leased to lessor in the aforesaid Deed of Lease dated February 23, 1983, which is hereinafter referred to as the "Master Lease." Said Master Lease is attached hereto and incorporated herein as Exhibit B. Except as otherwise specifically stated herein, Sublessee does hereby assume and agree to perform all of the duties and obligations imposed upon Lessor by the Master Lease for the term of this Sublease and it is agreed that Lessor shall have all the rights and powers, and assume all the obligations with respect to the subleased premises that are conferred and imposed upon the Lessor as identified in the Master Lease.

3. Parking. During the term of this Sublease, Lessor shall provide for Sublessee's use Two(2) parking space(s) at $40 per month.

4. Rent. All rent and other charges which Sublessee is obligated to pay Lessor under any provision of the Sublease shall be paid timely to Lessor at Lessor's address without any set-off, counterclaim, or deduction whatsoever.

(a) Base Rent. The Sublessee agrees to pay a rental in the sum of $10,530.00 payable in equal monthly installments of $877.50 per month (or pro rata portion thereof for any part of a month). The rent for each month shall be paid in advance on the first day of each calendar month during their term hereof. On each subsequent year of the lease beginning on the first anniversary of lease commencement the base rent shall be raised by the sum of five percent. A 10% late fee will be Charged if rent is not Received by the 10th of the month for which it is due.

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5. Security Deposit. The Sublessee Will Deposit with the Lessor the sum of $877.50 as security for the performance of the Sublessee of the terms of this Sublease. The Lessor may use, apply, or retain the whole or any part of the security so deposited to the extent required for the payment of any rent and additional rent or other sum as to which the Sublessee is in default or for any sum which the Lessor may expend or may be required to expend by reason of the Sublessee's default in respect of any of the terms of this Sublease, including, but not limited to, any damages or deficiency in the reletting of the subleased premises, whether such damages or deficiency accrued before or after summary proceedings or other reentry by Lessor. In the event that the Sublessee shall comply with all of the terms of this Sublease, the security deposit shall be returned to the Sublessee, without interest, after the date fixed as the end of the Sublease and after delivery of possession of the subleased premises to the Lessor. The Sublessee shall not assign or encumber the money deposited as security, and neither the Lessor nor its successors or assigns shall be bound by any such assignment or encumbrance.

6. Term. The term of this Sublease shall be for MONTH TO MONTH commencing on the 1ST DAY of JANUARY, 1987. and expiring WITH 60 DAYS WRITTEN NOTICE

7. Taxes. Sublessee will pay all taxes of every kind and description levied against its business, appliances, equipment and personal property.

8. Inspection. Lessor or the Lessor in the Master Lease shall have the right to enter the subleased premises at any reasonable time to inspect the condition of the premises.

9. Surrender. Upon termination of this Sublease, Sublessee will surrender the premises to Lessor in as good

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condition as received at commencement of this Sublease, except for ordinary wear and tear, and damage by fire or casualty, and will indemnify Lessor from any and all claims made by the Lessor in the Master Lease due to any alterations of the premises made by Sublessee.

10. Liability Insurance. Sublessee will indemnify and save harmless Lessor and the Lessor in the Master Lease, their successors and assigns, from any and all claims, demands, actions, causes of action, and judgments, whether for personal injury or property damage, asserted by any person arising out of Sublessee's possession and use of the premises. Sublessee shall maintain liability insurance throughout the term of this Sublease, with an insurance company authorized to do business in the Commonwealth of Virginia, such policy to have liability limits of at least $500,000 for personal injury for one person, aggregate liability for all persons in any one action of at least One Million Dollars ($1,000,000.00) for property damage. The terms of such policy shall also conform to those terms set forth in paragraph 13 of the Master Lease with respect to the scope of coverage to be provided. Lessor and Lessor in the Master Lease shall be named co-insured in such insurance policy or policies. Such policies shall contain provision for ten days' notice to Lessor and Lessor in the Master Lease prior to cancellation.

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11. Default. Sublessee shall, without any previous demand therefor, pay to Lessor the said rent at the times and in the manner above provided. In the event of nonpayment of said rent, or any installment thereof, and if the same shall remain in default for ten days after becoming due, or if the subleased premises shall be deserted or vacated, Lessor or its agent shall without further notice have the right to and may enter the said premises as agents of Sublessee, and may relet the premises and receive the rent therefor upon such terms as shall be satisfactory to Lessor and all the rights of Sublessee to repossess the premises under this Sublease shall be forfeited. Such reentry by Lessor shall not operate to release Sublessee from any rent to be paid or covenants to be performed hereunder during the full term of this Sublease. In the case of violation by Sublessee of any of the covenants, agreements and conditions of this Sublease, other than the payment of the rent, and upon failure to discontinue such violation within ten days after written notice thereof to Sublessee this Sublease shall henceforth, at the option of Lessor, become null and void and Lessor may reenter without further notice or demand. Upon violation by Sublessee of any of the agreements, covenants, and conditions of this Sublease, all future installments of rent unpaid and all other monies due to and payable by Lessee shall at once become due and payable.

12. Use of Premises. As an inducement for Lessor to enter into this Sublease, Sublessee has represented and warranted that the sole and exclusive purpose of Lessee's leasing the premises is for the purpose of operating general business offices.

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9104037393

13. Acceptance of Premises. Sublessee does hereby unconditionally and irrevocably warrant that authorized agents have inspected the premises and that Sublessee is satisfied with the present condition of the premises. Sublessee further accepts the premises on an as-is where-is basis and accepts full responsibility for all costs that may be incurred in remodeling to a condition satisfactory to meet their specifications. Remodelfng must be approved by the Lessor prior to commencement.

14. Subleasing. Sublessee may not assign this Sublease or sublease the premises in whole or in part without the written permission of Lessor which will not be unreasonably withheld.

15. Notice. Any notice required or permitted under this Sublease shall be given in writing by first class certified mail, return receipt requested, as follows:

To:
CRAIG SHIRLEY + ASSO
1001 Prince Street
Alexandria, Virginia 22314

in the case of Sublessee; and

National Conservative Foundation
1001 Prince Street
Alexandria, Virginia 22314
ATTN: Mr. Leif Noren

in the case of the Lessor.

16. Hold Harmless: Sublessee agrees it will hold Lessor harmless and it will pay to Lessor any losses which Lessor may incur from any default of Sublessee under the terms and conditions of the Master Lease and/or this Sublease and from or as a result of Lessee's possession and use of the subleased premises.

17. Arbitration. Any controversy arising under, out of, in connection with, or relating to, this Sublease, and any consequent amendment thereof, or the breach thereof, shall be determined by arbitration in the City of Alexandria, Virginia, in accordance with the rules of the American Arbitration Association. Any award rendered therein shall be final and binding on each and all of the parties thereto and their representatives,

and judgment may be entered thereon in any court having judrisdiction thereon.

18. Severability. If any provision or provisions of this Sublease shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not, in any way, be affected or impaired thereby.

19. Counterparts. This Sublease may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

20. Incorporation. All Exhibits and other documents referred to herein are incorporated in this Sublease by reference and shall become a part of this Sublease, except as otherwise conflicting with the provision hereof.

21. Waiver of Breach. The waiver by either Party of a breach of any provision of this Sublease by the other Party shall not operate or be construed as a waiver of any subsequent breach by the then breaching Party.

22. Modification. This Sublease may only be modified in writing, executed on behalf of Lessor and Sublessee. The term "Sublease" as used herein includes any future written amendments, modifications, or supplements made in accordance herewith.

23. Entire Agreement. This instrument contains the entire agreement between the parties hereto with respect to the transactions contemplated herein.

2164037394

IN WITNESS WHEREOF, the Lessor and Sublessee have executed this Lease as of the date first above written.

SUBLESSEE

CRAIG SHIPLEY & ASSOC.

BY: _____

LESSOR

NATIONAL CONSERVATIVE FOUNDATION

BY: _____

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RECEIVED
FEDERAL ELECTION COMMISSION
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BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of	)	
	)	
National Conservative	)	
Political Action Committee	)	MUR 3053
and Robert L. Shortley,	)	
as treasurer	)	
	)	
National Conservative	)	
Foundation and Maiselle Dolan	)	
Shortley, as chairman	)	

COMPREHENSIVE INVESTIGATIVE REPORT

On April 24, 1990, the Commission found reason to believe that the National Conservative Political Action Committee ("NCPAC") and Robert L. Shortley, as treasurer, and the National Conservative Foundation ("NCF") and Maiselle Dolan Shortley, as chairman, each violated 2 U.S.C. § 441b(a) in connection with rent rebates paid by NCF to NCPAC and reported by NCPAC as offsets to operating expenditures.

In connection with its investigation, the Commission also approved on April 24, 1990, interrogatories and requests for documents to each of the respondents. After receiving time extensions, both NCPAC and NCF filed their responses with the General Counsel on June 15, 1990. The responses filed by the respondents are voluminous in nature, consisting primarily of copies of numerous lease agreements between NCF and various parties. The basic textual response of each party is attached to this report. See Attachments 1 and 2. In addition, the current lease agreement between the respondents is also attached. See Attachment 3.

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This Office is in the process of preparing a brief to be sent to each respondent. After a response is received, this Office will prepare a report for the Commission with the appropriate recommendations.

Lawrence M. Noble
General Counsel

10/19/90
Date

BY: Lois G. Lerner
Associate General Counsel

Attachments:
1. Response from NCPAC
2. Response from NCF
3. Current lease between NCPAC and NCF

Staff assigned: John Canfield

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: LAWRENCE NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/DELORES HARRIS
SECRETARY OF THE COMMISSION

DATE: OCTOBER 23, 1990

SUBJECT: MUR 3053 - COMPREHENSIVE INVESTIGATIVE REPORT DATED OCTOBER 19, 1990.

The above-captioned matter was received in the Commission Secretariat at 12:40 p.m. on Monday, October 22, 1990 and circulated on a 24-hour no-objection basis at 4:00 p.m. Monday, October 22, 1990.

There were no objections to the above-captioned matter.

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FEDERAL ELECTION COMMISSION
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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
National Conservative	)	
Political Action Committee	)	MUR 3053
and Robert L. Shortley,	)	
as treasurer	)	
	)	SENSITIVE
National Conservative	)	
Foundation and Maiselle Dolan	)	
Shortley, as chairman	)	

GENERAL COUNSEL'S REPORT

The Office of the General Counsel is prepared to close the investigation in this matter as to the National Conservative Political Action Committee and Robert L. Shortley, as treasurer, and the National Conservative Foundation and Maiselle Dolan Shortley, as chairman, based on the assessment of the information presently available.

Date 11/2/90

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SENSITIVE

November 9, 1990

MEMORANDUM

TO: The Commission

FROM: Lawrence M. Noble
General Counsel

SUBJECT: MUR 3053
National Conservative Political Action Committee and Robert L. Shortley, as treasurer; and
National Conservative Foundation and Maiselle Dolan Shortley, as chairman

Attached for the Commission's review are briefs stating the position of the General Counsel on the legal and factual issues of the above-captioned matter. Copies of these briefs and letters notifying the respondents of the General Counsel's intent to recommend to the Commission findings of probable cause to believe were mailed on November 9, 1990. Following receipt of each respondent's reply to this notice, this Office will make a further report to the Commission.

Attachments
1. Briefs
2. Letters to respondents

Staff assigned: John Canfield

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 9, 1990

Robert L. Shortley, Treasurer
National Conservative Political
Action Committee
618 South Alfred Street
Alexandria, Virginia 22314

RE: MUR 3053
National Conservative Political
Action Committee and Robert L.
Shortley, as treasurer

Dear Mr. Shortley:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, and information supplied by the National Conservative Political Action Committee, on April 24, 1990, the Federal Election Commission found reason to believe that the National Conservative Political Action Committee and you, as treasurer, violated 2 U.S.C. § 441b(a), and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that a violation has occurred.

The Commission may or may not approve the General Counsel's recommendation. Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (ten copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of whether there is probable cause to believe a violation has occurred.

If you are unable to file a responsive brief within 15 days, you may submit a written request for an extension of time. All requests for extensions of time must be submitted in writing five days prior to the due date, and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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A finding of probable cause to believe requires that the Office of the General Counsel attempt for a period of not less than 30, but not more than 90 days, to settle this matter through a conciliation agreement.

Should you have any questions, please contact John Canfield, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Brief

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
National Conservative	)	
Political Action Committee	)	
and Robert L. Shortley,	)	MUR 3053
as treasurer	)	
	)	

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

On April 24, 1990, the Federal Election Commission found there was reason to believe that the National Conservative Political Action Committee ("NCPAC") and Robert L. Shortley, as treasurer, violated 2 U.S.C. § 441b(a) and initiated an investigation into this matter.

II. ANALYSIS

The Federal Election Campaign Act of 1971, as amended ("the Act"), provides that no corporation whatever shall make any contribution or expenditure in connection with any election for Federal office and that no political committee shall knowingly accept such a contribution or expenditure. No officer or director of a corporation may consent to a prohibited contribution or expenditure. 2 U.S.C. § 441b(a). The Act defines "contribution or expenditure" to include payments or gifts of money. 2 U.S.C. § 441b(b)(2). This prohibition also applies to gifts of "anything of value", which are defined by Commission regulations as including the provision of goods or services at less than the usual and normal charge for them.

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11 C.F.R. § 100.7(a)(1)(iii). The term "usual and normal charge" is defined to mean in the case of goods the price of those goods in the market from which they ordinarily would have been purchased at the time of the contribution or, in the case of services, the hourly or piecework charge for the services at a commercially reasonable rate prevailing at the time the services were rendered. 11 C.F.R. § 100.7(a)(1)(iii)(B).

The Act also provides that political committees filing reports with the Commission shall report all of their receipts in various categories. 2 U.S.C. § 434(b). Among these categories are receipts described as "rebates, refunds, and other offsets to operating expenditures." 2 U.S.C. § 434(b)(2)(I). This category covers such things as the return of unused portions of deposits required by certain businesses as well as the rebate of overpayments or overcharges, i.e., items that would reduce the amounts previously reported as "operating expenditures." These rebates, refunds, and other offsets may be received by a political committee from corporations as long as the rebate or refund does not result in the political committee's net payment falling below the usual and normal charge for the goods or services actually received. See, e.g., Advisory Opinion 1985-28. Thus, a rebate or refund by a corporation, when done to correct an overcharge or overpayment, is not considered a contribution or expenditure prohibited by the Act. A rebate for the overpayment of rent would be included in this category so long as the balance would represent the usual and normal rental payment and is in

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accordance with the rental agreement or is a valid modification of it.

The National Conservative Political Action Committee ("NCPAC") reported $146,000 as "offsets to operating expenditures" in 1989 from the National Conservative Foundation ("NCF"). These "offsets" were described as reimbursements for alleged overpayments of rent. NCPAC is a registered political committee. According to their answers to interrogatories, NCF is an incorporated 501(c)(3) organization. Both NCPAC and NCF have been listed at the same addresses in Alexandria, Virginia, and Maiselle Dolan Shortley is the chairman of both NCPAC and NCF.

According to materials provided by NCPAC and NCF, the basis for the $146,000 in receipts from NCF to NCPAC was an internal review of rent payments made by NCPAC to NCF from 1984 through most of 1987. NCPAC maintains that this internal review revealed that NCPAC had been paying rent to NCF at a square footage rate substantially higher than other tenants of the building, then 1001 Prince Street in Alexandria.[1] For instance, according to a letter from Robert Shortley, NCPAC had been paying $44.95 per square foot for 2,877.3 square feet, when the highest rate paid by any of the other tenants of the building never exceeded the $17.82 per square foot paid by the U.S. Government for Air Force

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1. Documents submitted by the respondents indicate that the building on Prince Street was leased, then later purchased, by NCF, which in turn rented space to NCPAC and other tenants over the years. NCF sold this property to the Virginia Tech Foundation in 1989.

and Marine Corps recruiting offices. Also, Shortley claims that NCPAC was paying for more space than it occupied, especially after the removal of a phone bank in 1985.

According to NCPAC's answers to interrogatories, as well as correspondence from NCPAC to the Reports Analysis Division, NCPAC utilized all of the basement, most of the second floor and parts of the first floor of the building on Prince Street when it first began leasing space from NCF in early 1984. Gradually, the space which NCPAC utilized in the building decreased until it occupied only a quarter of the second floor by October, 1987. However, NCPAC continued paying a monthly rent of $12,000 per month for all of the space it had initially leased (approximately $42.00 per square foot for 2,877.3 square feet). In late 1987 and under new management, NCPAC questioned the expensive rent payments, given their reduced use of office space. In March, 1988, NCF and NCPAC agreed that NCPAC would stop paying rent altogether until this matter could be investigated and the rent recalculated for space actually used. This, however, did not occur until mid-1989. At that time, charts were prepared by the staff showing how much space in the building had actually been used by NCPAC over the years. The parties agreed on a figure of $18.00 per square foot as being a reasonable rent figure, in light of the fact the that U.S. Government (the highest rent paying tenant in the building) was paying $17.82 per square foot. Thus, using this revised amount of square footage and the revised cost per square foot, NCF recalculated the amount of the rent which NCPAC

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should have paid over the years. This rent overpayment was reimbursed to NCPAC in two ways: first, by the non-payment of rent by NCPAC from March, 1988 until January, 1990; and secondly, by the cash payment of $146,000 by NCF to NCPAC in twelve installments between April 1, 1989 and November 1, 1989. According to monthly reports filed with the Commission, the $146,000 paid to NCPAC by NCF represented 63 percent of NCPAC's total receipts during that seven month period, and the funds were used primarily to pay NCPAC's operating expenses.

The interrogatories submitted to both NCF and NCPAC sought the existence of any written lease or agreement between NCF and NCPAC for the leased space in question. In their responses, both NCF and NCPAC maintain that there was a written lease between the parties, but that a copy of such a lease cannot be located. The organizations were able to produce a copy of the current lease between the parties for the space presently occupied on South Alfred Street. In fact, NCF was able to produce copies of all the leases for all of the other tenants to whom they leased space from 1984 through the present; the NCPAC lease was the only lease neither party was able to produce for the Commission.

NCF and NCPAC have gone to great lengths to demonstrate on paper the basis upon which they recalculated the rent payments owed by NCPAC for the space they used from 1984 through 1987. However, the key factor upon which all of this recalculation rests is whether or not the terms of the lease between the parties permitted any such recalculation of rent. Neither

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respondent has proven that such a recalculation was permitted by the terms of any agreement, nor have they demonstrated that this was an arm's length transaction utilizing fair market values at the time these payments were initially made. In fact, it is doubtful as to whether a retroactive recalculation of the rent owed can ever really be an arm's length transaction, especially when the parties are closely aligned and no written agreement can be produced.

Maiselle Dolan Shortley serves as the chairman of both NCF and NCPAC. John T. Dolan (deceased) and L. Brent Bozell, III have also served on the Board of Directors of both organizations. The two entities have been located in the same buildings over the past several years. When NCPAC began leasing space from NCF in 1984, it paid an extremely high monthly rate per square foot (approximately $42.00 per square foot for 2877.3 square feet). The rents paid by other tenants during this same time period ranged from $13.09 to $17.82 per square foot. NCPAC was not paying the "usual and normal charge" for the space leased during those years. In fact, NCPAC continued to pay this high rate even though it maintains that the amount of office space it was actually using decreased. No explanation has been given by either party as to why NCPAC was paying such a high rate, or why NCPAC agreed to pay such a high rate in the first place. However, an examination of the reports filed by NCPAC show that its revenues were relatively high when this arrangement was

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initiated in 1984, as compared with a sharp decline in its revenues from 1985 through the present.[2] NCPAC was paying an extremely high amount of rent to NCF when it was financially able to do so. These are all examples which demonstrate that this lease relationship was not an arm's length transaction between the parties.

NCPAC maintains that because the amount of space it utilized decreased over the years, the amount of rent owed should also have decreased accordingly. However, NCPAC and NCF have not proven that the terms of any written lease permitted such a rent recalculation, nor have they provided any evidence that such renegotiations of this manner are "usual and normal" business practices. Tenants do not normally renegotiate leases with their landlords after several years in order to get rent rebates because they did not use all of the space for which they contracted. NCPAC represents that it entered into a lease agreement to lease a specific amount of space and to pay a specific sum for that space. Whether or not they actually used

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2. The sharp decline in NCPAC's revenues is illustrated by this chart:

Period	Receipts
1983-84	$19,514,822.
1985-86	9,319,550.
1987	1,676,313.
1988	528,881.
1989	328,069.

The $146,000 paid by NCF to NCPAC between April, 1989 and November 1, 1989, represented 63 percent of the total receipts received by NCPAC during that time period.

that space is irrelevant to the obligation to pay the rent. The thesis put forward by NCPAC is analogous to a tenant renting a house for several years, and then attempting to recalculate the rent owed during those years and obtaining a rebate because he or she did not use all of the rooms in that house.

As stated above, neither NCPAC nor NCF have been able to produce a copy of the written lease. However, in examining all of the other leases executed between NCF and the other tenants of the Prince Street building during those same years, none of those leases contain any provisions whatsoever for a recalculation of rent owed because a tenant did not utilize all of the space initially leased. There is no such provision in the lease agreement currently in effect between NCF and NCPAC for the offices in the South Alfred Street building. Again, the attempt by these parties to recalculate and refund these payments at this time does not appear to be an arm's length transaction, nor have they demonstrated that such a renegotiation is a usual and normal business practice. It must also be kept in mind that these rebate payments from NCF began after NCPAC's revenues decreased by almost 19 million dollars from its 1983-84 level. By their own admission in their answers to interrogatories, NCPAC is now totally inactive as an organization. A substantial portion of NCPAC's 1989 receipts consisted of these reimbursements from NCF. Again, this calls into question the arm's length nature of this transaction, since it appears that these rebate payments from NCF

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may have helped to keep NCPAC operating as a viable entity during 1989.[3]

Several violations of the Act have occurred in this situation because of the non-payment of rent and the rebate of rent payments previously made. Because there is no valid foundation for the payment of rent rebates to NCPAC, the payment of $146,000 in 1989 by NCF to NCPAC constitutes a corporate contribution. In addition, the non-payment of any rent by NCPAC from March 1988 until January 1990 also constitutes an in-kind corporate contribution from NCF to NCPAC. This case is simply a situation where NCPAC paid extremely high rent to NCF when times and revenues were good for NCPAC, and then NCF rebated a large portion of those payments back to NCPAC when times and revenues were bad for NCPAC. The General Counsel concludes that there is no contractual basis for this arrangement, and these rent rebates are not a usual and normal business practice. Therefore, the rent rebates reported as offsets to operating expenditures, as well as the non-payment of rent from March, 1988

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3. Another example of the lack of an arm's length arrangement between the respondents is that NCPAC appears to be renegotiating the amount of rent it currently pays NCF for the space it presently leases. In June, 1989, NCPAC signed a lease with NCF for 1200 square feet of space at $1650 per month. However, no rent was paid until January, 1990, when $533.33 was paid. From February through September, 1990, NCPAC has been paying $242 per month. These amounts are not consistent with the terms of the written lease. NCPAC maintains that it renegotiated this lease for 1080 square feet at $17.50 per square foot. However, the payments which have been made in 1990 are not even consistent with the renegotiated arrangement.

until January, 1990, accepted by NCPAC are violations of the Act's prohibition against corporate contributions. Accordingly, the General Counsel recommends that the Commission find probable cause to believe that the National Conservative Political Action Committee and Robert L. Shortley, as treasurer, violated 2 U.S.C. § 441b(a).

III. GENERAL COUNSEL'S RECOMMENDATIONS

1. Find probable cause to believe that the National Conservative Political Action Committee and Robert L. Shortley, as treasurer, violated 2 U.S.C. § 441b(a).

1/24/90
Date

LM Noble (JR)
Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 9, 1990

Maiselle Dolan Shortley, Chairman
National Conservative Foundation
618 South Alfred Street
Alexandria, Virginia 22314

RE: MUR 3053
National Conservative
Foundation and Maiselle Dolan
Shortley, as chairman

Dear Ms. Shortley:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, and information supplied by the National Conservative Foundation, on April 24, 1990, the Federal Election Commission found reason to believe that the National Conservative Foundation and you, as chairman, violated 2 U.S.C. § 441b(a), and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that a violation has occurred.

The Commission may or may not approve the General Counsel's recommendation. Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (ten copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of whether there is probable cause to believe a violation has occurred.

If you are unable to file a responsive brief within 15 days, you may submit a written request for an extension of time. All requests for extensions of time must be submitted in writing five days prior to the due date, and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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A finding of probable cause to believe requires that the Office of the General Counsel attempt for a period of not less than 30, but not more than 90 days, to settle this matter through a conciliation agreement.

Should you have any questions, please contact John Canfield, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Brief

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
National Conservative Foundation and Maiselle Dolan Shortley, as chairman	)	MUR 3053
	)	

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

On April 24, 1990, the Federal Election Commission found there was reason to believe that the National Conservative Foundation ("NCF") and Maiselle Dolan Shortley, as chairman, each violated 2 U.S.C. § 441b(a) and initiated an investigation into this matter.

II. ANALYSIS

The Federal Election Campaign Act of 1971, as amended ("the Act"), provides that no corporation whatever shall make any contribution or expenditure in connection with any election for Federal office and that no political committee shall knowingly accept such a contribution or expenditure. No officer or director of a corporation may consent to a prohibited contribution or expenditure. 2 U.S.C. § 441b(a). The Act defines "contribution or expenditure" to include payments or gifts of money. 2 U.S.C. § 441b(b)(2). This prohibition also applies to gifts of "anything of value", which are defined by Commission regulations as including the provision of goods or services at less than the usual and normal charge for them. 11 C.F.R. § 100.7(a)(1)(iii). The term "usual and normal charge"

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is defined to mean in the case of goods the price of those goods in the market from which they ordinarily would have been purchased at the time of the contribution or, in the case of services, the hourly or piecework charge for the services at a commercially reasonable rate prevailing at the time the services were rendered. 11 C.F.R. § 100.7(a)(1)(iii)(B).

The Act also provides that political committees filing reports with the Commission shall report all of their receipts in various categories. 2 U.S.C. § 434(b). Among these categories are receipts described as "rebates, refunds, and other offsets to operating expenditures." 2 U.S.C. § 434(b)(2)(I). This category covers such things as the return of unused portions of deposits required by certain businesses as well as the rebate of overpayments or overcharges, i.e., items that would reduce the amounts previously reported as "operating expenditures." These rebates, refunds, and other offsets may be received by a political committee from corporations as long as the rebate or refund does not result in the political committee's net payment falling below the usual and normal charge for the goods or services actually received. See, e.g., Advisory Opinion 1985-28. Thus, a rebate or refund by a corporation, when done to correct an overcharge or overpayment, is not considered a contribution or expenditure prohibited by the Act. A rebate for the overpayment of rent would be included in this category so long as the balance would represent the usual and normal rental payment and is in

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should have paid over the years. This rent overpayment was reimbursed to NCPAC in two ways: first, by the non-payment of rent by NCPAC from March, 1988 until January, 1990; and secondly, by the cash payment of $146,000 by NCF to NCPAC in twelve installments between April 1, 1989 and November 1, 1989. According to monthly reports filed with the Commission, the $146,000 paid to NCPAC by NCF represented 63 percent of NCPAC's total receipts during that seven month period, and the funds were used primarily to pay NCPAC's operating expenses.

The interrogatories submitted to both NCPAC and NCF sought the existence of any written lease or agreement between NCF and NCPAC for the leased space in question. In their responses, both NCF and NCPAC maintain that there was a written lease between the parties, but that a copy of such a lease cannot be located. The organizations were able to produce a copy of the current lease between the parties for the space presently occupied on South Alfred Street. In fact, NCF was able to produce copies of all the leases for all of the other tenants to whom they leased space from 1984 through the present; the NCPAC lease was the only lease neither party was able to produce for the Commission.

NCF and NCPAC have gone to great lengths to demonstrate on paper the basis upon which they recalculated the rent payments owed by NCPAC for the space they used from 1984 through 1987. However, the key factor upon which all of this recalculation rests is whether or not the terms of the lease between the parties permitted any such recalculation of rent. Neither

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party has proven that such a recalculation was permitted by the terms of any agreement, nor have they demonstrated that this was an arm's length transaction utilizing fair market values at the time these payments were initially made. In fact, it is doubtful as to whether a retroactive recalculation of the rent owed can ever really be an arm's length transaction, especially when the parties are closely aligned and no written agreement can be produced.

Maiselle Dolan Shortley serves as the chairman of both NCF and NCPAC. John T. Dolan (deceased) and L. Brent Bozell, III have also served on the Board of Directors of both organizations. The two entities have been located in the same buildings over the past several years. When NCPAC began leasing space from NCF in 1984, it paid an extremely high monthly rate per square foot (approximately $42.00 per square foot for 2877.3 square feet). The rents paid by other tenants during this same time period ranged from $13.09 to $17.82 per square foot. NCPAC was not paying the "usual and normal charge" for the space leased during those years. In fact, NCPAC continued to pay this high rate even though it maintains that the amount of office space it was actually using decreased. No explanation has been given by either party as to why NCPAC was paying such a high rate, or why NCPAC agreed to pay such a high rate in the first place. However, an examination of the reports filed by NCPAC show that its revenues were relatively high when this arrangement was

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initiated in 1984, as compared with a sharp decline in its revenues from 1985 through the present.[2] NCPAC was paying an extremely high amount of rent to NCF when it was financially able to do so. These are all examples which demonstrate that this lease relationship was not an arm's length transaction between the parties.

NCPAC maintains that because the amount of space it utilized decreased over the years, the amount of rent owed should also have decreased accordingly. However, NCPAC and NCF have not proven that the terms of any written lease permitted such a rent recalculation, nor have the respondents provided any evidence that such renegotiations of this manner are "usual and normal" business practices. Tenants do not normally renegotiate leases with their landlords after several years in order to get rent rebates because they did not use all of the space for which they contracted. NCPAC represents that it entered into a lease agreement to lease a specific amount of space and to pay a specific sum for that space. Whether or not they actually used

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2. The sharp decline in NCPAC's revenues is illustrated by this chart:

Period	Receipts
1983-84	$19,514,822.
1985-86	9,319,550.
1987	1,676,313.
1988	528,881.
1989	328,069.

The $146,000 paid by NCF to NCPAC between April, 1989 and November 1, 1989, represented 63 percent of the total receipts received by NCPAC during that time period.

that space is irrelevant to the obligation to pay the rent. The thesis put forward by NCPAC is analogous to a tenant renting a house for several years, and then attempting to recalculate the rent owed during those years and obtaining a rebate because he or she did not use all of the rooms in that house.

As stated above, neither NCPAC nor NCF have been able to produce a copy of the written lease. However, in examining all of the other leases executed between NCF and the other tenants of the Prince Street building during those same years, none of those leases contain any provisions whatsoever for a recalculation of rent owed because a tenant did not utilize all of the space initially leased. There is no such provision in the lease agreement currently in effect between NCF and NCPAC for the offices in the South Alfred Street building. Again, the attempt by these parties to recalculate and refund these payments at this time does not appear to be an arm's length transaction, nor have they demonstrated that such a renegotiation is a usual and normal business practice. It must also be kept in mind that these rebate payments from NCF began after NCPAC's revenues decreased by almost 19 million dollars from its 1983-84 level. By their own admission in their answers to interrogatories, NCPAC is now totally inactive as an organization. A substantial portion of NCPAC's 1989 receipts consisted of these reimbursements from NCF. Again, this calls into question the arm's length nature of this transaction, since it appears that these rebate payments from NCF

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may have helped to keep NCPAC operating as a viable entity during 1989.[3]

Several violations of the Act have occurred in this situation because of the non-payment of rent and the rebate of rent payments previously made. Because there is no valid foundation for the payment of rent rebates to NCPAC, the payment of $146,000 in 1989 by NCF to NCPAC constitutes a corporate contribution. In addition, the non-payment of any rent by NCPAC from March 1988 until January 1990 also constitutes an in-kind corporate contribution from NCF to NCPAC. This case is simply a situation where NCPAC paid extremely high rent to NCF when times and revenues were good for NCPAC, and then NCF rebated a large portion of those payments back to NCPAC when times and revenues were bad for NCPAC. The General Counsel concludes that there is no contractual basis for this arrangement, and these rent rebates are not a usual and normal business practice. Therefore, the rent rebates made by NCF which were reported by NCPAC as offsets to operating expenditures, as well as the

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3. Another example of the lack of an arm's length arrangement between the respondents is that NCPAC appears to be renegotiating the amount of rent it currently pays NCF for the space it presently leases. In June, 1989, NCPAC signed a lease with NCF for 1200 square feet of space at $1650 per month. However, no rent was paid until January, 1990, when $533.33 was paid. From February through September, 1990, NCPAC has been paying $242 per month. These amounts are not consistent with the terms of the written lease. NCPAC maintains that it renegotiated this lease for 1080 square feet at $17.50 per square foot. However, the payments which have been made in 1990 are not even consistent with the renegotiated arrangement.

non-payment of rent from March, 1988 until January, 1990, are violations of the Act's prohibition against corporate contributions. Accordingly, the General Counsel recommends that the Commission find probable cause to believe that the National Conservative Foundation and Maiselle Dolan Shortley, as chairman, violated 2 U.S.C. § 441b(a).

III. GENERAL COUNSEL'S RECOMMENDATIONS

1. Find probable cause to believe that the National Conservative Foundation and Maiselle Dolan Shortley, as chairman, violated 2 U.S.C. § 441b(a).

1/9/90
Date

Lawrence M. Noble
General Counsel

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RECEIVED
FEDERAL ELECTION COMMISSION
90 NOV 19 PM 1:45

NATIONAL CONSERVATIVE FOUNDATION
613 SOUTH ALFRED STREET
ALEXANDRIA, VIRGINIA 22314
(703) 549-0900

John T. (Terry) Dolan
Founder

Maiselle Dolan Shortley
Chairman

November 19, 1990

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
90 NOV 19 PM 3:58

BY HAND

John Canfield, Esq.
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 3053
National Conservative Foundation and
Maiselle Dolan Shortley as Chairman

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Dear Mr. Canfield:

I am in receipt of the General Counsel's letter and Brief on the above-stated matter. There are a number of incorrect statements of fact in the Brief that need to be corrected for the record. I believe, once this is done and the facts are stated clearly, you will not find any probable cause to believe a violation has occurred.

Due to the fact that I am working with a very small staff and the fact that the Thanksgiving holidays are included in NCF's fifteen day response time, I would like to request an extension of time in which to submit NCF's response.

Please extend NCF's response time until close of business on December 17, 1990, a date within the twenty day extension period for which the Commission ordinarily grants extensions.

Thank you.

Sincerely,

Maiselle Dolan Shortley
Chairman

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 23, 1990

Maiselle Dolan Shortley, Chairman
National Conservative Foundation
618 South Alfred Street
Alexandria, Virginia 22314

RE: MUR 3053
National Conservative Foundation and Maiselle Dolan Shortley, as treasurer

Dear Ms. Shortley:

This is in response to your hand-delivered letter dated November 19, 1990, requesting an extension of time until December 17, 1990, to respond to the General Counsel's Brief. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your response is due by the close of business on December 17, 1990.

If you have any questions, please contact John Canfield, the attorney assigned to this matter, at (202)376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

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National Conservative Political Action Committee

618 SOUTH ALFRED STREET • ALEXANDRIA, VA 22314 • (703) 684-1800

John T. (Terry) Dolan
Founder

Maiselle Dolan Shortley
Chairman

November 19, 1990

BY HAND

John Canfield, Esq.
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

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RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

Re: MUR 3053
National Conservative Political Action
Committee and Robert L. Shortley as Treasurer

Dear Mr. Canfield:

I have received the General Counsel's letter and Brief. After carefully reading the Brief, I find some incorrect statements of fact that when corrected will change the entire light of the case and no probable cause will be found to believe a violation has occurred.

Unfortunately, because the research and drafting of NCPAC's response will have to be done strictly on volunteer time, and because six of the fifteen days that NCPAC is allowed to respond are holidays, I respectfully request an extension of time in which to respond to the General Counsel's Brief.

I would appreciate it if you would extend NCPAC's response time until close of business on December 17, 1990, a date within the twenty day extension period for which the Commission ordinarily grants extensions.

Thank you for your consideration of this request.

Sincerely,

Robert L. Shortley

Robert L. Shortley
Treasurer

Paid for by the National Conservative Political Action Committee. Not authorized by any candidate or candidate's committee. (Contributions to NCPAC are not deductible as charitable contributions for income tax purposes.) Copies of NCPAC's financial records are available for review at the Federal Election Commission.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 23, 1990

Robert L. Shortley, Treasurer
National Conservative Political
Action Committee
618 South Alfred Street
Alexandria, Virginia 22314

RE: MUR 3053
National Conservative
Political Action Committee
and Robert L. Shortley,
as treasurer

Dear Mr. Shortley:

This is in response to your hand-delivered letter dated November 19, 1990, requesting an extension of time until December 17, 1990, to respond to the General Counsel's Brief. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your response is due by the close of business on December 17, 1990.

If you have any questions, please contact John Canfield, the attorney assigned to this matter, at (202)376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

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RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
90 DEC 20 AM 10: 23

NATIONAL CONSERVATIVE FOUNDATION
618 SOUTH ALFRED STREET
ALEXANDRIA, VIRGINIA 22314
(703) 548-0900

John T. (Terry) Dolan
Founder

Maiselle Dolan Shortley
Chairman

December 19, 1990

John Canfield, Esquire
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 3053

Dear Mr. Canfield

Enclosed please find an original and three (3) copies of the National Conservative Foundation's Response to the General Counsel's Brief in the above-stated matter.

NCF appreciated the extra two days that you extended to it in submitting this matter.

Sincerely,

Maiselle Dolan Shortley
Chairman

Enclosure

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
National Conservative Foundation and Maiselle Dolan Shortley, as Chairman	)	MUR 3053
	)	

NATIONAL CONSERVATIVE FOUNDATION RESPONSE TO GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

Whether the National Conservative Foundation ("NCF"), a Virginia corporation, and Maiselle Dolan Shortley, as chairman, each violated 2 U.S.C. section 441b(a) by refunding to the National Conservative Political Action Committee ("NCPAC"), a registered political committee, overpayments of rent. It is NCF's contention that the alleged violation was, in fact, simply a refund of rent overpayment by NCPAC to NCF and not a contribution of any sort.

II. HISTORY

In January, 1984, NCF began leasing space to NCPAC at 1001 Prince Street, Alexandria, Virginia, 22314.

In June 1984, NCPAC surrendered unneeded office space back to NCF. NCF in turn leased this space to the Conservative Alliance, and NCPAC, too, continued paying rent on the surrendered space.

In November 1984, NCPAC surrendered more office space to

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NCF. NCF in turn leased this space to The Dolan Report; however, NCPAC continued paying rent on this surrendered office space.

In May 1985, NCPAC surrendered more office space known as the Phone Bank space to NCF. NCF in turn leased this space to Craig Shirley and Associates, Arthur Finklestein and Associates and Young Americans for Freedom, but NCPAC, too, continued paying rent on this surrendered space.

Again in late 1985, NCPAC surrendered yet more office space and NCF leased the space to Special Olympics; yet, NCPAC continued paying rent on this surrendered space.

As NCF grew and developed programs such as the Media Research Center, it needed more office space. NCPAC decreasing in size surrendered space for NCF's use. NCPAC, however, continued to pay rent on the surrendered space.

When new management assumed control of the two organizations in September 1987, NCPAC was paying $12,000 per month rent and occupying approximately 2877 square feet of office space.

In October 1987, NCPAC surrendered more space to NCF and reduced its office area to 1509.8 square feet. The new management of NCF, aware that NCPAC had been paying rent on space it no longer used, reduced NCPAC's rent per month to $4000, with the understanding that an internal audit would be performed to reconcile NCPAC's rental account.

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From April 1, 1988 through December 31, 1989, NCPAC paid no rent to NCF, with the understanding that the rent due for that period would be deducted from the total reimbursement due NCPAC for overpayment of rent.

Reimbursements began in early 1989 and the final refund amount was determined in late summer of 1989.

III. ANALYSIS

NCF is compelled to clarify some misconceptions and misstatement of facts in the General Counsel's Brief ("the Brief"), as well as to expand on some statements to further clarify the transaction in question.

Page 3, paragraph 2 of the Brief states:

> "For instance, according to a letter from Robert Shortley, NCPAC had been paying $44.95 per square foot for 2,877.3 square feet, when the highest rate paid by any of the other tenants of the building never exceeded the $17.82 per square foot paid by the U.S. Government for Air Force and Marine Corps recruiting offices. Also, Shortley claims that NCPAC was paying for more space that it occupied, especially after the removal of a phone bank in 1985."

When new management assumed control of NCF and NCPAC in September 1987, NCPAC was at that time occupying 2,877.3 square feet of office space and still paying $12,000 per month. That

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monthly payment, minus the storage area fee, actually computes to $48.65 per square foot for space occupied.[1]

In September 1987, NCPAC was still paying for all the space originally leased from NCF in 1984, even though it was only occupying 2,877.3 square feet.

Contrary to the statement made in the Brief on page 4, paragraph 1,

> "However, NCPAC continued paying a monthly rent of $12,000 per month for all of the space it had initially leased (approximately $42.00 per square foot for 2,877.3 square feet).

NCPAC began leasing from NCF at a rate of approximately $14.00 per square foot, not $42.00 per square foot as stated in the Brief. See NCF Interrogatories, Page 7, Question 5 attached as Exhibit 1 and Leif Noren Memo attached as Exhibit 2(b). In addition, the 2,877.3 square feet referred to in the above-quoted sentence is the amount of space NCPAC occupied in September 1987, when new management assumed control of NCPAC and NCF, not the amount of space originally leased.

The Brief continues in the same paragraph on page 4:

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[1] Letter dated January 11, 1990, from Robert Shortley, Treasurer of NCPAC to the Commission incorrectly stated the office space rate at a $44.95 per square foot.

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"The parties agreed on a figure of $18.00 per square foot as being a reasonable rent figure, in light of the fact that the U.S. Government (the highest rent paying tenant in the building) was paying $17.82 per square foot. Thus, using this revised amount of square footage and the revised cost per square foot, NCF recalculated the amount of the rent which NCPAC should have paid over the years."

NCF would like to clarify these statements. Although NCPAC paid $14.00 per square foot for space leased in 1984; when the calculations were made for the refund of overpaid rents, NCF and NCPAC agreed to use the rate of $18.00 per square foot for office space occupied. The square footage in the calculations decreased as NCPAC had surrendered space and therefore was not a constant amount throughout the calculations.

On page 5, paragraph 1 of the Brief, it states:

"The interrogatories submitted to both NCPAC and NCF sought the existence of any written lease or agreement between NCF and NCPAC for the leased space in question. In their responses, both NCF and NCPAC maintain that there was a written lease between the parties, but that a copy of such lease cannot be located."

This is a misstatement. The NCF interrogatory asked: "State whether the National Conservative Foundation leased space to the National Conservative Political Action Committee during the period from 1984 through 1989..." NCF answered, "Yes, NCF rented space to NCPAC during the period from 1984 through 1989. However, after staff members searched the files, both in-house

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and from our former attorney, no formal lease between the two organizations has been found..." See NCF Interrogatories Page 7 attached as Exhibit 1. NCF does not know and therefore could not state that a formal written lease existed, but assumes that there was one.

This paragraph of the Brief continues:

> "The organizations were able to produce a copy of the current lease between the parties for the space presently occupied on South Alfred Street. In fact, NCF was able to produce copies of all the leases for all of the other tenants to whom they leased space from 1984 through the present; the NCPAC lease was the only lease neither party was able to produce for the Commission."

Again, this is simply incorrect. For the record, NCF also could not locate leases for WJD Commercial Real Estate Company Property Management Office and Tory Television, as NCF stated in the interrogatories. See NCF Interrogatories, pages 17 and 19, attached herewith as Exhibit 3.

Paragraph 2 on page 5 of the Brief states:

> "NCF and NCPAC have gone to great lengths to demonstrate on paper the basis upon which they recalculated the rent payments owed by NCPAC for the space they used from 1984 through 1987. However, the key factor upon which all of this recalculation rests is whether or not the terms of the lease between the parties permitted any such recalculation of rent. Neither party has proven that such a recalculation was permitted by the terms of any agreement..."

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The standard leases used by NCF had modification clauses in them. However, since NCPAC could not produce a written lease, NCF applied the standard business practice of "surrender" of leased property as the legal principle for doing what it considered to be the right thing to do -- that is -- refund to NCPAC rent monies that NCF had received for space NCPAC no longer occupied and NCF had relet to other tenants or used for NCF programs.

The above-referenced paragraph of the Brief continues:

> "...nor have they demonstrated that this was an arm's length transaction utilizing fair market values at the time these payments were initially made. In fact, it is doubtful as to whether a retroactive recalculation of the rent owed can ever really be an arm's length transaction, especially when the parties are closely aligned and no written agreement can be produced."

As has already been stated, NCPAC was paying $14.00 per square foot in 1984, a fair market value for space leased. NCF will demonstrate, in the following pages of this response, that refunding overpaid rents to NCPAC was an arm's length transaction even though the parties were closely aligned and no written agreement could be produced.

The Brief incorrectly asserts, on page 6, paragraph 1, that,

> "The rents paid by other tenants during this same time period ranged from $13.09 to $17.82 per square foot. NCPAC was not paying

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the 'usual and normal charge' for the space leased during those years."

NCF would, again, reference to the memo from Leif Noren which states that NCPAC was leasing space at $14.00 per square foot in 1984, which was certainly a "usual and normal charge" for space leased at that time.

The Brief continues in the same paragraph,

> "In fact, NCPAC continued to pay this high rate even though it maintains that the amount of office space it was actually using decreased. No explanation has been given by either party as to why NCPAC was paying such a high rate, or why NCPAC agreed to pay such a high rate in the first place."

Once again, it must be stressed that the rate was $14.00 per square foot which was <u>not</u> "a high rate in the first place". However, as NCPAC space decreased and the rent payments remained the same, the rent per square foot of space occupied increased considerably making the rent extra-ordinarily high, justifying a refund for overpayment.

The above-stated paragraph in the Brief continues:

> "However, an examination of the reports filed by NCPAC show that its revenues were relatively high when this arrangement was initiated in 1984, as compared with a sharp decline in its revenues from 1985 through the present. NCPAC was paying an extremely high amount of rent to NCF when it was financially able to do so.

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The assertion that "NCPAC was paying an extremely high amount of rent to NCF when it was financially able to do so" is unfounded and incorrect, because $14.00 per square foot was a fair market rate. NCPAC's revenues -- in 1984 or any other time -- are irrelevant to the fact that it overpaid its rent to NCF.

The above-referenced paragraph of the Brief concludes by stating:

> "These are all examples which demonstrate that this lease relationship was not an arm's length transaction between the parties."

Since the facts show that NCPAC agreed to pay a "usual and normal" rate of rent ($14.00 per square foot) when they began leasing office space from NCF, rather than the $42.00 per square foot that this entire paragraph is based on, one can reasonably conclude that it was an arm's length transaction, and that it was treated in an arm's length fashion just as any other tenant would be treated under the same circumstances.

Paragraph 1 on page 7 of the Brief states:

> "NCPAC maintains that because the amount of space it utilized decreased over the years, the amount of rent owed should also have decreased accordingly. However, NCPAC and NCF have not proven that the terms of any written lease permitted such a rent recalculation, nor have the respondents provided any evidence that such renegotiations of this manner are 'usual and normal' business practices."

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There is a common business practice by which tenants can relieve themselves from the obligation of paying rent on space that they have leased and no longer utilize. It is commonly referred to as "surrender". "A 'surrender' is an agreement by landlord and tenant to terminate the tenant's lease or tenancy, followed by a delivery of possession of the premises to the landlord. A surrender releases the tenant from liability for rent thereafter accruing."[2]

"A surrender requires mutual agreement of the parties. This agreement may be either express (arising out of the language used by the parties) or implied from the conduct of the landlord and tenant. Implied surrender occurs when the parties' conduct is inconsistent with the continuation of the landlord-tenant relationship--for example, when the landlord resumes possession of the premises after a relinquishment of possession by the tenant. A tenant's surrender extinguishes both his interest in the property and any further duty to pay rent."[3]

NCPAC found that it had leased more space than it needed. It surrendered the office space to NCF, thereby relieving NCPAC of "any further duty to pay rent." NCF then either relet the

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[2] Real Estate Law, Robert Kratovil, Prentice Hall, Inc., Englewood Cliffs, New Jersey, 1974, pp. 438.

[3] Business Law Principles, Cases, and Policy, Mark E. Roszkowski, Little, Brown and Company, Boston, Massachusetts, 1987, pp. 701.

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space to other tenants or used the space for NCF's expanding programs.

This above-stated business practice need not be written as a term of an original lease.

Paragraph 1 on page 7 of the Brief continues:

> "Tenants do not normally renegotiate leases with their landlords after several years in order to get rent rebates because they did not use all of the space for which they contracted. NCPAC represents that it entered into a lease agreement to lease a specific amount of space and to pay a specific sum for that space."

Robert Shortley used the term "renegotiate" in his letter to the FEC, dated January 11, 1990, when he stated that, "Fourth, it was necessary to determine at what point in time this renegotiation of past rents should begin." Perhaps a clearer choice of words would have been "refund of overpaid rents." The only "renegotiation" was in the sense that NCPAC agreed to use the rate of $18.00 per square foot for space occupied rather than the original $14.00 per square foot that NCPAC agreed to when it began leasing from NCF in 1984. NCPAC only requested that NCF reimburse it for rent paid on space it had surrendered and NCF had relet to other tenants or occupied itself for its own use. NCPAC took the position that NCF had received double rent payments on this office space, or used it without any rental responsibility to NCF, thereby treating NCPAC and its contributors unfairly.

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The above-referenced paragraph of the Brief continues:

> "Whether or not they actually used that space is irrelevant to the obligation to pay the rent."

Whether or not NCPAC actually used the space is relevant to the obligation to pay the rent since NCPAC surrendered the space and NCF relet the space to other tenants or used it for NCF purposes.

The Brief concludes paragraph 1, page 7 on page 8 with an analogy that is not relevant to the NCF-NCPAC situation:

> "The thesis put forward by NCPAC is analogous to a tenant renting a house for several years, and then attempting to recalculate the rent owed during those years and obtaining a rebate because he or she did not use all the rooms in that house."

This analogy implies that residential leasing and office leasing are identical arrangement, when in fact they are not. The Brief is trying to compare a private transaction between a landlord and a family leasing a private dwelling with a business transaction between a landlord and a corporation leasing office space in a building with public access. In a private dwelling, it would be difficult for the landlord to relet the vacant rooms to other parties or occupy the space for the landlord's own use. In a building with public access, reletting the surrendered space or using it for the landlord's projects was simply a matter of

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business practice. NCF did, in fact, as is shown above relet the space unused and surrendered by NCPAC or used it for its own purposes.

Paragraph 1 of page 8 of the Brief states:

> "...There is no such provision in the lease agreement currently in effect between NCF and NCPAC for the offices in the South Alfred building. Again, the attempt by these parties to recalculate and refund these payments at this time does not appear to be an arm's length transaction, nor have they demonstrated that such a renegotiation is a usual and normal business practice."

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First, it must be said that there have been no refunds of rents paid at the South Alfred Street building. NCF has, however, reduced NCPAC's rent at the South Alfred building because NCPAC has surrendered back to NCF all the space originally leased except for a small portion that it still occupies. Again, this is a common business practice.

Secondly, renegotiating leases <u>is</u> a common business practice that occurs frequently in the real estate market. The affidavit attached as Exhibit 4 expounds on this practice.

NCF has demonstrated that "surrender" of office space is a common business practice that need not be expressed in a lease. It has demonstrated that by surrender NCPAC was not liable to continue paying for the space it no longer needed because NCF

relet the space or occupied the surrendered space for its own purposes.

Why the overpayment continued until new management assumed control in September 1987 can only be explained as poor management practices.

NCF discovered in 1988 that it had also overpaid rent during 1985 and 1986. See Exhibit 5. NCF's landlord, Walter F. O'Connell and his attorneys honored NCF's request for a refund and credited this overpayment to future rental payments.

Throughout the Brief, it is questioned whether refunding to NCPAC overpaid rents was an arms length transaction. Maiselle Dolan Shortley found herself in a difficult position as chairman of both parties in this matter, NCF and NCPAC. This does not mean, however, that the transaction was not treated as an arms length transaction. The fact is, NCPAC surrendered office space, a common business practice. NCF acknowledged the surrender by either reletting this space to other tenants, therefore collecting double rent payments on the space, or using it for NCF projects while continuing to charge NCPAC for the space.

Since NCPAC was supported solely by individual contributions, the Chairman considered it not only unfair to NCPAC to pay rents on office space that had been surrendered by NCPAC and relet to other parties or that NCF was using for its own use, it was also unfair to the contributors that sent their

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donations in good faith that the monies would be used for NCPAC purposes.

The Brief states in paragraph 1 on page 8 that:

> "It must also be kept in mind that these rebate payments from NCF began after NCPAC's revenues decreased by almost 19 million dollars from its 1983-4 level. By their own admission in their answers to interrogatories, NCPAC is now totally inactive as an organization. A substantial portion of NCPAC's 1989 receipts consisted of these reimbursements from NCF. Again, this calls into question the arm's length nature of this transaction, since it appears that these rebate payments from NCF may have helped to keep NCPAC operating as a viable entity during 1989."

Whether NCPAC revenues were decreasing or not is irrelevant. The facts are that: 1) NCPAC exercised the common business practice of surrendering unused office space to NCF. 2) NCF acknowledged this common business practice by reletting the space or using the surrendered space for NCF purposes. 3) By surrendering the office space, NCPAC was then released from the liability of paying rent on the surrendered space. 4) NCF's refunding of rent that NCPAC was no longer liable to pay was right, ethical, and fair to all parties concerned, including NCPAC contributors.

The Brief states on page 2, paragraph 1 that:

> "Thus, a rebate or refund by a corporation, when done to correct an overcharge or overpayment, is not considered

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a contribution or expenditure prohibited by the Act. A rebate for the overpayment of rent would be included in this category so long as the balance would represent the usual and normal rental payment and is in accordance with the rental agreement or is a valid modification of it."

The rebate of overpaid rents from NCF was calculated on $18.00 per square foot for the space used by NCPAC rather than the $14.00 per square foot that NCPAC originally agreed to pay in 1984, therefore insuring that the "balance would represent the usual and normal rental payment". The surrender of office space by a lessee is a common business practice that need not be stated in the rental agreement. Therefore, NCF believes that neither NCF nor Maiselle Dolan Shortley as chairman violated 2 U.S.C. section 441b(a).

Respectfully submitted,

Maiselle Dolan Shortley
Chairman
National Conservative
Foundation

December 19, 1990

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QUESTION 5: State whether the National Conservative Foundation leased space to the National Conservative Political Action Committee ("NCPAC") during the period from 1984 through 1989. If so, provide copies of all leases in effect between the National Conservative Foundation and NCPAC during this period. Describe all provisions or separate arrangements between the National Conservative Foundation and NCPAC regarding: free rent, the cost of leaseholds improvements or changes, the duration of each lease, the square footage leased, the payment of any broker's commissions, and all other costs associated with the lease(s).

Yes, NCF rented space to NCPAC during the period from 1984 through 1989. However, after staff members searched the files, both inhouse and from our former attorney, no formal lease between the two organizations has been found. A memo in the former Executive Director of NCPAC, Leif Noren's, handwriting was found, however, stating that NCPAC was paying $14.00 per square foot in 1984. And a memo from Leif Noren to staff members stating that NCPAC was reducing its space and rental obligations. See Exhibit I.

To my knowledge NCPAC was never given free rent by the National Conservative Foundation.

To my knowledge, NCPAC did not pay for leasehold improvements between 1984 and 1989. Any leasehold improvements were made for the benefit of NCF, the lessor.

QUESTION 6: Identify all persons who represented or acted on behalf of the National Conservative Foundation regarding the lease arrangements between it and NCPAC during the period from 1984 to 1989.

I do not know who represented the National Conservative Foundation regarding lease arrangements between it and NCPAC during

9104037324 6

Exhibit 2(a)

PB

(F1)

PHONE BANK MEETING

May 4, 1984

1. Reduce Phone Bank Space ($350 Savings)
2. Lockoff Phone Bank telephone access codes or lines.
3. Must recreate exact calculations for labor expenses for:

   December
   January
   February
   March

4. Exactly how is space (cost) allocated?
5. Directech costs must be verified.
6. How can we stabilize cost allocation costs? ie. Ads, Directech costs, Xerox costs.
7. Under the Insurance category, exactly who are the people being insured?
8. For December Expense/Income analysis, under equipment, what is the $516.00 for?
9. Need to see invoices for all printing expenses for all reports (Dec.-Mar.)
10. Need to see all DirecTech invoices for all reports.
11. Review of general operation:

    a. Phone Bank - performance stats to be picked up daily with phone bank cards.

    b. Postage - pick up check daily due to financial crisis.

    c. Mail - now going out by 12:00 next day.

    d. Service versus buy new phones. Costs.

    e. Post bills must be paid so we can advertise for personnel.

9104087324 7

Exhibit 2(b)

Things to do TODAY

RIGHT on time always

19

Phone Bank Questions

1. How is space (cost) allocated? Based on cost to NCPAC (approx. $14/ft²) Additionally, a portion of common areas is assigned just as the case would be with a normal lease. Phone Bank is charged w/ 1500 ft² of space.
2.
3.
4. People currently on insurance policy:
5.
6. December "equipment other" charge is for moving the Xerox machine and maintenance and meter charge for the month
7.
8. Stabalize Costs? Xerox costs - may be more effective to get rid of the machine (any replacement must be a high volume copier since up to 10,000 copies per month are made)
9. Directech Costs? Directech will no longer be sending new contributor cards to us unless we prepay. This is going to be difficult in light of the other financial committments we have.
10. Ads? I believe our PB Recruitment/training to be one of the weakest links of the PB dept. Need to come up w/ new recruiting methods. (Colleges, Senior citizens, etc)

9104037324 8

Colortone Press
CREATIVE GRAPHICS INC. 2400 17th Street, N.W. Washington, D. C. 20009 • (202) 387-6800

Square Footage Leased: Approximately 702 sq. ft.

Cost of Leasehold
Improvements or Changes: NCF provided installation of security lock, painting of office and cleaning of carpets.

Broker's Commission Paid: None to my knowledge.

Other Costs Associated with Lease: NCF provided regular cleaning, maintenance and utilities.

See Exhibit DD.

22) Lessee Name: Cheryl L. Smith assumed by John Holsinger

Free Rent Offered: None to my knowledge.

Duration of Lease: Three years extended month to month

Square Footage Leased: Approximately 700 sq. ft.

Cost of Leasehold

Improvements or Changes: NCF provided 8 ft. high partition with door and electrical outlets, "L" shaped receptionist desk, raised kitchen cabinet, cleaned carpets. Total Cost unknown.

Broker's Commission Paid: $1,636.25

Other Costs Associated with Lease: NCF provided regular cleaning, maintenance and utilities and one parking space.

See Exhibit EE.

23) Lessee Name: Tory Television

Free Rent Offered: Unknown

Duration of Lease: Unknown

Square Footage Leased: Approximately 712 sq. ft.

Cost of Leasehold
Improvements or Changes: Unknown

Broker's Commission Paid: Unknown

Other Costs Associated with Lease: Unknown

There is knowledge that this firm did occupy an office in the building, but no records or lease could be found in the files.

9104037324 9

Cost of Leasehold
Improvements or Changes: NCF provided painting and carpet cleaning. Cost unknown.

Broker's Commission Paid: $208.73

Other Costs Associated with Lease: NCF provided regular cleaning, maintenance and utilities.

See Exhibit HH.

27) Lessee Name: WJD Commercial Real Estate Co.
Property Management Office

Free Rent Offered: Unknown

Duration of Lease: Unknown

Square Footage Leased: Approximately 543.77 sq. ft.

Cost of Leasehold
Improvements or Changes: Unknown

Broker's Commission Paid: Unknown

Other Costs Associated with Lease: Unknown

There is knowledge that this firm did occupy an office in the building, but no records or lease could be found in the files.

28) Lessee Name: Dennis Yatras d/b/a Orion Enterprises

Free Rent Offered: None

Duration of Lease: One year

Square Footage Leased: Approximately 400 sq. ft.

Cost of Leasehold
Improvements or Changes: None

Broker's Commission Paid: $300.00

Other Costs Associated with Lease: NCF provided regular cleaning, maintenance and utilities.

See Exhibit II.

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EXHIBIT 4

AFFIDAVIT

District of Columbia ss:

I, Patrick W. Nalls, after being sworn on oath according to law, depose and say that:

1. I am a Real Estate Agent, licensed in the District of Columbia, Maryland and Virginia.

2. I have been active in the sale and lease of commercial real estate in and around the Washington, D.C. metropolitan area for the past five years.

3. It has been my experience that it is a business practice in the Washington, D.C. metropolitan area to renegotiate leases from time to time in order to meet the tenants changing needs (i.e. whether a tenant is expanding or contracting).

4. Leases are renegotiated when certain conditions are present. Some of these conditions are as follows:

   a. Space needs drastically change;

   b. Rental prices per square foot change as a whole because of a-typical increases in costs in a building; or

   c. When the tenant has a drastic change in its business causing economic constraints to upholding their leasehold obligations.

5. When one or more of the above conditions exist, leases are renegotiated or, in my experience, tenants have vacated the premises.

9104087325 1

6. I have examined the circumstances regarding the space occupied by NCPAC and find that, under those circumstances you would usually find renegotiations.

7. It is generally to the benefit of the landlord, provided his damages are mimimal, no matter how the lease is written, to renegotiate space needs and rates rather than to have the tenant vacate and have to resort to legal means to recoup loss revenues from all of the tenant's space being vacated.

BY: Patrick W. Walls

Subscribed and sworn to before me this 19th day of December 1990

My Commission expires: 3-14-94 Karen J. Scott
Notary Public

9104037325 2

Exhibit 5

NATIONAL CONSERVATIVE FOUNDATION
1001 PRINCE STREET
ALEXANDRIA, VIRGINIA 22314

Maiselle Dolan Shortley
Chairman

(703) 548-0900

September 12, 1988

Joseph Artebane, Esq.
Spriggs & Hollingsworth
Suite 1100
1015 Fifteenth Street, N.W.
Washington, D.C. 20005-3686

Dear Joe:

In reference to our telephone conversation Friday morning regarding overpayment of rent by NCF, I have computed the following overpayment.

In 1983, taxes on the property were $8426.16. This amount plus the insurance divided by twelve determined the escrow amount per month that NCF paid in addition to the base rent (see January 16, 1984 letter).

The property taxes increased to $25,862.22 in 1984. Since NCF was only paying $880.08 per month to the escrow account, they were notified as of July 1, 1984 that there was an escrow shortage of $12,981.86. They were also notified that their required escrow payment per month would be $2,331.26, plus 1/12 of the escrow shortage, or $1081.82, making their total rent payment $22,225.58 (see June 28, 1984 letter and enclosure).

Instead of NCF paying the $1,081.82 for only 12 months and then reducing their rent payment to $21,143.76, NCF continued to pay $22,225.58 until February 1987, or one and one-half years longer than necessary. Beginning in February 1987, they reduced their rent payment by $1000.00 and NCF has been paying $21,225.58 per month to and including September 1988.

The following table will show you the yearly rent due from NCF:

YEAR	TAXES	INSURANCE	BASE RENT	TOTAL DUE	AMOUNT PAID	DIFFERENCE
1984	25,862.22	2,110.00	225,750.00	253,722.22	251,594.04	<2,128.18>
1985	28,817.48	3,708.00	225,750.00	258,275.48	266,706.96	8,431.48
1986	29,670.00	3,708.00	225,750.00	259,128.00	266,706.96	7,578.96
1987	30,150.00	3,924.00	225,750.00	259,824.00	255,705.96	<4,117.04>
1988	28,750.00	3,424.00	225,750.00	257,924.00		
	Total due for nine months:			193,442.94	191,030.22	<2,412.72>
	Total overpayment to date:					7,352.50

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OGC 9062

National Conservative Political Action Committee

618 SOUTH ALFRED STREET • ALEXANDRIA, VA 22314 • (703) 684-1800

John T. (Terry) Dolan
Founder

Maiselle Dolan Shortley
Chairman

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
90 DEC 20 AM 10: 22

December 19, 1990

John Canfield, Esquire
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 3053

Dear Mr. Canfield

Enclosed please find an original and three (3) copies of the National Conservative Political Action Committee's Response to the General Counsel's Brief in the above-stated matter.

Again, NCPAC appreciated the extra two days that you extended to it in submitting this matter.

Sincerely,

Robert L. Shortley

Robert L. Shortley
Treasurer

Enclosure

9104087325 4

Paid for by the National Conservative Political Action Committee. Not authorized by any candidate or candidate's committee. (Contributions to NCPAC are not deductible as charitable contributions for income tax purposes.) Copies of NCPAC's financial records are available for review at the Federal Election Commission.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
National Conservative Political Action Committee and Robert L. Shortley, as Treasurer	)	MUR 3053

NATIONAL CONSERVATIVE POLITICAL ACTION COMMITTEE
RESPONSE TO
GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

Whether the National Conservative Political Action Committee ("NCPAC"), a registered political committee, and Robert L. Shortley, as treasurer, each violated 2 U.S.C. section 441b(a) by accepting a refund of overpaid rents from the National Conservative Foundation ("NCF"), a Virginia corporation. NCPAC believes that the monies accepted from NCF were legitimate and lawful and that no law has been violated.

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II. HISTORY

NCPAC began renting space from NCF in January 1984 in the building located at 1001 Prince Street, Alexandria, Virginia at a rate of approximately $14.00 per square foot. See Leif Noren memo attached herewith as Exhibit 1(b).

Beginning in June 1984, and from time to time thereafter, NCPAC surrendered to NCF office space that it no longer needed. NCF in turn either relet this space to other tenants or used the space for its own projects. However, NCPAC's rent payments remained the same until September 1987, when new management assumed control of both organizations.

Because NCPAC's rent payments remained constant and the amount of office space it occupied continued to decrease, by September 1987, it was, in effect, paying $48.65 per square foot for the approximately 2877 square feet that NCPAC then occupied.

In October 1987, NCPAC surrendered additional office space to NCF and NCF, aware that NCPAC was being overcharged for rent, reduced NCPAC's rent payments to $4000 per month with the understanding that an internal audit would be performed and the NCPAC rent account reconciled.

Due to a severe reduction in staff, pressing political activities and financial and managerial problems, time did not allow the investigation to proceed. Therefore, in March 1988, it was agreed that NCPAC cease making rental payments until the reconciliation of the rental account could be completed and these rent payments would be subtracted from the total overpayment of rent refund.

This reconciliation was addressed in early 1989 and the final reimbursement figure was determined in late summer of that year.

NCPAC reported each payment of the reimbursement correctly and accurately on its monthly FEC reports.

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III. ANALYSIS

NCPAC has read the General Counsel's Brief ("the Brief") and believes it is imperative that NCPAC correct some misconceptions, misstatements of fact and expound on other statements in order clarify the transaction in question. NCPAC is confident that after this process is completed, the Federal Election Commission ("FEC") will find that NCPAC and Robert L. Shortley as treasurer did not violate 2 U.S.C. Section 441b(a).

Page 3, paragraph 2 of the Brief states:

> "NCPAC maintains that this internal review revealed that NCPAC had been paying rent to NCF at a square footage rate substantially higher than other tenants of the building, then 1001 Prince Street in Alexandria. For instance, according to a letter from Robert Shortley, NCPAC had been paying $44.95 per square foot for 2,877.3 square feet, when the highest rate paid by any of the other tenants of the building never exceeded the $17.82 per square foot paid by the U.S. Government for Air Force and Marine Corps recruiting offices. Also, Shortley claims than NCPAC was paying for more space than it occupied, especially after the removal of a phone bank in 1985."

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When new management assumed control of NCF and NCPAC in September of 1987, NCPAC was occupying approximately 2877 square feet of office space but its monthly rental payment was still $12,000 per month. For the space that it occupied, NCPAC was paying an extremely high per square foot price (over two and one-half times fair market price). This per square foot cost

actually computes to $48.65 per square foot for space occupied.[1] The reason the price per square foot was so high was because NCPAC was still paying rent on all of the space it had originally leased from NCF in 1984 even though it had periodically surrendered unused office space back to NCF.

A correction to the statement made in the Brief on page 4, paragraph 1 quoted below, is necessary in order to understand fully the rent refund transaction.

> "However, NCPAC continued paying a monthly rent of $12,000 per month for all of the space it had initially leased (approximately $42.00 per square foot for 2,877.3 square feet).

NCPAC began leasing from NCF at a rate of approximately $14.00 per square foot, not $42.00 per square foot. By September 1987, NCPAC had reduced its office space to 2877.3 square feet.

The Brief continues in the same paragraph on page 4:

> "The parties agreed on a figure of $18.00 per square foot as being a reasonable rent figure, in light of the fact that the U.S. Government (the highest rent paying tenant in the building) was paying $17.82 per square foot. Thus, using this revised amount of square footage and the revised cost per square foot, NCF recalculated the amount of the rent which NCPAC should have paid over the years."

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[1] Letter dated January 11, 1990, from Robert Shortley, Treasurer of NCPAC to the Commission incorrectly stated the office space rate at a $44.95 per square foot.

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The Brief seems to imply that NCPAC used the same "revised amount of square footage" throughout the calculations. NCPAC wants to make sure the FEC understands that the square footage used in the calculations diminished as space was surrendered by NCPAC back to NCF. For example, office space occupied by NCPAC in June and July of 1985 was 4267.4 square feet. NCPAC used this amount of square footage in its calculations for that time frame. From August 1985 until May 1986, NCPAC occupied 3572.6 square feet of office space. This square footage was used in the calculations for that time period, etc.

On page 5, paragraph 1 the Brief says:

> "The interrogatories submitted to both NCPAC and NCF sought the existence of any written lease or agreement between NCF and NCPAC for the leased space in question. In their responses, both NCF and NCPAC maintain that there was a written lease between the parties, but that a copy of such lease cannot be located."

This statement needs clarification. The NCPAC interrogatory asked: "State whether NCPAC had a lease arrangement with the National Conservative Foundation for the rental of office space at 1001 Prince Street, Alexandria, Virginia, and give the dates during which such arrangement was in effect. Provide a copy of the lease(s) in effect for the period from 1984 through 1989." NCPAC answered, "Yes, NCPAC had a lease arrangement with the National Conservative Foundation ("NCF") for the rental of office space at 1001 Prince Street, Alexandria, Virginia from January

9104087325 9

1984 through July 1989. After staff members searched the files both in house and from our previous attorney, the written document is missing/lost. Nevertheless, from January 1984, NCPAC paid rent to NCF and NCF received and posted such rental payments in the same manner of other arms length commercial lease arrangements that existed from time to time at 1001 Prince Street, Alexandria, Virginia. A memo exists in the former Executive Director, Leif Noren's handwriting stating that in 1984 NCPAC was paying approximately $14.00 per square foot. See Exhibit A. Also, Exhibit B is a memo from Leif Noren advising a reduction in NCPAC space and a decrease in NCPAC's rent." See NCPAC Interrogatories Page 4 Question 2 attached as Exhibit 2. NCPAC stated in this interrogatory that there was a lease arrangement. It did not mean to imply that it had knowledge of a written agreement since one could not be found.

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Paragraph 2 on page 5 of the Brief states:

> "NCF and NCPAC have gone to great lengths to demonstrate on paper the basis upon which they recalculated the rent payments owed by NCPAC for the space they used from 1984 through 1987. However, the key factor upon which all of this recalculation rests is whether or not the terms of the lease between the parties permitted any such recalculation of rent. Neither party has proven that such a recalculation was permitted by the terms of any agreement..."

The term "recalculation of rent" is, perhaps, the wrong choice of words, because in reality, the transaction was simply refunding over-payments of rent. If a vendor does work for two

firms and bills one firm for all the work done for both firms, the firm billed has a right to "recalculate" what is owed and ask the vendor for a refund. This is exactly the process done by NCPAC. NCPAC had surrendered office space to NCF. NCF relet the space (and therefore collected double rent on the space) or used it for its own purposes (and therefore should have been responsible for the rent) and, as a common business practice, NCPAC asked and received a refund for over-paid rents. Such a transaction as refunding or receiving a refund for overpayment would not necessarily have to be written into an agreement.

The standard leases used by NCF for other tenants included a modification clause that would have allowed those tenants to reduce office space. Leif Noren's memo advising that NCPAC office space and rent payments would be reduced (see Exhibit 3), clearly indicates NCPAC's intent to follow that modification clause.

The above-referenced paragraph of the Brief continues:

> "...nor have they demonstrated that this was an arm's length transaction utilizing fair market values at the time these payments were initially made. In fact, it is doubtful as to whether a retroactive recalculation of the rent owed can ever really be an arm's length transaction, especially when the parties are closely aligned and no written agreement can be produced."

Once again, NCPAC would like to reiterate that rather than a "retroactive recalculation of rent owed", a more correct

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description of the transaction was a simply refund of overpaid rent. NCPAC believes that after the Commission has read this response in its entirety, the Commission will agree that the transaction was at "arm's length" and done fairly.

The Brief misstates the facts, on page 6, paragraph 1, that,

> "The rents paid by other tenants during this same time period ranged from $13.09 to $17.82 per square foot. NCPAC was not paying the 'usual and normal charge' for the space leased during those years."

Once again, NCPAC would like to emphasize that according to the memo attached as Exhibit 1, NCPAC was paying $14.00 per square foot in 1984 which was a "usual and normal charge" for the space leased at that time. The fact is that NCPAC was occasionally surrendering space back to NCF -- but kept paying the same amount per month, making the square foot rate for <u>space occupied</u> rise to exorbitant rates. This overpayment is the reason for the refund to NCPAC for space it was no longer using. This space was relet by NCF or used by NCF for its own purposes.

The Brief continues in the same paragraph,

> "In fact, NCPAC continued to pay this high rate even though it maintains that the amount of office space it was actually using decreased. No explanation has been given by either party as to why NCPAC was paying such a high rate, or why NCPAC agreed to pay such a high rate in the first place."

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The Brief continues to argue the wrong premise. NCPAC did not agree to pay a "high rate in the first place" and if NCF had adjusted NCPAC's per month rental payment as NCPAC surrendered space back to NCF, it would not have been paying "such a high rate" when new management assumed control in September 1987. This is the exact reason NCPAC requested and was given a refund of overpaid rents by NCF.

The above-stated paragraph in the Brief continues:

> "However, an examination of the reports filed by NCPAC show that its revenues were relatively high when this arrangement was initiated in 1984, as compared with a sharp decline in its revenues from 1985 through the present. NCPAC was paying an extremely high amount of rent to NCF when it was financially able to do so.

NCPAC is compelled to again reiterate that it was not paying "an extremely high amount of rent to NCF" originally -- when NCPAC's revenues were at its highest. It was paying $14.00 per square foot.

The above-referenced paragraph of the Brief concludes by stating:

> "These are all examples which demonstrate that this lease relationship was not an arm's length transaction between the parties."

Since the premise of this entire paragraph is that NCPAC was paying extremely high rent originally, and this premise is

9104037326 3

demonstrably in error, the "examples which demonstrate that this lease relationship was not an arm's length transaction" are rendered irrelevant.

Paragraph 1 on page 7 of the Brief states:

> "NCPAC maintains that because the amount of space it utilized decreased over the years, the amount of rent owed should also have decreased accordingly. However, NCPAC and NCF have not proven that the terms of any written lease permitted such a rent recalculation, nor have the respondents provided any evidence that such renegotiations of this manner are 'usual and normal' business practices."

There is a common business practice by which tenants can relieve themselves from the obligation of paying rent on space that they have leased and no longer utilize. It is commonly referred to as "surrender". "A 'surrender' is an agreement by landlord and tenant to terminate the tenant's lease or tenancy, followed by a delivery of possession of the premises to the landlord. A surrender releases the tenant from liability for rent thereafter accruing."[Emphasis added][2]

"A surrender requires mutual agreement of the parties. This agreement may be either express (arising out of the language used by the parties) or implied from the conduct of the landlord and tenant. Implied surrender occurs when the parties' conduct is inconsistent with the continuation of the landlord-tenant

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[2] Real Estate Law, Robert Kratovil, Prentice Hall, Inc., Englewood Cliffs, New Jersey, 1974, pp. 438.

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relationship--for example, when the landlord resumes possession of the premises after a relinquishment of possession by the tenant. A tenant's surrender extinguishes both his interest in the property and any further duty to pay rent."[Emphasis added][3]

Surrender is a common business practice. NCPAC found it had more office space than needed. NCPAC surrendered the space to NCF and NCF "resumed possession of the premises" as evidenced by the fact that it relet the space or used it for NCF purposes. NCF thereby, "released NCPAC from the liability for rent thereafter accruing". Surrender, then, is the "usual and normal" business practice evidence that the Commission is requesting. And, because, after surrendering the space and being released from the liability for rent thereafter accruing, the amount NCPAC paid over and above the amount due for the space it occupied was simply an overpayment of rent. Calculating overpayments of rent and/or refunding overpayments of rent need not be written into a lease.

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Paragraph 1 on page 7 of the Brief continues:

> "Tenants do not normally renegotiate leases with their landlords after several years in order to get rent rebates because they did not use all of the space for which they contracted. NCPAC represents that it entered into a lease agreement to lease a specific amount of space and to pay a specific sum for that space."

---

[3] Business Law Principles, Cases, and Policy, Mark E. Roszkowski, Little, Brown and Company, Boston, Massachusetts, 1987, pp. 701.

The term, "renegotiate" was used in NCPAC's letter to the FEC on January 11, 1990. Unfortunately, it was a poor choice of words for the actual transaction and NCPAC apologizes if it mislead the Commission by using it. A better choice of terms would have been, "calculation of overpaid rents". However, on its FEC reports, NCPAC did clearly state that the monies received from NCF were "reimbursements for overpaid rents". NCPAC did agree to "lease a specific amount of space and to pay a specific sum for that space." However, as is shown above, the common business practice of "surrender of space" would allow NCPAC to reduce its rent responsibilities, as was the intention according to Leif Noren's memo attached herewith as Exhibit 3.

The above-referenced paragraph of the Brief continues:

> "Whether or not they actually used that space is irrelevant to the obligation to pay the rent."

Since the evidence clearly shows that NCPAC "surrendered" the space and NCF "resumed possession of the premises", it becomes very relevant as to the "obligation to pay the rent". As has been shown above, by surrender, NCPAC no longer had an obligation to pay rent on space it no longer occupied, had surrendered and was thereafter used by its landlord.

Paragraph 1, page 7 ends on page 8 with an analogy that is not valid to the situation between NCF and NCPAC.

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> "The thesis put forward by NCPAC is analogous to a tenant renting a house for several years, and then attempting to recalculate the rent owed during those years and obtaining a rebate because he or she did not use all the rooms in that house."

Rooms in a private home and office space in an office building with public access are not analogous. If a family renting a home notified its landlord that there were rooms being unused, the landlord would have difficulty reletting the rooms because a home is private with private access and most families would not want strangers occupying unused rooms. In an office building, as has been demonstrated, NCPAC certainly had no problem with NCF reletting the surrendered space or using it for NCF purposes because the building was public with public access and many different lessees operating within.

Paragraph 1 of page 8 of the Brief states:

> "...There is no such provision in the lease agreement currently in effect between NCF and NCPAC for the offices in the South Alfred building. Again, the attempt by these parties to recalculate and refund these payments at this time does not appear to be an arm's length transaction, nor have they demonstrated that such a renegotiation is a usual and normal business practice."

NCPAC would like to state for the record that no refunds of overpaid rents have been received for space leased in the South Alfred Street building. However, NCPAC believes that had it overpaid its rent on South Alfred street, it would be a legal and

9104037326 7

appropriate business transaction to request a refund. NCPAC has, however, surrendered space back to NCF in the South Alfred building and NCF has resumed possession of this space and therefore NCPAC is no longer obligated to pay rent on the unoccupied space.

Also, for the record, renegotiating leases is a "common business practice" that is done frequently within the real estate market. The affidavit attached as Exhibit 4 attests to this fact.

NCPAC has shown that "surrender" of previously leased space is a "common business practice" and that because NCF resumed possession of the unoccupied space, NCPAC was no longer responsible for the rent liability on the unoccupied space. And, that this "common business practice" need not necessarily be written into a lease agreement.

NCPAC would also hope that it has clarified the transaction was between NCF and NCPAC -- that being simply an refund of overpaid rents.

The Brief states in paragraph 1 on page 8 that:

> "It must also be kept in mind that these rebate payments from NCF began after NCPAC's revenues decreased by almost 19 million dollars from its 1983-4 level. By their own admission in their answers to interrogatories, NCPAC is now totally inactive as an organization. A substantial portion of NCPAC's 1989 receipts consisted of

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these reimbursements from NCF. Again, this calls into question the arm's length nature of this transaction, since it appears that these rebate payments from NCF may have helped to keep NCPAC operating as a viable entity during 1989."

First of all, for the record, NCPAC would like to reiterate that the transaction was a refund of overpaid rent and not a "rebate payment" as is stated in the quote from the Brief above.

If a firm has paid too much money to a vendor, a landlord, or any other entity, NCPAC believes that firm has a legal right to request and to receive a refund for overpayment regardless of the financial situation of the firm at the time of the request. Therefore, NCPAC does not believe that its financial situation at the time of the refund is in any way relevant to the decision of the Commission on this transaction.

Throughout the Brief it is questioned as to whether this transaction was at arm's length. NCPAC discovered that it had overpaid its rent. NCPAC requested from its landlord, NCF, a refund of the overpaid rent. After an intensive and comprehensive audit of rent paid and space used by NCPAC, NCF determined that an overpayment had occurred and refunded the overpaid rent to NCPAC. Although NCPAC may not totally understand the term, "arm's length", NCPAC firmly believes that after reading this response, the Commission will find the transaction to be a common business practice that could have taken place after new management assumed control of a firm and examined the disbursement of funds and found the firm was still

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paying rent on space it no longer occupied and was, in fact, being occupied by other tenants or the landlord.

The Brief explains the Federal Election Campaign Act of 1971 on pages 1 and 2. On page 2, paragraph 1, it states:

> "Thus, a rebate or refund by a corporation, when done to correct an overcharge or overpayment, is not considered a contribution or expenditure prohibited by the Act. A rebate for the overpayment of rent would be included in this category so long as the balance would represent the usual and normal rental payment and is in accordance with the rental agreement or is a valid modification of it."

NCPAC believes it insured that the "balance would represent the usual and normal rental payment" by calculating the space occupied at $18.00 per square foot rather than the initial agreed upon figure of $14.00 per square foot. The business principle of "surrendering" space is a common business practice that need not be written into an agreement. NCPAC also insured that the refund was not excessive by starting the calculations in June 1985 rather than in June 1984 when NCPAC first surrendered office space. Therefore, NCPAC believes that the Commission will find that neither NCPAC nor Robert L. Shortley, as treasurer violated 2 U.S.C. Section 441b(a).

Respectfully submitted,

Robert L. Shortley
Treasurer
National Conservative
Political Action Committee

December 19, 1990

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Exhibit 1(a)

PB

PHONE BANK MEETING

May 4, 1984

1. Reduce Phone Bank Space ($350 Savings)
2. Lockoff Phone Bank telephone access codes or lines.
3. Must recreate exact calculations for labor expenses for:

   December
   January
   February
   March

4. Exactly how is space (cost) allocated?
5. Directech costs must be verified.
6. How can we stabilize cost allocation costs? ie. Ads, Directech costs, Xerox costs.
7. Under the Insurance category, exactly who are the people being insured?
8. For December Expense/Income analysis, under equipment, what is the $516.00 for?
9. Need to see invoices for all printing expenses for all reports (Dec.-Mar.)
10. Need to see all DirecTech invoices for all reports.
11. Review of general operation:
    a. Phone Bank - performance stats to be picked up daily with phone bank cards.
    b. Postage - pick up check daily due to financial crisis.
    c. Mail - now going out by 12:00 next day.
    d. Service versus buy new phones. Costs.
    e. Post bills must be paid so we can advertise for personnel.

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Exhibit 1(b)

Things to do TODAY

Phone Bank Questions 19

RIGHT on time always

1. How is space (cost) allocated? Based on cost to NCPAC (approx. $14/ft²) Additionally, a portion of common areas is assigned just as the case would be with a normal lease. Phone Bank is charged w/ 1500 ft² of space.
2.
3.
4. People currently on insurance policy:
5.
6. December "equipment other" charge is for moving the Xerox machine and maintenance and meter charge for the month
7.
8. Stabalize Costs? Xerox costs - may be more effective to get rid of this machine (any replacement must be a high volume copier since up to 10,000 copies per month are made)
9. Directech Costs? Directech will no longer be sending new contributor cards to us unless we prepay. This is going to be difficult in light of the other financial committments we have.
10. Ads? I believe our PB Recruitment/training to be one of the weakest links of the PB dept. Need to come up w/ new recruiting methods. (colleges, senior citizens, etc)

9104037.3272

Colortone Press
CREATIVE GRAPHICS INC. 2400 17th Street, N.W. Washington, D. C. 20009 • (202) 387-6800

Prior to September, 1987, I do not know who would be considered "key staff personnel", except for Chairman John T. Dolan. After September 1987, I considered Maiselle D. Shortley, Cassandra O. Scholte and Mark Ortmeier as the "key staff personnel".

QUESTION 2: State whether NCPAC had a lease arrangement with the National Conservative Foundation for the rental of office space at 1001 Prince Street, Alexandria, Virginia, and give the dates during which such arrangement was in effect. Provide a copy of the lease(s) in effect for the period from 1984 through 1989.

Yes, NCPAC had a lease arrangement with the National Conservative Foundation ("NCF") for the rental of office space at 1001 Prince Street, Alexandria, Virginia from January 1984 through July 1989.

After staff members searched the files both in house and from our previous attorney, the written document is missing/lost. Nevertheless, from January 1984, NCPAC paid rent to NCF and NCF received and posted such rental payments in the same manner of other arms length commercial lease arrangements that existed from time to time at 1001 Prince Street, Alexandria, Virginia. A memo exists in the former Executive Director, Leif Noren's, handwriting stating that in 1984 NCPAC was paying approximately $14.00 per square foot. See Exhibit A. Also, Exhibit B is a memo from Leif Noren advising a reduction in NCPAC space and a decrease in NCPAC's rent.

QUESTION 3: State whether NCPAC has a lease arrangement with the National Conservative Foundation for the rental of office space at 618 South Alfred Street, Alexandria, Virginia, and give the dates during which such arrangement has been in effect. Provide a copy of the lease(s) in effect for the period from 1989 to the present.

9140373273

Exhibit 3

National Conservative Political Action Committee

1001 Prince Street • Alexandria, Va. 22314 • (703) 684-1800

November 9, 1984

TO: Bob Conover, Brad Zerbe, Cheryl Altmire

FROM: Leif Noren

SUBJECT: Office move

In about one week, we will be shifting some of our offices around.

First, the communications office will be taken over by direct mail. Political department will occupy the current political and research offices. It will be Brad's responsibility to reassign space as he sees fit.

Second, the current direct mail offices will be occupied by the Dolan Report (a rent paying tenant).

My primary concern is to complete this move as close to Friday, November 16, as possible. This will alleviate some of NCPAC's rent responsibilities. (i.e. save money)

This timing coincides with the departure of some interns and as such, there should be a minimum of problems as several desks will be freed up.

I'm specifically not interested in catering to anyone's ego problems if they don't share my opinion regarding this shift.

Each of you needs to plan to box up materials (many boxes exist in direct mail) and coordinate amongst yourselves. I will make myself available to help once the packing is completed.

Let me know if you have questions etc.

LEN:dab

9104087327 4

EXHIBIT 4

AFFIDAVIT

District of Columbia ss:

I, PATRICE W. NAILS, after being sworn on oath according to law, depose and say that:

1. I am a Real Estate Agent, licensed in the District of Columbia, Maryland and Virginia.

2. I have been active in the sale and lease of commercial real estate in and around the Washington, D.C. metropolitan area for the past five years.

3. It has been my experience that it is a business practice in the Washington, D.C. metropolitan area to renegotiate leases from time to time in order to meet the tenants changing needs (i.e. whether a tenant is expanding or contracting).

4. Leases are renegotiated when certain conditions are present. Some of these conditions are as follows:

   a. Space needs drastically change;

   b. Rental prices per square foot change as a whole because of a-typical increases in costs in a building; or

   c. When the tenant has a drastic change in its business causing economic constraints to upholding their leasehold obligations.

5. When one or more of the above conditions exist, leases are renegotiated or, in my experience, tenants have vacated the premises.

9104087327 5

6. I have examined the circumstances regarding the space occupied by NCPAC and find that, under those circumstances you would usually find renegotiations.

7. It is generally to the benefit of the landlord, provided his damages are mimimal, no matter how the lease is written, to renegotiate space needs and rates rather than to have the tenant vacate and have to resort to legal means to recoup loss revenues from all of the tenant's space being vacated.

BY: Patrick W. Nalls

Subscribed and sworn to before me this 4th day of December 1990

My Commission expires: 3-14-94 Karen G. Scott
Notary Public

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RECEIVED
F.E.C.
SECRETARIAT

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of National Conservative Foundation, and Maiselle Dolan Shortley, as chairman, National Conservative Political Action Committee, and Robert L. Shortley, as treasurer	)	**SENSITIVE**
	)	MUR 3053

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On April 24, 1990, the Federal Election Commission found there was reason to believe that the National Conservative Foundation ("NCF"), and Maiselle Dolan Shortley, as chairman, the National Conservative Political Action Committee ("NCPAC"), and Robert L. Shortley, as treasurer, violated 2 U.S.C. § 441b(a) and initiated an investigation into this matter. Following an investigation, General Counsel's Briefs were mailed to the respondents on November 9, 1990. Responses to these briefs were received from the respondents on December 20, 1990. After receiving the response briefs and re-evaluating the evidence, this office recommends that the Commission take no further action in this matter and close the file.

II. ANALYSIS (This report incorporates the legal analysis of the General Counsel's briefs).

The National Conservative Foundation, founded by John T. Dolan, is a 501(c)(3) tax exempt organization which was incorporated on June 13, 1978, in the state of Virginia under the name of the National Conservative Research and Education Foundation. The name was changed to the National Conservative

9104087327 7

Foundation in October 1980. Its board members and officeholders in 1989 consisted of Maiselle D. Shortley, Chairman; Margaret K. Dolan, Secretary; and Cassandra O. Scholte, Treasurer.

The National Conservative Political Action Committee, founded by John T. Dolan, is a registered political committee. Its board members and officeholders in 1989 consisted of Maiselle D. Shortley, Chairman; Robert L. Shortley, Treasurer; Fred W. Lovegrove, Secretary; Cassandra O. Scholte, Executive Director; and Joseph W. Dolan.

In February 1983, the National Conservative Foundation entered into a lease and an option to purchase agreement with the owner of 1001 Prince Street, William F. O'Connell. See attachment 1. The lease gave NCF the right to sublet any portion of the building. According to the information furnished in this matter, NCF and NCPAC originally occupied a total of 10,980.60 square feet of the building. Storage space accounted for 2,012 square feet of this total. NCPAC occupied 8,527.3 square feet of which 1,529.6 square feet were attributed to storage space and 6,977.7 square feet were attributed to office space. NCF occupied 2,453.3 square feet of which 482.4 square feet were attributed to storage space and 1970.9 were attributed to office space.

A. Prince Street Lease

Although the National Conservative Foundation leased space in the building located at 1001 Prince Street to the National Conservative Political Action Committee from 1984 through June 1989, the parties have not been able to locate a written lease for 1001 Prince Street. Instead, the parties have produced

9104087327 8

only a handwritten note from Leif Noren stating that the rent was to be $14.00 per square foot. See attachment 2.

According to NCPAC's answers to interrogatories, NCPAC paid a monthly rent to NCF from January 1984 through March 1988. The National Conservative Political Action Committee-State Election Fund made additional rent payments during 1984 and 1985.[1/]

NCPAC maintains that because the amount of space it utilized decreased over the years, the amount of rent owed should

---

1/

Rental Payments made by NCPAC and NCPAC-SEF

Date	Rent	Date	Rent	Date	Rent
01/16/84	5,000.00	04/08/86	12,000.00	09/88	-0-
01/24/84	9,347.00	05/08/86	12,000.00	10/88	-0-
02/03/84	5,000.00	06/09/86	12,000.00	11/88	-0-
03/09/84	15,000.00	07/09/86	12,000.00	12/88	-0-
04/17/84	7,700.00	08/06/86	12,000.00	01/89	-0-
05/15/84	7,500.00	09/10/86	12,000.0	02/89	-0-
06/06/84	12,910.81	10/09/86	12,000.0	03/89	-0-
07/06/84	12,406.44	11/07/86	12,000.0	04/89	-0-
08/09/84	14,406.44	12/09/86	12,000.00	05/89	-0-
09/17/84	12,406.44	01/06/87	12,000.00	06/89	-0-
10/05/84	12,406.44	02/09/87	12,000.00		
10/30/84	5,373.10*	03/05/87	12,000.00		
11/07/84	2,686.90*	04/07/87	12,000.00		
11/08/84	12,406.44	05/08/87	12,000.00		
12/07/84	11,646.44	06/08/87	12,000.00		
12/14/84	8,000.00*	07/09/87	12,000.00		
01/07/85	11,646.44*	08/10/87	12,000.00		
02/06/85	3,000.00	09/11/87	6,000.00		
03/07/85	5,000.00	09/14/87	5,000.00*		
04/05/85	5,000.00	09/14/87	1,000.00		
05/06/85	9,744.89	10/23/87	4,000.00		
06/07/85	13,450.00	11/10/87	4,000.00		
07/08/85	10,000.00	12/18/87	4,000.00		
08/07/85	12.000.00	01/05/88	4,000.00		
09/09/85	12,000.00	01/28/88	4,000.00		
10/09/85	12,425.58	03/01/88	4,000.00		
11/09/85	12,000.00	04/88	-0-		
12/09/85	12,000.00	05/88	-0-		
01/08/86	12,000.00	06/88	-0-		
02/10/86	12,000.00	07/88	-0-		
03/06/86	12,000.00	08/88			

*- Rental payments made by NCF-SEF

9104087327 9

also have decreased accordingly. As support for this contention, NCPAC has provided evidence that beginning in June 1984 NCPAC returned office space that it no longer needed to NCF.[2/] NCPAC, however, continued to pay rent on all the space returned to NCF. According to NCF's response, when new management assumed control of the two organizations in September 1987, NCPAC was paying $12,000.00 per month rent and occupying approximately 2,877 square feet of office space. In October 1987, NCPAC returned more office space to NCF reducing its office area to 1509.8 square feet. At this time, NCPAC also questioned the expensive rent payments, given their reduced use of office space. NCF, given NCPAC's alleged decreased use of office space, reduced NCPAC's rent payments to $4,000.00 per month with the understanding that an internal audit would be performed.

In March 1988, NCF and NCPAC agreed that NCPAC would cease paying rent until the reconciliation of the rental account could be completed. However, the internal audit did not occur until mid-1989. At that time, the parties agreed on a figure of $18.00 per square foot as being a reasonable rent figure, in light of the fact that the U.S. Government (the highest rent paying tenant in the building) was paying $17.82 per square foot. Using its revised amounts of square footage decreasing overtime and the

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2/ For instance, in July of 1984, NCPAC allegedly returned 229.8 sq. ft. of office space and 524.8 sq. ft. of storage space to NCF. NCPAC returned 672.8 square feet of office space to NCF in November 1984. In May 1985, NCPAC returned office space known as the Phone Bank to NCF. In August 1985, NCPAC reduced its storage space from 1004.8 square feet to 800 square feet. Again in late 1985, NCPAC returned 328 square feet of office space to NCF.

revised cost per square foot, NCF recalculated the amount of the rent which NCPAC should have paid over the years. In explaining the method of calculating the rent reimbursement, NCPAC stated:

> that the square footage used in the calculations diminished as space was surrendered by NCPAC back to NCF. For example, office space occupied by NCPAC in June and July of 1985 was 4267.4 square feet. NCPAC used this amount of square footage in its calculations for that time frame.

The rent overpayment was reimbursed to NCPAC by two methods: first, by the non-payment of rent by NCPAC from March 1988 until January 1990; and secondly, by the cash payment of $146,000.00 by NCF to NCPAC in twelve installments between April 1, 1989 and November 1, 1989 as illustrated below:

Rent Reimbursement

Date	Amount	Date	Amount
04/03/89	$15,000.00	07/08/89	10,000.00
04/06/89	15,000.00	08/10/89	10,000.00
04/13/89	10,000.00	08/31/89	2,000.00
05/08/89	30,000.00	09/08/89	8,000.00
06/05/89	2,000.00	10/04/89	4,000.00
06/13/89	15,000.00	10/27/89	25,000.00

As support for the rent reimbursement, NCPAC and NCF rely on the common law practice of surrender. According to NCF, since it could not find NCPAC's lease, it applied the standard business practice of surrender. An examination of applicable case law reveals that surrender is the relinquishing of the leasehold by the tenant to the landlord prior to the termination of the lease. Surrender may be accomplished either through express words, by which the tenant manifests his intent to give up his interest in the property, or by operation of law, when the two parties perform

9104087328 1

an unequivocal act so inconsistent with the leasehold relationship as to imply that that they have both agreed to a surrender. Beall v. White, 94 U.S. 382, 389 (1876).

In order for a surrender to be effective, mutual consent must be present. Acceptance of a tenant's surrender will be found when the tenant abandons the leasehold and the landlord takes possession and occupies the property for his (landlord's) own purposes. TenBraak v. Waffle Shops, 542 F.2d 919, 924 (4th Cir. 1976); see also Restatement (Second) of Property §12.1 comment i, illustration 9 (1977).

Applying the doctrine of surrender to the present case, express surrender is not present. NCPAC and NCF have failed to provide a lease for the original rental, written modifications of the original agreement, or a new lease for 1001 Prince Street. Thus, the only way for NCF and NCPAC to demonstrate surrender is through proof that NCPAC and NCF performed an act so inconsistent with the leasehold relationships as to imply that they both agreed to a surrender. In the present case, NCPAC's relinquishment of space and NCF's reletting of such space to other tenants would satisfy this requirement.

In verifying NCPAC's and NCF's calculations for rent reimbursement, this ffice recalculated the rent due from January 1984 through June 1984 using a baseline square footage of 6,977.7 in office space and 1,529.6 in storage space for these months in

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1984, the start of the purported lease.[3] See attachment 4. The rate of $18.00 per square foot for office space and $5.00 per square foot for storage space were used as constants throughout the calculations.[4] Once the square footage had been determined, it was multiplied by the rate and divided by twelve to determine the monthly rent due.

January 1984-June 1984

Utilizing the baseline of 6,997.7 square feet of office space and the rate of $18.00 per square foot, it was determined that the monthly rent for office space during that period should have been $10,496.55. Using the baseline of 1,529.6 square feet for storage space and the rate of $5.00 per square foot, it was determined that the monthly rent for storage space should have been $637.33. Thus, the total rent due for the period January 1984 through June 1984 should have been $66,803.00.

Rent per month	Rent for six months
10,496.55 office space	11,133.88
+ 637.33 storage space	x 6
$11,133.88	$66,803.00

July 1984 through November 1984

According to records submitted by NCPAC in July 1984, NCPAC reduced its storage space from 1,529.6 sq. ft. to 1004.8 sq. ft.

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[3] The baseline is equal to the amount square footage leased by NCPAC prior to the surrender of space back to NCF. See attachment 3

[4] The respondents used the same figures in their calculations. As noted, the $18.00 a square foot is the maximum amount that space was leased to tenants of 1001 Prince Street.

9104087328 3

NCPAC increased its office space to 7325.7 sq. ft.[5] The total rent due for this period should have been $57,036.00.[6]

December 1984

In December 1984, NCF relet 577.80 sq. ft. of the office space located on the northwest center of the second floor along with an allotment of 95 sq. ft. of hall space to the Dolan Report on January 1, 1984, thus reducing NCPAC's space by 672.8 sq. ft. See attachment 5. The storage space remained constant for this period. Thus, the total rent due from NCPAC should have been $10,398.00 for this one month period.

Rent for Office Space

$$\frac{6652.9 \times 18}{12} = \$9,979.00$$

Rent for Storage Space

$$\frac{1004.8 \times 5}{12} = \$419.00$$

January 1985 through May 1985

In January 1985, The Conservative Alliance's lease for 577.8 square feet of office space located on the northeast center and corner of the second floor became effective. See attachment 6. Consequently, NCPAC's space decreased from 6,652.9 sq. ft. to 6,075.1 sq. ft. NCPAC's storage space remained at 1004.8 sq. ft. The total rent due for this period was $47,660.00.

---

[5] NCPAC added 328 sq. ft. of storage space to its office space of 6,997.7.

[6] NCPAC claims that it also reduced its office space from 6,977.7 sq. ft. to 6,747.9 sq. ft. in July 1984. However, the lease indicates that this space was not relet by NCF until January 1, 1985.

9104087328 4

Rent for Office Space	Rent for Storage	Rent Per Month
6075.1 x 18 / 12 = $9,113.00	1004.8 x 5 / 12 = $419.00	$9,113.00 Office + 419.00 Storage = $9,532.00

June 1985

According to NCF and NCPAC records, in June 1985, NCF relet 702 sq. ft. of the NCPAC phone bank space to Craig Shirley and Associates. See attachment 7. Thus, during this period NCPAC's office space decreased from 6,075.1 sq. ft. to 5,373.1 sq. ft. Its storage space remained at 1004.8 sq. ft. The total rent due for this one month period was $8,479.00.

Rent for Office Space	Rent for Storage
5,373.1 x 18 / 12 = $8,060.00	1004.8 x 5 / 12 = $419.00

July 1985

In July 1985, NCF relet an additional 702 square feet of the phone bank to A. J. Finkelstein. See attachment 8. Consequently, NCPAC's office space decreased from 5,373.1 sq. ft. to 4,671.1 sq. ft. Its storage space remained at 1004.8 sq. ft. The total rent due for this one month period was $7,426.00.

Rent for Office Space	Rent for Storage
5,373.1 x 18 / 12 = $7,007.00	1004.8 x 5 / 12 = $419.00

August 1985 through September 1985

NCPAC reduced its storage space from 1004.8 sq. ft. to 800 sq. ft. in August 1985. Its office space remained at 4,671.1 sq. ft. The total rent due for the two month period was $14,680.00.

9104087328 5

Rent for Office Space		Rent for Storage		Rent Per Month
4,671.1 x 18		800 x 18		$7,007.00 Office
----------	= $7,007.00	--------	= $333.00	+ $333.00 Storage
12		12		----------
				$7,340.00

October 1985 through December 1985

According to NCPAC and NCF records, in October 1985, NCF relet an additional 625 square feet of the former phone bank space to Young American's For Freedom. See attachment 9. Consequently, NCPAC's space was reduced from 4,671.1 square feet to 4,046.1 square feet. NCPAC's storage space remained at 800 square feet. The total rent due for this time period was $19,206.00.

Rent for Office Space		Rent for Storage		Rent Per Month
4,0461.1 x 18		800 x 18		$6,069.00 office
----------=	$6,069.00	------- =	$333.00	+$ 333.00 storage
12		12		----------
				$6,402.00

January 1986 through September 1987

According to NCF's answers to interrogatories, in January 1986, NCF relet 328 square feet (previously held by NCPAC) located on the lower level to the Special Olympics. See attachment 10. Thus, NCPAC's office space decreased from 4,046.1 sq. ft. to 3,718.9 sq. ft. Its storage space remained constant. Thus, the total rent payment due from NCPAC was $124,110.00

Rent for Office Space		Rent for Storage		Rent Per Month
3,718.9 x 18		800 x 5		$5,578.00
----------=	$5,578.00	-------=	$333.00	+ $333.00
12		12		---------
				$5,911.00

October 1987 through November 1987

According to NCF's answers in October 1987, NCPAC reduced

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its storage space from 800 sq. ft. to 600 sq. ft. Its office space remained constant. Thus, NCPAC's total rent payment for the period was $11,654.00.

Rent for Office Space	Rent for Storage	Rent Per Month
3,718.9 x 18 / 12 = $5,578.00	600 x 5 / 12 = $250.00	$5,578.00 + $250.00 = $5,828.00

December 1987 through June 1988

In December 1987, NCF relet 1,611 square feet of office space located on the southeast corner and center of the second floor to A+ Personnel. See attachment 11. Consequently, NCPAC's office space decreased from 3,718.1 sq. ft. to 2,107.1 sq. ft. Its storage space remained constant. The total rent due for the time period was $23,877.00.

Rent for Office Space	Rent for Storage	Rent Per Month
2,107.1 x 18 / 12 = $3,161.00	600 x 5 / 12 = $250.00	$3,161.00 Office + $250.00 Storage = $3,411.00

July 1988 through October 1988

In July 1988, NCF relet 663.3 square feet of the Northeast corner to the Maurice Dawkins for Congress Campaign, thereby reducing NCPAC's office space from 2,107.1 sq. ft. to 1,443.8 sq. ft.[7/] See attachment 12. NCPAC's storage space remained constant. The total rent due for this period was $9,664.00.

7/ The Maurice Dawkins for Congress Campaign rented a total of 807 square feet.

9104037328 7

Rent for Office Space	Rent for Storage	Rent Per Month
1443.8 x 18	600 x 5	$2,165.25 Office
--------- = $2,165.25	------- = $250.00	+ $250.00 Storage
12	12	----------
		$ 2,415.25

November 1988 through June 1989

In November 1988, NCF relet 481.5 square feet of office space located in the northeastern center of the second floor to the National Council for Better Education, reducing NCPAC's office space from 1,443.8 to 962.3 sq. ft. See attachment 13. NCPAC's storage space remained constant. The total rent due from NCPAC should have been $11,851.10.

Rent for Office Space	Rent for Storage	Rent Per Month
962.3 x 18	600 x 5	$1,443.45 office
---------- = $1,443.45	------- = $250.00	+ $250.00 storage
12	12	---------
		$1,693.45

Conclusion

Our calculations reveal that the total rent due for 1001 Prince Street for the period January 1984-May 1989 should have been $412,884.00. NCPAC, however, paid a total of $558,581.00 in rent payments, resulting in an overpayment of $145,697.00. As stated, previously, NCF reimbursed NCPAC for the rent overpayment, by a cash payment of $146,000.00. Despite the fact that this office has utilized a different methodology than the respondent, we have arrived at approximately the same figure for overpayment of rent for NCPAC's space at 1001 Prince Street. It should be noted, however, that in arriving at our figure certain assumptions have been made. For example, we have accepted the apportionment of space made by NCF and NCPAC in January 1984 as our baseline.

9104087328 8

We have also used the respondent's figures of $18.00 per sq. ft. for office space and $5.00 per sq. ft. for storage space throughout our calculations. As noted, the $18.00 figure is the maximum rent paid by any of the tenants. However, the use of a higher figure would result in a decrease in the amount of overpayment, while the use of a lower figure would result in an increase in the amount of overpayment. We further note that the lease dated February 23, 1983 between NCF and the building owner allowed annual rental payments of $225,750 for 21,500 sq. ft. of rental space or $10.50 a square foot. Consequently, the $18.00 per sq. ft. agreed to by NCF and NCPAC is a fair rate. We have also been unable to measure in all instances precisely the percentage of hall and lobby space that may have been attributed to space relet to third parties. At this time it is doubtful that precise measurements are possible. Based upon the above, we cannot recommend a no probable cause finding. Instead, we recommend that the Commission take no further action against the Respondents regarding the rent reimbursement of $146,000 from NCF to NCPAC.

9104087328 9

B. South Alfred Street Lease

In June 1989, NCPAC and NCF entered into a lease for 618 S. Alfred Street whereby NCPAC agreed to rent 1,200 square for $1650.00 a month. However, in its answers, NCPAC stated:

> After moving both organizations in, it became apparent that because office #9 was used totally for media research, NCPAC should not share the rent of that space. Also office #7 was used by NCF

> for its Campaign School consultant. Therefore, NCPAC should only pay for one-fourth of the total square feet of that office. The rent was renegotiated to 1080 sq. ft. at $17.50 per sq. ft. plus $75.00 for one-half of the storage area rented from Virginia Tech Foundation at 1001 Prince Street.

Based upon this allegation, NCPAC would have paid $1,650.00 per month form June 1989 through December 1989. NCPAC, however, did not pay rent from June 1989 through December 1989.

In January 1990, NCPAC claims that it reduced its office space to 314.25 square feet. NCF stated in its answers:

> when it became apparent that NCPAC would remain inactive for sometime, but also recognizing that some work was still being done to wind down the activities NCPAC agreed to pay for one-fourth of the space in offices 1, 2, 3, 4, 5, and 6, and 40 square feet of space throughout the building where file cabinets of NCPAC information took up space. This totaled 314.25 square feet at $17.50 per square foot plus $75.00 for one-half of the storage area rented from Virginia Tech Foundation at 1001 Prince Street.

Based upon this allegation, NCPAC should have paid $533.00 in rent for this one month period. A review of reports filed with the Commission reveals that NCPAC did pay rent of $533.00 for the month of January 1990.

In February 1990, allegedly NCPAC became totally inactive. NCPAC reduced its office space to 114.5 square feet. NCF stated in its answers:

> NCPAC is now paying NCF for 24.5 sq. ft. in the reception area where the phone is located and 50 sq. ft. where the bookkeeper works to file FEC reports,

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> plus 40 square feet of area where file cabinets used to store NCPAC documents and information are located, plus $75.00 for one-half of the costs of storage rented from Virginia Tech Foundation at 1001 Prince Street.

Based upon this allegation, NCPAC should have paid $242.00 per month for the period of February 1990-July 1991. A review of records filed with the Commission reveals that NCPAC has paid rent of $242.00 per month for this period.

Nevertheless, NCPAC and NCF have failed to produce a new lease or a written modification of the old lease. Nor have they produced evidence that NCF relet the returned office space. Therefore, NCF and NCPAC have failed to prove that a valid surrender has taken place. Instead, it appears that NCPAC and NCF have simply reallocated their respective space.

NCF and NCPAC, however, have provided a listing of rent payments made by NCPAC for the S. Alfred Street lease.

RENT FOR NEW LEASE DATED 6/19/89

DATE	SHOULD HAVE PAID	ACTUALLY PAID	DATE	SHOULD HAVE PAID	ACTUALLY PAID
6/89	1650.00	-0-	1/91	1650.00	242.00
7/89	1650.00	-0-	2/91	1650.00	242.00
8/89	1650.00	-0-	3/91	1650.00	242.00
9/89	1650.00	-0-	4/91	1650.00	242.00
10/89	1650.00	-0-	5/91	1650.00	242.00
11/89	1650.00	-0-	6/91	1650.00	242.00
12/89	1650.00	-0-	7/91	1650.00	242.00
1/90	1650.00	533.33			
2/90	1650.00	242.00			
3/90	1650.00	242.00			
4/90	1650.00	242.00			

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5/90	1650.00	242.00
6/90	1650.00	242.00
7/90	1650.00	242.00
8/90	1650.00	242.00
9/90	1650.00	242.00
10/90	1650.00	242.00
11/90	1650.00	242.00
12/90	1650.00	242.00
TOTAL----------	$39,600.00	---------- $4,405.33

According to NCF and NCPAC records, NCPAC has paid a total of $4,405.33 in rent. Since NCPAC and NCF have not proven that a valid surrender existed for the S. Alfred property, NCPAC should have paid the rent agreed to in the lease or $39,600.00. Thus, an apparent debt of $35,194.67 exists.

A review of reports filed with the Commission indicates that NCPAC has experienced a sharp decline in its revenues and employment levels since 1986.

Revenues

Period	Receipts
1983-84	19,514,822
1985-86	9,319,550
1987	1,676,313
1988	528,881
1989	328,069
1990	37,635

Employment

Period	Number of Employees
1984	373 Employees
1985	114 Employees
1986	34 Employees
1987	30 Employees
1988	12 Employees
1989	10 Employees
1990	6 Employees[8/]

NCPAC's present financial situation indicates that it may not have been capable of paying the rent agreed to originally in the lease.

8/ Starting in February 1990 NCPAC reduced its payroll down to two employees.

9104087329 2

According to records filed with the Commission, NCPAC has received a total $4,555.71 and has disbursed a total of $5,250.00 in 1991. Moreover, the committee owes $3,884,602.00 in debts to various vendors. According to its July 20, 1991, monthly report, the committee has $427.00 in cash on hand at the ending of the reporting period dated June 1, 1991 - June 30, 1991.

It should be stated that the rent arrangements for the 618 S. Alfred Street location have not been part of any previous finding. They were only noted in a footnote in the briefs and were not included in the Reports Analysis Division's ("RAD") referral. The findings in this matter only concerned the rent reimbursements from NCPAC to NCF for the 1001 Prince Street location. The rental arrangements regarding the 618 S. Alfred location were not implicated in the $146,000.00 at issue in this matter.

As noted, although no written lease modifications for the 618 S. Alfred location have been produced, it does appear that NCPAC's activities were minimal during this period and that NCPAC paid rent to the extent it would. Thus, it appears that NCPAC owes a debt to NCF for the amount of the unpaid rent and should show such a debt on its reports.

9104087329 3

III. RECOMMENDATIONS

1. Take no further action with respect to National Conservative Foundation, and Maiselle Dolan Shortley, as chairman, National Conservative Political Action Committee, and Robert L. Shortley, as treasurer.

2. Close the file.

3. Approve the appropriate letters.

8/22/91
Date

Lawrence M. Noble
General Counsel

Attachments:
1. NCF lease dated February 1983
2. Memo from Leif Noren
3. NCPAC answers to interrogatories Exhibit K
4. Layout of floors
5. Dolan Report lease dated January 1, 1984
6. Conservative Alliance lease dated January 1, 1985
7. Craig Shirley and Associates lease dated January 1, 1987
8. A. J. Finklestein and Associates lease dated July 1, 1985
9. Young Americans for Freedom lease dated October 21, 1985
10. Virginia Special Olympics lease dated January 9, 1986
11. A+ Personnel lease dated December 21, 1987
12. Maurice Dawkins for Congress lease dated July 8, 1988
13. National Council for Better Education lease dated November 11, 1988

Staff assigned: Joi Roberson

9104087329 4

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/BONNIE J. FAISON
COMMISSION SECRETARY

DATE: AUGUST 28, 1991

SUBJECT: MUR 3053 - GENERAL COUNSEL'S REPORT DATED AUGUST 22, 1991.

The above-captioned document was circulated to the Commission on MONDAY, AUGUST 26, 1991 AT 11:00 A.M.

Objection(s) have been received from the Commissioner(s) as indicated by the name(s) checked below:

Commissioner Aikens	
Commissioner Elliott	
Commissioner Josefiak	XXX
Commissioner McDonald	XXX
Commissioner McGarry	
Commissioner Thomas	XXX

This matter will be placed on the meeting agenda for TUESDAY, SEPTEMBER 17, 1991.

Please notify us who will represent your Division before the Commission on this matter.

9104087329 5

OGC

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 3053
National Conservative Foundation, and Maiselle Dolan Shortley, as Chairman; National Conservative Political Action Committee, and Robert L. Shortley, as treasurer.	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on September 19, 1991, do hereby certify that the Commission decided by a vote of 4-0 to take the following actions in MUR 3053:

1. Take no further action with respect to National Conservative Foundation, and Maiselle Dolan Shortley, as chairman, and National Conservative Political Action Committee, and Robert L. Shortley, as treasurer.

2. Close the file.

(continued)

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3. Approve the appropriate letters as recommended in the General Counsel's report dated August 22, 1991, subject to certain amendments as agreed during the meeting discussion.

Commissioners Aikens, Elliott, McGarry, and Thomas voted affirmatively for the decision; Commissioners Josefiak and McDonald were not present.

Attest:

9-23-91
Date

Marjorie W. Emmons
Secretary of the Commission

9104087329 7

CLOSED

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 30, 1991

Robert L. Shortley, Treasurer
National Conservative Political Action Committee
and
Maiselle Dolan Shortley, Chairman
National Conservative Foundation
618 South Alfred Street
Alexandria, Virginia 22314

RE: MUR 3053
National Conservative Political Action Committee and Robert L. Shortley, as treasurer, and National Conservative Foundation and Maiselle Dolan Shortley, as chairman

Dear Robert and Maiselle Shortley:

On May 2, 1990, you were notified that the Federal Election Commission found reason to believe that the National Conservative Political Action Committee and Robert L. Shortley, as treasurer, and the National Conservative Foundation and Maiselle Dolan Shortley, as Chairman, violated 2 U.S.C. § 441b(a). On November 9, 1990, General Counsel's Briefs were sent to you and on December 20, 1990, your response brief was received.

After considering the circumstances of the matter and the information provided by you, the Commission determined on September 19, 1991, to take no further action against the National Conservative Political Action Committee and Robert L. Shortley, as treasurer, and the National Conservative Foundation and Maiselle Dolan Shortley, as chairman, and closed the file. A copy of the General Counsel's Report is enclosed. The Commission has further concluded that with regard to the South Alfred Street location, NCPAC should disclose a debt owed to NCF for the period from June 1989 through December 1989 when it made no rent payments on the lease. The Commission also concluded that NCPAC need not disclose, or continue to disclose, any debt owed to NCF regarding any other rental obligations for the Prince Street and South Alfred Street locations.

The file will be made part of the public record within 30 days. Should you wish to submit any factual or legal materials to appear on the public record, please do so within ten days of your

9104087329 8

receipt of this letter. Such materials should be sent to the Office of the General Counsel.

The Commission reminds you that rent rebates based on surrender should be accomplished by written agreement or written lease modification in order to avoid the making or acceptance of a prohibited contribution. You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please contact Jeffrey Long, the staff member assigned to this matter, at (202) 219-3690.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosure
General Counsel's Report

9104087329 9

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 3053

DATE FILMED 11/5/91 CAMERA NO. 2

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