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November 5, 1974

Ms. Beverley D. Sharp
2502 Goldcup Lane
Reston, Virginia 22091

Re: Reston Black Focus, Inc.

Dear Ms. Sharp:

Bep Glennon has turned over to me the Black Focus file for the purpose of pursuing a tax exempt status with the Internal Revenue Service.

There are several types of tax exempt status which may be applicable to Black Focus. Under section 501(c)(3) of the Internal Revenue Code, an organization which is organized and operated exclusively for charitable or educational purposes, among others, is exempt from income tax. Under Section 501(c)(7) a social club is exempt from income tax, and under Section 501(c)(4) a civic league is exempt. It is possible that Black Focus would fit into any one of these three categories. The distinction between them is that a contribution made to a 501(c)(3) organization is deemed charitable, and is deductible by the donor in computing his individual Federal Income Tax. Contributions to a 501(c)(4) or 501(c)(7) organization are not deductible. Achieving 501(c)(3) status therefore would almost certainly enhance your fund raising abilities. On the other hand, a (c)(3) organization is severely limited in the activities which it can pursue. It must be operated "exclusively" for charitable and educational purposes, and must not engage in any political activities on behalf of any candidate for public office. In addition to these restrictions, no substantial part of the activities of the organization can consist of the carrying on of propaganda or otherwise attempting to influence legislation.

I am assuming that Black Focus is primarily interested in attaining (c)(3) status so that it can receive deductible charitable contributions. Accordingly, I am enclosing the ap-

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appropriate exemption application for that purpose. The questions which are circled in red are the ones I will need your input on, since the others are either not applicable or I already have the answers to them. I am also enclosing a xerox copy of the instructions for form 1023 which may be of some assistance in completing the form.

If there is any question in your mind about the desirability of achieving 501(c)(3) status, please call me and we'll talk about it. Otherwise, please get together the information requested on form 1023 and bring it in to me at your earliest convenience.

Very truly yours,

Tom Kenny

Thomas S. Kenny

TSK:bf
Enc.