

EXHIBIT 10

CLIENT COPY

Form **990**

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

2005

Department of the Treasury
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2005 calendar year, or tax year beginning and ending

B Check if applicable:
 Address change
 Name change
 Initial return
 Final return
 Amended return
 Application pending

C Name of organization
COUNCIL ON AMERICAN-ISLAMIC RELATIONS, INC

D Employer identification number
 52-1887951

E Telephone number
 202-488-8787

F Accounting method: Cash Accrual
 Other (specify) _____

G Website: WWW.CAIR.COM

J Organization type (check only one) 501(c) (4) (insert no.) 4947(a)(1) or 527

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization chooses to file a return, be sure to file a complete return. **Some states require a complete return.**

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 **2,465,536.**

H and I are not applicable to section 527 organizations.
H(a) Is this a group return for affiliates? Yes No
H(b) If "Yes," enter number of affiliates **N/A**
H(c) Are all affiliates included? **N/A** Yes No (If "No," attach a list.)
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No
I Group Exemption Number **N/A**
M Check if the organization is **not** required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Revenue		Expenses		Net Assets	
1	Contributions, gifts, grants, and similar amounts received:				
a	Direct public support	1a	1,667,057.		
b	Indirect public support	1b			
c	Government contributions (grants)	1c			
d	Total (add lines 1a through 1c) (cash \$ 1,667,057. noncash \$)	1d	1,667,057.		
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	528,427.		
3	Membership dues and assessments	3	65,377.		
4	Interest on savings and temporary cash investments	4			
5	Dividends and interest from securities	5			
6 a	Gross rents SEE STATEMENT 1	6a	157,190.		
b	Less: rental expenses SEE STATEMENT 2	6b	107,031.		
c	Net rental income or (loss) (subtract line 6b from line 6a)	6c	50,159.		
7	Other investment income (describe)	7			
8 a	Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
b	Less: cost or other basis and sales expenses	8a			
c	Gain or (loss) (attach schedule)	8b			
d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8c			
8d		8d			
9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
a	Gross revenue (not including \$ 84,936. of contributions reported on line 1a)	9a	47,485.		
b	Less: direct expenses other than fundraising expenses	9b	106,979.		
c	Net income or (loss) from special events (subtract line 9b from line 9a) SEE STATEMENT 3	9c	-59,494.		
10 a	Gross sales of inventory, less returns and allowances	10a			
b	Less: cost of goods sold	10b			
c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c			
11	Other revenue (from Part VII, line 103)	11			
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	2,251,526.		
13	Program services (from line 44, column (B))	13	1,384,057.		
14	Management and general (from line 44, column (C))	14	380,950.		
15	Fundraising (from line 44, column (D))	15	535,555.		
16	Payments to affiliates (attach schedule)	16			
17	Total expenses (add lines 16 and 44, column (A))	17	2,300,562.		
18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	-49,036.		
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	4,965,917.		
20	Other changes in net assets or fund balances (attach explanation)	20	0.		
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	4,916,881.		

523001 02-03-06

LHA For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

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Part II Statement of Functional Expenses

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

Do not include amounts reported on line 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) ... (cash \$ <u>0</u> noncash \$ <u>0</u>) If this amount includes foreign grants, check here <input type="checkbox"/>	22				
23 Specific assistance to individuals (attach schedule)	23				
24 Benefits paid to or for members (attach schedule)	24				
25 Compensation of officers, directors, etc. **	25	253,310.	177,696.	47,682.	27,932.
26 Other salaries and wages	26	744,556.	497,177.	73,507.	173,872.
27 Pension plan contributions	27	15,259.	10,303.	2,584.	2,372.
28 Other employee benefits	28	127,047.	69,049.	22,452.	35,546.
29 Payroll taxes	29	78,775.	45,716.	11,341.	21,718.
30 Professional fundraising fees	30				
31 Accounting fees	31	28,583.	11,224.	6,308.	11,051.
32 Legal fees	32	73,238.	68,358.	4,880.	
33 Supplies	33	13,807.	9,721.	851.	3,235.
34 Telephone	34	57,130.	37,918.	9,717.	9,495.
35 Postage and shipping	35	115,513.	37,035.	3,356.	75,122.
36 Occupancy	36	6,591.	3,138.	850.	2,603.
37 Equipment rental and maintenance	37				
38 Printing and publications	38	200,609.	171,559.	346.	28,704.
39 Travel	39	124,811.	28,487.	8,683.	87,641.
40 Conferences, conventions, and meetings ...	40	68,631.	450.	409.	67,772.
41 Interest	41	1,706.		1,706.	
42 Depreciation, depletion, etc. (attach schedule)	42	67,543.	0.	67,543.	0.
43 Other expenses not covered above (itemize):					
a _____	43a				
b _____	43b				
c _____	43c				
d _____	43d				
e _____	43e				
f _____	43f				
g SEE STATEMENT 4	43g	323,453.	216,226.	118,735.	-11,508.
44 Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	2,300,562.	1,384,057.	380,950.	535,555.

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No

If "Yes," enter (i) the aggregate amount of these joint costs \$ N/A; (ii) the amount allocated to Program services \$ N/A;

(iii) the amount allocated to Management and general \$ N/A; and (iv) the amount allocated to Fundraising \$ N/A

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** SEE STATEMENT 5

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Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ► <u>SEE STATEMENT 6</u>	Program Service Expenses
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
a <u>THE ORGANIZATION WORKS WITH VARIOUS INTELLIGENCIA & MEDIA TO PROMOTE BETTER UNDERSTANDING OF ISLAM AND MUSLIMS IN NORTH AMERICA AND IN THE SOCIETY AS A WHOLE.</u>	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	941,159.
b <u>THE ORGANIZATION ALSO RESPONDS TO REQUESTS FOR DONATIONS OF INFORMATIVE BOOKS AND PUBLICATIONS ABOUT ISLAM AND MUSLIMS FOR LIBRARIES.</u>	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	442,898.
c	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
d	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
e Other program services (attach schedule)	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ►	1,384,057.

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Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year	
Assets	45	Cash - non-interest-bearing	1,683,904.	45	1,410,505.
	46	Savings and temporary cash investments		46	
	47 a	Accounts receivable	47a 142,145.		
	b	Less: allowance for doubtful accounts	47b	47c	142,145.
	48 a	Pledges receivable	48a 68,580.		
	b	Less: allowance for doubtful accounts	48b 11,194.	48c	57,386.
	49	Grants receivable		49	
	50	Receivables from officers, directors, trustees, and key employees	21,204.	50	9,864.
	51 a	Other notes and loans receivable	51a 200,000.		
	b	Less: allowance for doubtful accounts	51b	51c	200,000.
	52	Inventories for sale or use		52	
	53	Prepaid expenses and deferred charges	17,277.	53	30,087.
	54	Investments - securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54	
	55 a	Investments - land, buildings, and equipment: basis	55a 2,112,580.		
	b	Less: accumulated depreciation STMT 7	55b 11,087.	55c	2,101,493.
56	Investments - other		56		
57 a	Land, buildings, and equipment: basis	57a 2,873,581.			
b	Less: accumulated depreciation STMT 8	57b 511,117.	57c	2,362,464.	
58	Other assets (describe <input type="checkbox"/>)	718,500.	58	0.	
59	Total assets (must equal line 74). Add lines 45 through 58	5,256,095.	59	6,313,944.	
Liabilities	60	Accounts payable and accrued expenses	45,736.	60	160,608.
	61	Grants payable		61	
	62	Deferred revenue		62	
	63	Loans from officers, directors, trustees, and key employees		63	
	64 a	Tax-exempt bond liabilities		64a	
	b	Mortgages and other notes payable	239,609.	64b	1,227,979.
65	Other liabilities (describe <input type="checkbox"/> SEE STATEMENT 9)	4,833.	65	8,476.	
66	Total liabilities. Add lines 60 through 65)	290,178.	66	1,397,063.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.				
	67	Unrestricted	4,965,917.	67	4,261,182.
	68	Temporarily restricted		68	655,699.
	69	Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.				
	70	Capital stock, trust principal, or current funds		70	
	71	Paid-in or capital surplus, or land, building, and equipment fund		71	
	72	Retained earnings, endowment, accumulated income, or other funds		72	
	73	Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)	4,965,917.	73	4,916,881.
74	Total liabilities and net assets/fund balances. Add lines 66 and 73	5,256,095.	74	6,313,944.	

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Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return (See the instructions.)

a	Total revenue, gains, and other support per audited financial statements	a	2,465,536.
b	Amounts included on line a but not on Part I, line 12:		
1	Net unrealized gains on investments	b1	
2	Donated services and use of facilities	b2	
3	Recoveries of prior year grants	b3	
4	Other (specify): <u>SEE STATEMENT 10</u>	b4	214,010.
	Add lines b1 through b4	b	214,010.
c	Subtract line b from line a	c	2,251,526.
d	Amounts included on Part I, line 12, but not on line a:		
1	Investment expenses not included on Part I, line 6b	d1	
2	Other (specify):	d2	
	Add lines d1 and d2	d	0.
e	Total revenue (Part I, line 12). Add lines c and d	e	2,251,526.

Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

a	Total expenses and losses per audited financial statements	a	2,514,572.
b	Amounts included on line a but not on Part I, line 17:		
1	Donated services and use of facilities	b1	
2	Prior year adjustments reported on Part I, line 20	b2	
3	Losses reported on Part I, line 20	b3	
4	Other (specify): <u>SEE STATEMENT 11</u>	b4	214,010.
	Add lines b1 through b4	b	214,010.
c	Subtract line b from line a	c	2,300,562.
d	Amounts included on Part I, line 17, but not on line a:		
1	Investment expenses not included on Part I, line 6b	d1	
2	Other (specify):	d2	
	Add lines d1 and d2	d	0.
e	Total expenses (Part I, line 17). Add lines c and d	e	2,300,562.

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
SEE STATEMENT 12		253,310.	31,826.	0.

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Part V-A Current Officers, Directors, Trustees, and Key Employees (continued) Yes No

75 a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings **8**

b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s) **75b** **X**

c Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to this organization through common supervision or common control? **75c** **X**

Note. Related organizations include section 509(a)(3) supporting organizations.
If "Yes," attach a statement that identifies the individuals, explains the relationship between this organization and the other organization(s), and describes the compensation arrangements, including amounts paid to each individual by each related organization.

d Does the organization have a written conflict of interest policy? **75d** **X**

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	(B) Loans and Advances	(C) Compensation	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
NONE				

Part VI Other Information (See the instructions.) Yes No

76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity **SEE STATEMENT 14** **76** **X**

77 Were any changes made in the organizing or governing documents but not reported to the IRS? **77** **X**

If "Yes," attach a conformed copy of the changes.

78 a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? **78a** **X**

b If "Yes," has it filed a tax return on Form 990-T for this year? **78b** **X**

79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement **79** **X**

80 a 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? **80a** **X**

b If "Yes," enter the name of the organization **SEE STATEMENT 13** and check whether it is exempt or nonexempt

81 a Enter direct or indirect political expenditures. (See line 81 instructions.) **81a** **0**

b Did the organization file Form 1120-POL for this year? **81b** **X**

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Part VI Other Information (continued)

Yes	No
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82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a		X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b	N/A	
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	N/A	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A	
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a		X
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	85b	X	
c	Dues, assessments, and similar amounts from members	85c	N/A	
d	Section 162(e) lobbying and political expenditures	85d	N/A	
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A	
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A	
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A	
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12	86a	N/A	
b	Gross receipts, included on line 12, for public use of club facilities	86b	N/A	
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders	87a	N/A	
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	N/A	
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X	
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <u>N/A</u> ; section 4912 <u>N/A</u> ; section 4955 <u>N/A</u>			
b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b		X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958			0.
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization			0.
90 a	List the states with which a copy of this return is filed		DC	
b	Number of employees employed in the pay period that includes March 12, 2005	90b		25
91 a	The books are in care of <u>THE ORGANIZATION</u> Telephone no. <u>202-488-8787</u> Located at <u>453 NEW JERSEY AVE SE, WASHINGTON, DC, WASHINGTON</u> ZIP +4 <u>20003</u>			
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country	91b		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
c	At any time during the calendar year, did the organization maintain an office outside of the United States? If "Yes," enter the name of the foreign country	91c		X
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here and enter the amount of tax-exempt interest received or accrued during the tax year	92		N/A

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Part VII Analysis of Income-Producing Activities (See the instructions.)

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a <u>SALE OF PUBLICATIONS</u>					9,927.
b <u>LIBRARY PROJECT</u>					25,010.
c <u>OURAN PROJECT</u>					465,327.
d <u>MISCELLANEOUS</u>					8,236.
e <u>CONFERENCES /WORKSHOPS</u>					19,927.
f Medicare/Medicaid payments					
g Fees and contracts from government agencies ...					
94 Membership dues and assessments					65,377.
95 Interest on savings and temporary cash investments ...					
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property	531110	10,150.			0.
b not debt-financed property			16	40,009.	
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					-59,494.
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		10,150.		40,009.	534,310.
105 Total (add line 104, columns (B), (D), and (E))					584,469.

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
▼	SEE STATEMENT 16

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
SEE STATEMENT 15	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Please Sign Here: Signature of officer _____ Date _____ Type or print name and title _____

Paid Preparer's Use Only: Preparer's signature _____ Date 11/14/06 Check if self-employed Preparer's SSN or PTIN _____

Firm's name (or yours if self-employed), address, and ZIP + 4: MILLER MUSMAR, PC
1861 WIEHLE AVENUE, SUITE 125
RESTON, VA 20190

EIN _____ Phone no. 703-437-8877

ON AMERICAN-ISLAMIC RELATIONS, I

52-1887951

990

PART V-A - LIST OF OFFICERS, DIRECTORS,
TRUSTEES AND KEY EMPLOYEES

STATEMENT 12

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
DMAR M. AHMAD 453 NEW JERSEY AVENUE S.E. WASHINGTON, DC 20003	CHAIRMAN EMERITUS 10.00	0.	0.	0.
PARVEZ AHMED 453 NEW JERSEY AVENUE S.E. WASHINGTON, DC 20003	CHAIRMAN 15.00	0.	0.	0.
AHMAD AL-AKHRAS 453 NEW JERSEY AVENUE S.E. WASHINGTON, DC 20003	VICE CHAIRMAN 10.00	0.	0.	0.
JIHAD AWAD 453 NEW JERSEY AVENUE S.E. WASHINGTON, DC 20003	BOARD MEMBER/EXECUTIVE DIR 60.00	101,440.	10,815.	0.
MHSAN BAGBY 453 NEW JERSEY AVENUE S.E. WASHINGTON, DC 20003	BOARD MEMBER 6.00	0.	0.	0.
MOUAD KHATEEB 453 NEW JERSEY AVENUE S.E. WASHINGTON, DC 20003	BOARD MEMBER 10.00	0.	0.	0.
MADIA MUBARAK 453 NEW JERSEY AVENUE S.E. WASHINGTON, DC 20003	BOARD MEMBER 5.00	0.	0.	0.
MABIL SADOON 453 NEW JERSEY AVENUE S.E. WASHINGTON, DC 20003	BOARD MEMBER 10.00	0.	0.	0.
MARY DOUGLAS HOOPER 453 NEW JERSEY AVENUE S.E. WASHINGTON, DC 20003	NATL DIR OF COMMUNICATIONS 50.00	77,464.	11,731.	0.
HALID IQBAL 453 NEW JERSEY AVENUE S.E. WASHINGTON, DC 20003	DIRECTOR OF OPERATIONS 50.00	74,406.	9,280.	0.
TOTALS INCLUDED ON FORM 990, PART V-A		253,310.	31,826.	0.

CLIENT COPY

Form **990**

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

OMB No. 1545-0047

2006

Department of the Treasury
Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements.

Open to Public Inspection

A For the 2006 calendar year, or tax year beginning and ending

B Check if applicable:
 Address change
 Name change
 Initial return
 Final return
 Amended return
 Application pending

C Name of organization
COUNCIL ON AMERICAN-ISLAMIC RELATIONS, INC
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
453 NEW JERSEY AVENUE SE
 City or town, state or country, and ZIP + 4
WASHINGTON, DC 20003

D Employer identification number
52-1887951

E Telephone number
202-488-8787

F Accounting method: Cash Accrual
 Other (specify) _____

G Website: **WWW.CAIR.COM**

J Organization type (check only one) 501(c) (4) (insert no.) 4947(a)(1) or 527

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 **3,086,514.**

M Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

H and I are not applicable to section 527 organizations.
H(a) Is this a group return for affiliates? Yes No
H(b) If "Yes," enter number of affiliates **N/A**
H(c) Are all affiliates included? **N/A** Yes No
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No
I Group Exemption Number **N/A**

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances					
Revenue	1	Contributions, gifts, grants, and similar amounts received:			
	a	1a	Contributions to donor advised funds		
	b	1b	Direct public support (not included on line 1a)	2,179,394.	
	c	1c	Indirect public support (not included on line 1a)		
	d	1d	Government contributions (grants) (not included on line 1a)	300,000.	
	e	1e	Total (add lines 1a through 1d) (cash \$ 2,479,394. noncash \$)		2,479,394.
	2	2	Program service revenue including government fees and contracts (from Part VII, line 93)		334,739.
	3	3	Membership dues and assessments		41,383.
	4	4	Interest on savings and temporary cash investments		
	5	5	Dividends and interest from securities		
	6a	6a	Gross rents SEE STATEMENT 1	198,766.	
	6b	6b	Less: rental expenses SEE STATEMENT 2	325,762.	
6c	6c	Net rental income or (loss). Subtract line 6b from line 6a		-126,996.	
7	7	Other investment income (describe)			
Revenue	8a	8a	Gross amount from sales of assets other than inventory (A) Securities (B) Other		
	b	8b	Less: cost or other basis and sales expenses		
	c	8c	Gain or (loss) (attach schedule)		
	d	8d	Net gain or (loss). Combine line 8c, columns (A) and (B)		
Revenue	9	9a	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>		
	a	9a	Gross revenue (not including \$ 89,775. of contributions reported on line 1b)		
	b	9b	Less: direct expenses other than fundraising expenses		
9c	9c	Net income or (loss) from special events. Subtract line 9b from line 9a SEE STATEMENT 3			
Revenue	10a	10a	Gross sales of inventory, less returns and allowances		
	b	10b	Less: cost of goods sold		
	c	10c	Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a		
11	11	Other revenue (from Part VII, line 103)		32,232.	
12	12	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11		2,760,752.	
Expenses	13	13	Program services (from line 44, column (B))		1,798,268.
	14	14	Management and general (from line 44, column (C))		445,198.
	15	15	Fundraising (from line 44, column (D))		678,223.
	16	16	Payments to affiliates (attach schedule)		
	17	17	Total expenses. Add lines 16 and 44, column (A)		2,921,689.
Net Assets	18	18	Excess or (deficit) for the year. Subtract line 17 from line 12		-160,937.
	19	19	Net assets or fund balances at beginning of year (from line 73, column (A))		4,916,881.
	20	20	Other changes in net assets or fund balances (attach explanation)		0.
	21	21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20		4,755,944.

COUNCIL ON AMERICAN-ISLAMIC RELATIONS, INC

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Part II Statement of Functional Expenses

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

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach schedule) (cash \$ 0 noncash \$ 0) If this amount includes foreign grants, check here <input type="checkbox"/>				
22b Other grants and allocations (attach schedule) (cash \$ 0 noncash \$ 0) If this amount includes foreign grants, check here <input type="checkbox"/>				
23 Specific assistance to individuals (attach schedule)				
24 Benefits paid to or for members (attach schedule)				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A	303,694.	190,654.	52,544.	60,496.
b Compensation of former officers, directors, key employees, etc. listed in Part V-B	0.	0.	0.	0.
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
26 Salaries and wages of employees not included on lines 25a, b, and c	668,666.	482,193.	73,251.	113,222.
27 Pension plan contributions not included on lines 25a, b, and c	95,762.	62,055.	20,356.	13,351.
28 Employee benefits not included on lines 25a - 27	73,314.	29,679.	31,245.	12,390.
29 Payroll taxes	74,408.	54,402.	8,824.	11,182.
30 Professional fundraising fees				
31 Accounting fees	6,939.		6,939.	
32 Legal fees	81,796.	71,434.	10,362.	
33 Supplies	15,266.	3,490.	7,946.	3,830.
34 Telephone	120,178.	87,597.	26,313.	6,268.
35 Postage and shipping	50,096.	7,176.	3,451.	39,469.
36 Occupancy				
37 Equipment rental and maintenance	2,234.	1,695.	-6,008.	6,547.
38 Printing and publications	120,068.	6,511.	3,730.	109,827.
39 Travel	154,518.	16,871.	44,211.	93,436.
40 Conferences, conventions, and meetings	10,248.			10,248.
41 Interest	1.		1.	
42 Depreciation, depletion, etc. (attach schedule)	97,865.	64,431.	22,652.	10,782.
43 Other expenses not covered above (itemize):				
a				
b				
c				
d				
e				
f				
g SEE STATEMENT 4	1,046,636.	720,080.	139,381.	187,175.
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	2,921,689.	1,798,268.	445,198.	678,223.

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ N/A ; (ii) the amount allocated to Program services \$ N/A ;
 (iii) the amount allocated to Management and general \$ N/A ; and (iv) the amount allocated to Fundraising \$ N/A

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INC

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Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ► SEE STATEMENT 5	
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
a <u>THE ORGANIZATION WORKS WITH VARIOUS INTELLIGENCIA & MEDIA TO PROMOTE BETTER UNDERSTANDING OF ISLAM AND MUSLIMS IN NORTH AMERICA AND IN THE SOCIETY AS A WHOLE.</u>	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	1,222,823.
b <u>THE ORGANIZATION ALSO RESPONDS TO REQUESTS FOR DONATIONS OF INFORMATIVE BOOKS AND PUBLICATIONS ABOUT ISLAM AND MUSLIMS FOR LIBRARIES.</u>	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	575,445.
c	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
d	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
e Other program services (attach schedule)	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ►	1,798,268.

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Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year
Assets	45 Cash - non-interest-bearing	1,410,505.	45	1,492,298.
	46 Savings and temporary cash investments		46	
	47 a Accounts receivable	20,633.		
	b Less: allowance for doubtful accounts		47c	20,633.
	48 a Pledges receivable	88,489.		
	b Less: allowance for doubtful accounts	7,448.	48c	81,041.
	49 Grants receivable		49	
	50 a Receivables from current and former officers, directors, trustees, and key employees		50a	50,468.
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)		50b	
	51 a Other notes and loans receivable			
	b Less: allowance for doubtful accounts		51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges		53	23,228.
	54 a Investments - publicly-traded securities		54a	
	b Investments - other securities		54b	
55 a Investments - land, buildings, and equipment: basis	3,485,039.			
b Less: accumulated depreciation STMT 6	59,105.	55c	3,425,934.	
56 Investments - other		56		
57 a Land, buildings, and equipment: basis	2,981,529.			
b Less: accumulated depreciation STMT 7	608,982.	57c	2,372,547.	
58 Other assets, including program-related investments (describe ► SEE STATEMENT 8)		58	60,700.	
59 Total assets (must equal line 74). Add lines 45 through 58	6,313,944.	59	7,526,849.	
Liabilities	60 Accounts payable and accrued expenses	160,608.	60	201,805.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees		63	
	64 a Tax-exempt bond liabilities		64a	
	b Mortgages and other notes payable	1,227,979.	64b	2,556,561.
	65 Other liabilities (describe ► SEE STATEMENT 9)	8,476.	65	12,539.
66 Total liabilities. Add lines 60 through 65	1,397,063.	66	2,770,905.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	4,261,182.	67	3,874,207.
	68 Temporarily restricted	655,699.	68	881,737.
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
	73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)	4,916,881.	73	4,755,944.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73	6,313,944.	74	7,526,849.

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Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return (See the instructions.)

a Total revenue, gains, and other support per audited financial statements				a	N/A
b Amounts included on line a but not on Part I, line 12:					
1 Net unrealized gains on investments		b1			
2 Donated services and use of facilities		b2			
3 Recoveries of prior year grants		b3			
4 Other (specify): <u>SEE STATEMENT 10</u>		b4			
Add lines b1 through b4				b	
c Subtract line b from line a				c	
d Amounts included on Part I, line 12, but not on line a :					
1 Investment expenses not included on Part I, line 6b		d1			
2 Other (specify):		d2			
Add lines d1 and d2				d	
e Total revenue (Part I, line 12). Add lines c and d				e	

Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

a Total expenses and losses per audited financial statements				a	N/A
b Amounts included on line a but not on Part I, line 17:					
1 Donated services and use of facilities		b1			
2 Prior year adjustments reported on Part I, line 20		b2			
3 Losses reported on Part I, line 20		b3			
4 Other (specify): <u>SEE STATEMENT 11</u>		b4			
Add lines b1 through b4				b	
c Subtract line b from line a				c	
d Amounts included on Part I, line 17, but not on line a :					
1 Investment expenses not included on Part I, line 6b		d1			
2 Other (specify):		d2			
Add lines d1 and d2				d	
e Total expenses (Part I, line 17). Add lines c and d				e	

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
SEE STATEMENT 12		272,703.	30,991.	0.

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Part V-A Current Officers, Directors, Trustees, and Key Employees *(continued)* **Yes No**

75 a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings 8		
b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s)	75b	X
c Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization." If "Yes," attach a statement that includes the information described in the instructions.	75c	X
d Does the organization have a written conflict of interest policy?	75d	X

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address NONE	(B) Loans and Advances	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances

Part VI Other Information *(See the instructions.)* **Yes No**

76 Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change	76	X
77 Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77	X
78 a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b If "Yes," has it filed a tax return on Form 990-T for this year?	78b	X
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80 a 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? b If "Yes," enter the name of the organization SEE STATEMENT 13	80a	X
and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81 a Enter direct or indirect political expenditures. (See line 81 instructions.) 81a 0.	81a	
b Did the organization file Form 1120-POL for this year?	81b	X

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Part VI Other Information (continued)		Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b	
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	X
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85b	X
	If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
c	Dues, assessments, and similar amounts from members	85c	N/A
d	Section 162(e) lobbying and political expenditures	85d	N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12	86a	N/A
b	Gross receipts, included on line 12, for public use of club facilities	86b	N/A
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders	87a	N/A
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	N/A
88 a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88a	X
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI	88b	X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ N/A ; section 4912 ▶ N/A ; section 4955 ▶ N/A		
b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0.
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		0.
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?	89e	X
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89f	X
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	89g	X
90 a	List the states with which a copy of this return is filed ▶ DC		
b	Number of employees employed in the pay period that includes March 12, 2006	90b	25
91 a	The books are in care of ▶ THE ORGANIZATION Telephone no. ▶ 202-488-8787 Located at ▶ 453 NEW JERSEY AVE SE, WASHINGTON, DC, WASHINGTON ZIP + 4 ▶ 20003		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	91b	X
	If "Yes," enter the name of the foreign country ▶ N/A		
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		

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Part VI Other Information (continued) Yes No

- c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c
 If "Yes," enter the name of the foreign country N/A
- 92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here
 and enter the amount of tax-exempt interest received or accrued during the tax year 92 N/A

Part VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a SALE OF PUBLICATIONS					6,678.
b PBUH CAMPAIGN					287,632.
c QURAN PROJECT					40,429.
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					41,383.
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property	531110	-193,907.			
b not debt-financed property			16	66,911.	
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a OTHER INCOME					31,962.
b LATE PAYMENT/FEES					270.
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		-193,907.		66,911.	408,354.
105 Total (add line 104, columns (B), (D), and (E))					281,358.

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
▼	SEE STATEMENT 15

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
SEE STATEMENT 14	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No
- Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

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Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13). **N/A**

106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

		Yes	No

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	-----			
b	-----			
c	-----			
Totals				

107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

		Yes	No

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	-----			
b	-----			
c	-----			
Totals				

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

		Yes	No

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.

Please Sign Here

Signature of officer _____ Date _____

Type or print name and title _____

Paid Preparer's Use Only

Preparer's signature: _____ Date: 11/15/07

Check if self-employed:

Preparer's SSN or PTIN (See Gen. Inst. X): _____

Firm's name (or yours if self-employed), address, and ZIP + 4: **MILLER MUSMAR, PC**
1861 WIEHLE AVENUE, SUITE 125
RESTON, VA 20190

EIN: _____

Phone no.: **703-437-8877**

Form 990 (2006)

Schedule B
(Form 990, 990-EZ,
or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

OMB No. 1545-0047

Supplementary Information for
line 1 of Form 990, 990-EZ, and 990-PF (see instructions)

2006

Name of organization

COUNCIL ON AMERICAN-ISLAMIC RELATIONS,
INC

Employer identification number

52-1887951

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(4) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule-see instructions.)

General Rule-

For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules-

For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year.) ► \$ _____

Caution: Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they must check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, Form 990-EZ, and Form 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2006)

2006 DEPRECIATION AND AMORTIZATION REPORT

203-5 K ST NE WASHINGTON DC

RENT 3

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
84203	K ST NE	020905SL		27.50	16	164,776.			164,776.	5,493.		5,992.
85203	K ST NE LAND	020905L				144,000.			144,000.			0.
86205	K ST NE	020905SL		27.50	16	167,811.			167,811.	5,594.		6,102.
87205	K ST NE LAND	020905L				138,000.			138,000.			0.
88	LOAN COSTS		NC	.000		25,000.			25,000.			0.
89	ARCHITECTURAL DESIGN COSTS		NC	.000		15,824.			15,824.			0.
90917	2ND ST	011305L				165,003.			165,003.			0.
91K & 2ND	ST/DEPOSIT		L			12,000.			12,000.			0.
92923	2ND ST	122905SL		27.50	16	640,083.			640,083.			23,276.
93929	2ND ST	122905L				640,083.			640,083.			0.
1302006	RENTAL ADDITIONS	063006SL		27.50	16	686,230.			686,230.			12,477.
2006	RENTAL ADDITONS					686,229.			686,229.			0.
131	LAND	063006L				3,485,039.		0.	3,485,039.	11,087.	0.	47,847.
* 990	RENTAL TOTAL											
OTHER												

628102
07-28-06

(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone

2006 DEPRECIATION AND AMORTIZATION REPORT
FORM 990 PAGE 2

990

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
10453	NEW JERSEY/LAND	091599L				512,000.			512,000.			0.
94	BOOK/TAX VARIANCE ON DISPOSAL OF ASSETS 12&2006 FURNITURE & EQUIPMENT	091599NC		.000		11,493.			11,493.	467.		0.
105	COMPUTER HARDWARE	VARIABLES		.000		50,470.			50,470.			0.
116	SOFTWARE	VARIABLES		.000	16	17,381.			17,381.			0.
117	HEADQUARTER BUILDING	VARIABLES		.000	16	16,736.			16,736.			0.
118	BUILDING	VARIABLES		.000	16	23,361.			23,361.			0.
129	BOOK/TAX VARIANCE * 990 PAGE 2 TOTAL OTHER			.000	16	631,441.		0.	631,441.	10,300.	0.	0.
1	PROGRAM SERVICES FURNITURE/OFFICE EQUIPMENT 75%	060198200DB		7.00	17	22,247.			22,247.	22,247.		0.
4	FURNITURE/OFFICE EQUIPMENT 75%	060199200DB		7.00	17	15,479.			15,479.	14,788.		691.
7	NEW JERSEY/BUILDING 75% FURNITURE/OFFICE	091599SL		35.00	16	1,535,635.			1,535,635.	274,219.		43,875.
13	EQUIPMENT 75%	060100200DB		7.00	17	7,680.			7,680.	6,652.		685.
16	FURNITURE/OFFICE EQUIPMENT 75%	060101200DB		7.00	17	11,850.			11,850.	9,206.		1,058.
19	COMPUTERS 75%	060101200DB		5.00	17	2,561.			2,561.	2,414.		147.
25	COMPUTER/HOOPER	032302200DB		5.00	17	3,509.			3,509.	2,903.		404.
28	SONY CAMERA/IOBAL 80% 453 NEW JERSEY/BASIS	040902200DB		5.00	17	2,867.			2,867.	2,371.		331.
35	COSTS 75%	090602SL		35.00	16	38,524.			38,524.	3,670.		1,101.

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone
(D) - Asset disposed

2006 DEPRECIATION AND AMORTIZATION REPORT
FORM 990 PAGE 2

990

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
38	CAMERS-M. ELKOT	060903200	DB5.00	17		600.			600.	427.		69.
39	COMPUTER/BAYOUMI	040703200	DB5.00	17		1,020.			1,020.	726.		118.
41	DELL SYSTEM-1	062503200	DB5.00	17		788.			788.	561.		91.
42	DELL SYSTEM-2	062503200	DB5.00	17		658.			658.	468.		76.
43	DELL SYSTEM-3	062503200	DB5.00	17		688.			688.	490.		79.
44	DELL SYSTEM-4	062503200	DB5.00	17		548.			548.	390.		63.
46	DELL SYSTEM-6	062503200	DB5.00	17		623.			623.	444.		72.
47	PRINTER-KHALID	072203200	DB5.00	17		1,084.			1,084.	772.		125.
48	DIGITAL CAMERA	062904SL	7.00	16		926.			926.	198.		132.
49	DELL COMPUTER	081104SL	5.00	16		1,109.			1,109.	315.		222.
50	DELL COMPUTER	121304SL	5.00	16		525.			525.	114.		105.
51	LAPTOP	010704SL	5.00	16		2,372.			2,372.	948.		474.
52	PRINTER	042904SL	5.00	16		715.			715.	250.		143.
53	COMPUTER HARDWARE	051004SL	5.00	16		100.			100.	33.		20.
54	COMPUTER HARDWARE	052304SL	5.00	16		167.			167.	55.		33.
55	COMPUTER HARDWARE	071504SL	5.00	16		709.			709.	213.		142.
56	COMPUTER	090304SL	5.00	16		1,174.			1,174.	313.		235.
57	COMPUTER	090304SL	5.00	16		669.			669.	179.		134.

628102
07-28-06

(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone

2006 DEPRECIATION AND AMORTIZATION REPORT
FORM 990 PAGE 2

990

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
58	NEW ROOF-HEADQUARTERS NEW	123104SL	SL	15.00	16	25,000.			25,000.	3,334.		1,667.
59	COOLING-HEADQUARTERS	123104SL	SL	7.00	16	22,500.			22,500.	6,428.		3,214.
60	CAPITAL LEASE #10615	083104SL	SL	5.00	16	35,200.			35,200.	9,387.		7,040.
61	CAPITAL LEASE #10612	070801SL	SL	5.00	16	18,859.			18,859.	16,974.		1,885.
	* 990 PAGE 2 TOTAL PROGRAM SERVICES					1,756,386.		0.	1,756,386.	381,489.	0.	64,431.
	MANAGEMENT AND GENERAL FURNITURE/OFFICE											
2	EQUIPMENT 10%	060198200DB	DB	7.00	17	2,966.			2,966.	2,966.		0.
5	FURNITURE/OFFICE EQUIPMENT 10%	060199200DB	DB	7.00	17	2,064.			2,064.	1,972.		92.
8	453 NEW JERSEY/BUILDING 10%	091599SL	SL	35.00	16	204,751.			204,751.	36,563.		5,850.
14	FURNITURE/OFFICE EQUIPMENT 10%	060100200DB	DB	7.00	17	1,024.			1,024.	887.		91.
17	FURNITURE/OFFICE EQUIPMENT 10%	060101200DB	DB	7.00	17	1,580.			1,580.	1,227.		141.
20	COMPUTERS 10%	060101200DB	DB	5.00	17	341.			341.	321.		20.
22	COMPUTER/IQBAL FURNITURE/OFFICE	020502200DB	DB	5.00	17	1,579.			1,579.	1,306.		182.
23	EQUIPMENT/IQBAL FURNITURE/OFFICE	021202200DB	DB	7.00	17	754.			754.	519.		67.
24	EQUIPMENT/SIEMENS FURNITURE/OFFICE	022602200DB	DB	7.00	17	656.			656.	452.		58.
27	EQUIPMENT/OFFICE DELL	040602200DB	DB	7.00	17	495.			495.	341.		44.
31	COMPUTER/O.M.AHMAD	081402200DB	DB	5.00	17	1,641.			1,641.	1,357.		189.
32	COMPUTER/IQBAL	110702200DB	DB	5.00	17	1,860.			1,860.	1,538.		215.

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone
(D) - Asset disposed

2006 DEPRECIATION AND AMORTIZATION REPORT
FORM 990 PAGE 2

990

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
33	COMPUTER/RASHEED	122402200	DB	5.00	17	600.			600.	496.		69.
	453 NEW JERSEY/BASIS											
36	COSTS 10%	090602	SL	35.00	16	5,136.			5,136.	490.		147.
40	COMPUTER/TOOR	040703200	DB	5.00	17	846.			846.	602.		98.
45	DELL SYSTEM-5	062503200	DB	5.00	17	1,192.			1,192.	849.		137.
	PHOTO											
62	COPIER/FAX/PRINTER	021005	SL	5.00	16	618.			618.	113.		124.
63	VENDING MACHINE	032205	SL	7.00	16	1,147.			1,147.	123.		164.
64	DISPLAY BOARD	081205	SL	7.00	16	5,000.			5,000.	298.		714.
65	DISPLAY BOARD	090805	SL	7.00	16	6,608.			6,608.	315.		944.
66	SONY DVD RECORDER	092805	SL	5.00	16	1,406.			1,406.	70.		281.
67	FLAT PANEL MONITORS-4	082105	SL	5.00	16	1,394.			1,394.	93.		279.
68	DELL CPU 2.8GH	090805	SL	5.00	16	465.			465.	31.		93.
69	DELL OPTIPLEX CPU	092205	SL	5.00	16	2,639.			2,639.	132.		528.
70	FLAT PANEL MONITORS-10	101305	SL	5.00	16	2,463.			2,463.	123.		493.
71	LAPTOP	102705	SL	5.00	16	1,859.			1,859.	62.		372.
72	DELL POWER EDGE SERVER	102705	SL	5.00	16	4,801.			4,801.	160.		960.
	* 990 PAGE 2 TOTAL							0.	255,885.	53,406.	0.	12,352.
	MANAGEMENT AND GENERAL					255,885.						
	FUNDRAISING											
	FURNITURE/OFFICE											
3	EQUIPMENT 15%	060198200	DB	7.00	17	4,449.			4,449.	4,449.		0.

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07-28-06

(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone

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2006 DEPRECIATION AND AMORTIZATION REPORT
FORM 990 PAGE 2

990

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
6	FURNITURE/OFFICE EQUIPMENT 15% 453 NEW	0601992000	DB	7.00	17	3,096.			3,096.	2,958.		138.
9	JERSEY/BUILDING 15% FURNITURE/OFFICE	091599SL	SL	35.00	16	307,127.			307,127.	54,844.		8,775.
15	EQUIPMENT 15% FURNITURE/OFFICE	0601002000	DB	7.00	17	1,536.			1,536.	1,331.		137.
18	EQUIPMENT 15%	0601012000	DB	7.00	17	2,370.			2,370.	1,841.		212.
21	COMPUTERS 15% COMPUTER/STALLION	0601012000	DB	5.00	17	512.			512.	482.		30.
26	TECHNOLOGY	0404022000	DB	5.00	17	8,623.			8,623.	7,133.		993.
29	SONY CAMERA/IQBAL 20%	0409022000	DB	5.00	17	717.			717.	593.		83.
30	INTELLECT COMPUTERS IPAQ 3955	0612022000	DB	5.00	17	1,033.			1,033.	854.		119.
34	COMPUTER/KHAFAGI 453 NEW JERSEY/BASIS	1231022000	DB	5.00	17	649.			649.	537.		75.
37	COSTS 15% * 990 PAGE 2 TOTAL	090602SL	SL	35.00	16	7,705.			7,705.	733.		220.
	FUNDRAISING * GRAND TOTAL 990 PAGE 2 DEPR					337,817.		0.	337,817.	75,755.	0.	10,782.
						2,981,529.		0.	2,981,529.	521,417.	0.	87,565.

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone
(D) - Asset disposed 22

COUNCIL ON AMERICAN-ISLAMIC RELATIONS, I

52-1887951

FORM 990 RENTAL INCOME STATEMENT 1

KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME
453 NEW JERSEY AVE SE WASHINGTON DC 20003	2	162,006.
203-5 K ST NE WASHINGTON DC	3	36,760.
TOTAL TO FORM 990, PART I, LINE 6A		198,766.

FORM 990 RENTAL EXPENSES STATEMENT 2

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
453 NEW JERSEY AVE SE WASHINGTON DC 20003		95,095.	
- SUBTOTAL -	2		95,095.
DEPRECIATION		47,847.	
203-5 K ST NE WASHINGTON DC		230,667.	
CALCULATED DEPRECIATION PER CCH		-47,847.	
- SUBTOTAL -	3		230,667.
TOTAL TO FORM 990, PART I, LINE 6B			325,762.

FORM 990 SPECIAL EVENTS AND ACTIVITIES STATEMENT 3

DESCRIPTION OF EVENT	GROSS RECEIPTS	CONTRIBUT. INCLUDED	GROSS REVENUE	DIRECT EXPENSES	NET INCOME
ANNUAL DINNER	89,775.	89,775.		0.	0.
TO FM 990, PART I, LINE 9	89,775.	89,775.		0.	0.

COUNCIL ON AMERICAN-ISLAMIC RELATIONS, I

52-1887951

FORM 990

OTHER EXPENSES

STATEMENT 4

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
CONTRACT WAGES	99,373.	56,255.	25,842.	17,276.
CONSULTANT	78,178.	43,005.	11,479.	23,694.
CAIR CHAPTERS	22,040.	22,040.		
DUES & SUBSCRIPTIONS	9,881.	9,551.	330.	
INSURANCE	17,829.		17,829.	
MAINTENANCE	837.		837.	
OFFICE EXPENSE	10,424.	1,235.	7,672.	1,517.
PUBLIC RELATIONS	95,336.	86,079.		9,257.
RESEARCH & INFORMATION SERVICES	100,590.	100,281.	309.	
SECURITY SERVICE	611.	411.		200.
BANK SERVICE CHARGES	64.		64.	
LICENSES & PERMITS	319.		159.	160.
MISCELLANEOUS	1,387.		1,387.	
REPAIRS	440.		440.	
TAXES	63,848.		63,567.	281.
COMMISSION-CREDIT CARD EXPENSE	20,288.	5,072.		15,216.
EVENT EXPENSES	24,712.			24,712.
FUNDRAISING	82,055.			82,055.
LIBRARY PROJECT	1,800.	1,800.		
QURAN PROJECT EXPENSE	149,232.	149,232.		
PROPHET MUHAMMAD CAMPAIGN	86,054.	86,054.		
PROFESSIONAL FEES-OTHER	180.	180.		
PUBLICATIONS	830.	830.		
MECHANICAL SERVICE EXPENSES	10,766.	6,460.	1,830.	2,476.
PROPERTY MANAGEMENT FEES	17,416.	10,449.	2,961.	4,006.
JANITORIAL SERVICES	27,522.	16,522.	4,675.	6,325.
ADJUSTMENT TO BALANCE	124,624.	124,624.		
TOTAL TO FM 990, LN 43	1,046,636.	720,080.	139,381.	187,175.

COUNCIL ON AMERICAN-ISLAMIC RELATIONS, I

52-1887951

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 5
PART III

EXPLANATION

PROTECT CIVIL RIGHTS, ENCOURAGE CIVIC PARTICIPATION AND VOTER REGISTRATION, AND ADVOCATE FOR ISSUES RELEVANT TO MUSLIMS IN NORTH AMERICA.

FORM 990 DEPRECIATION OF ASSETS HELD FOR INVESTMENT STATEMENT 6

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
203 K ST NE	164,776.	11,485.	153,291.
203 K ST NE LAND	144,000.	0.	144,000.
205 K ST NE	167,811.	11,696.	156,115.
205 K ST NE LAND	138,000.	0.	138,000.
LOAN COSTS	25,000.	0.	25,000.
ARCHITECTURAL DESIGN COSTS	15,824.	0.	15,824.
917 2ND ST	165,003.	0.	165,003.
K & 2ND ST/DEPOSIT	12,000.	0.	12,000.
923 2ND ST	640,083.	23,276.	616,807.
929 2ND ST	640,083.	0.	640,083.
2006 RENTAL ADDITIONS	686,230.	12,477.	673,753.
2006 RENTAL ADDITONS - LAND	686,229.	0.	686,229.
TOTAL TO FORM 990, PART IV, LN 55	3,485,039.	58,934.	3,426,105.

FORM 990 DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 7

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
FURNITURE/OFFICE EQUIPMENT 75%	22,247.	22,247.	0.
FURNITURE/OFFICE EQUIPMENT 10%	2,966.	2,966.	0.
FURNITURE/OFFICE EQUIPMENT 15%	4,449.	4,449.	0.
FURNITURE/OFFICE EQUIPMENT 75%	15,479.	15,479.	0.
FURNITURE/OFFICE EQUIPMENT 10%	2,064.	2,064.	0.
FURNITURE/OFFICE EQUIPMENT 15%	3,096.	3,096.	0.
453 NEW JERSEY/BUILDING 75%	1,535,635.	318,094.	1,217,541.
453 NEW JERSEY/BUILDING 10%	204,751.	42,413.	162,338.
453 NEW JERSEY/BUILDING 15%	307,127.	63,619.	243,508.
453 NEW JERSEY/LAND	512,000.	0.	512,000.
FURNITURE/OFFICE EQUIPMENT 75%	7,680.	7,337.	343.
FURNITURE/OFFICE EQUIPMENT 10%	1,024.	978.	46.
FURNITURE/OFFICE EQUIPMENT 15%	1,536.	1,468.	68.

COUNCIL ON AMERICAN-ISLAMIC RELATIONS, I

52-1887951

FURNITURE/OFFICE EQUIPMENT 75%	11,850.	10,264.	1,586.
FURNITURE/OFFICE EQUIPMENT 10%	1,580.	1,368.	212.
FURNITURE/OFFICE EQUIPMENT 15%	2,370.	2,053.	317.
COMPUTERS 75%	2,561.	2,561.	0.
COMPUTERS 10%	341.	341.	0.
COMPUTERS 15%	512.	512.	0.
COMPUTER/IQBAL	1,579.	1,488.	91.
FURNITURE/OFFICE EQUIPMENT/IQBAL	754.	586.	168.
FURNITURE/OFFICE EQUIPMENT/SIEMENS	656.	510.	146.
COMPUTER/HOOPER	3,509.	3,307.	202.
COMPUTER/STALLION TECHNOLOGY	8,623.	8,126.	497.
FURNITURE/OFFICE EQUIPMENT/STAPLES	495.	385.	110.
SONY CAMERA/IQBAL 80%	2,867.	2,702.	165.
SONY CAMERA/IQBAL 20%	717.	676.	41.
INTELLECT COMPUTERS	1,033.	973.	60.
DELL COMPUTER/O.M.AHMAD	1,641.	1,546.	95.
COMPUTER/IQBAL	1,860.	1,753.	107.
COMPUTER/RASHEED	600.	565.	35.
IPAQ 3955 COMPUTER/KHAFAGI	649.	612.	37.
453 NEW JERSEY/BASIS COSTS 75%	38,524.	4,771.	33,753.
453 NEW JERSEY/BASIS COSTS 10%	5,136.	637.	4,499.
453 NEW JERSEY/BASIS COSTS 15%	7,705.	953.	6,752.
CAMERS-M. ELKOT	600.	496.	104.
COMPUTER/BAYOUMI	1,020.	844.	176.
COMPUTER/TOOR	846.	700.	146.
DELL SYSTEM-1	788.	652.	136.
DELL SYSTEM-2	658.	544.	114.
DELL SYSTEM-3	688.	569.	119.
DELL SYSTEM-4	548.	453.	95.
DELL SYSTEM-5	1,192.	986.	206.
DELL SYSTEM-6	623.	516.	107.
PRINTER-KHALID	1,084.	897.	187.
DIGITAL CAMERA	926.	330.	596.
DELL COMPUTER	1,109.	537.	572.
DELL COMPUTER	525.	219.	306.
LAPTOP	2,372.	1,422.	950.
PRINTER	715.	393.	322.
COMPUTER HARDWARE	100.	53.	47.
COMPUTER HARDWARE	167.	88.	79.
COMPUTER HARDWARE	709.	355.	354.
COMPUTER	1,174.	548.	626.
COMPUTER	669.	313.	356.
NEW ROOF-HEADQUARTERS	25,000.	5,001.	19,999.
NEW COOLING-HEADQUARTERS	22,500.	9,642.	12,858.
CAPITAL LEASE #10615	35,200.	16,427.	18,773.
CAPITAL LEASE #10612	18,859.	18,859.	0.
PHOTO COPIER/FAX/PRINTER	618.	237.	381.
VENDING MACHINE	1,147.	287.	860.
DISPLAY BOARD	5,000.	1,012.	3,988.
DISPLAY BOARD	6,608.	1,259.	5,349.

COUNCIL ON AMERICAN-ISLAMIC RELATIONS, I

52-1887951

SONY DVD RECORDER	1,406.	351.	1,055.
FLAT PANEL MONITORS-4	1,394.	372.	1,022.
DELL CPU 2.8GH	465.	124.	341.
DELL OPTIPLEX CPU	2,639.	660.	1,979.
FLAT PANEL MONITORS-10	2,463.	616.	1,847.
LAPTOP	1,859.	434.	1,425.
DELL POWER EDGE SERVER	4,801.	1,120.	3,681.
BOOK/TAX VARIANCE ON DISPOSAL OF ASSETS 12&11	11,493.	467.	11,026.
2006 FURNITURE & EQUIPMENT	50,470.	0.	50,470.
2006 COMPUTER HARDWARE	17,381.	0.	17,381.
2006 SOFTWARE	16,736.	0.	16,736.
2006 HEADQUARTER BUILDING	23,361.	0.	23,361.
2006 BOOK/TAX VARIANCE	0.	10,300.	-10,300.
TOTAL TO FORM 990, PART IV, LN 57	2,981,529.	608,982.	2,372,547.

FORM 990	OTHER ASSETS	STATEMENT	8
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DESCRIPTION	AMOUNT
DEPOSITS	26,000.
DEFERRED ASSET	2,570.
WORK IN PROGRESS	32,130.
TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B	60,700.

FORM 990	OTHER LIABILITIES	STATEMENT	9
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DESCRIPTION	AMOUNT
SECURITY DEPOSIT	3,333.
SECURITY DEPOSIT-GWLLC	3,643.
CUSTOMER DEPOSIT	4,600.
PENSION LIABILITY	963.
TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B	12,539.

COUNCIL ON AMERICAN-ISLAMIC RELATIONS, I

52-1887951

FORM 990 OTHER REVENUE NOT INCLUDED ON FORM 990 STATEMENT 10

DESCRIPTION	AMOUNT
RENTAL EXPENSES NETTED FROM GROSS RENTS ON LINE 6B OF FORM 990	
ANNUAL DINNER EXPENSES NETTED FROM GROSS REVENUE ON LINE 9B OF FORM 990	
TOTAL TO FORM 990, PART IV-A	

FORM 990 OTHER EXPENSES NOT INCLUDED ON FORM 990 STATEMENT 11

DESCRIPTION	AMOUNT
RENTAL EXPENSES NETTED FROM GROSS RENTS ON LINE 6B OF FORM 990	
ANNUAL DINNER EXPENSES NETTED FROM GROSS REVENUE ON LINE 9B OF FORM 990	
TOTAL TO FORM 990, PART IV-B	

Produced Subject to Protective Order

COUNCIL ON AMERICAN-ISLAMIC RELATIONS, I

52-1887951

FORM 990 PART V-A - LIST OF CURRENT OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES STATEMENT 12

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
OMAR M. AHMAD 453 NEW JERSEY AVENUE S.E. WASHINGTON, DC 20003	CHAIRMAN EMERITUS 10.00	0.	0.	0.
PARVEZ AHMED 453 NEW JERSEY AVENUE S.E. WASHINGTON, DC 20003	CHAIRMAN 15.00	0.	0.	0.
AHMAD AL-AKHRAS 453 NEW JERSEY AVENUE S.E. WASHINGTON, DC 20003	VICE CHAIRMAN 10.00	0.	0.	0.
NIHAD AWAD 453 NEW JERSEY AVENUE S.E. WASHINGTON, DC 20003	BOARD MEMBER/EXECUTIVE DIR 60.00	110,307.	11,453.	0.
IHSAN BAGBY 453 NEW JERSEY AVENUE S.E. WASHINGTON, DC 20003	BOARD MEMBER 6.00	0.	0.	0.
FOUAD KHATEEB 453 NEW JERSEY AVENUE S.E. WASHINGTON, DC 20003	BOARD MEMBER 10.00	0.	0.	0.
HADIA MUBARAK 453 NEW JERSEY AVENUE S.E. WASHINGTON, DC 20003	BOARD MEMBER 5.00	0.	0.	0.
NABIL SADOUN 453 NEW JERSEY AVENUE S.E. WASHINGTON, DC 20003	BOARD MEMBER 10.00	0.	0.	0.
CARY DOUGLAS HOOPER 453 NEW JERSEY AVENUE S.E. WASHINGTON, DC 20003	NATL DIR OF COMMUNICATIONS 40.00	84,608.	10,633.	0.
KHALID IQBAL 453 NEW JERSEY AVENUE S.E. WASHINGTON, DC 20003	DIRECTOR OF OPERATIONS 40.00	77,788.	8,905.	0.
LARY SHAW 453 NEW JERSEY AVENUE S.E. WASHINGTON, DC 20003	BOARD MEMBER 10.00	0.	0.	0.
TOTALS INCLUDED ON FORM 990, PART V-A		272,703.	30,991.	0.

COUNCIL ON AMERICAN-ISLAMIC RELATIONS, I

52-1887951

FORM 990

IDENTIFICATION OF RELATED ORGANIZATIONS
PART VI, LINE 80B

STATEMENT 13

NAME OF ORGANIZATION

EXEMPT

NONEXEMPT

ZAHARA INVESTMENT CORPORATION (COMBINED)
GREATER WASHINGTON LLC OF DELAWARE

X
X

Produced Subject to Protective Order

COUNCIL ON AMERICAN-ISLAMIC RELATIONS, I

52-1887951

FORM 990 PART IX - INFORMATION REGARDING TAXABLE SUBSIDIARIES AND DISREGARDED ENTITIES STATEMENT 14

NAME OF CORPORATION, PARTNERSHIP OR DISREGARDED ENTITY

GREATER WASHINGTON LLC OF DELAWARE

ADDRESS

453 NEW JERSEY AVE SE, WASHINGTON, DC 20003

EMPLOYER ID NUMBER	PERCENT OWNED	NATURE OF ACTIVITIES	TOTAL INCOME	END-OF-YEAR ASSETS
20-2306595	100.00%	RENTAL REAL ESTATE		

NAME OF CORPORATION, PARTNERSHIP OR DISREGARDED ENTITY

ZAHARA INVESTMENT CORPORATION

ADDRESS

453 NEW JERSEY AVE SE, WASHINGTON, DC 20003

EMPLOYER ID NUMBER	PERCENT OWNED	NATURE OF ACTIVITIES	TOTAL INCOME	END-OF-YEAR ASSETS
20-2154483	100.00%	RENTAL REAL ESTATE		

FORM 990 PART VIII - RELATIONSHIP OF ACTIVITIES TO ACCOMPLISHMENT OF EXEMPT PURPOSES STATEMENT 15

LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
93A	PUBLICATIONS PROMOTE A BETTER UNDERSTANDING OF ISLAM AND MUSLIMS
93B	CONFERENCES/SEMINARS PROVIDE TRAINING PROMOTING BETTER UNDERSTANDINGS
93D	VARIOUS SPECIAL PROJECTS TO PROMOTE BETTER UNDERSTANDING
94	MEMBERSHIP DUES MEASURES THE ORGANIZATION'S SUCCESS & BASE OF SUPPORT
97B	RENTING OUT PORTIONS OF THE BUILDING DEFRAYS THE COST OF OCCUPANCY.
101	ANNUAL DINNER PROVIDES THE OPPORTUNITY FOR SIGNIFICANT FUNDRAISING
93C	PROMOTES MUTUAL UNDERSTANDING AND EDUCATES OTHERS ABOUT ISLAM
93E	EDUCATE PUBLIC ABOUT ISLAM AND THE AMERICAN MUSLIM EXPERIENCE

COUNCIL ON AMERICAN-ISLAMIC RELATIONS, INC

52-1887951

Form **990-W**

Estimated Tax on Unrelated Business Taxable Income for Tax-Exempt Organizations

OMB No. 1545-0976

(WORKSHEET)

(and on Investment Income for Private Foundations) FORM 990-T

2007

Department of the Treasury Internal Revenue Service

(Keep for your records. Do not send to the Internal Revenue Service.)

1	Unrelated business taxable income expected in the tax year	1
2	Tax on the amount on line 1. See instructions for tax computation	2
3	Alternative minimum tax (see instructions)	3
4	Total. Add lines 2 and 3	4
5	Estimated tax credits (see instructions)	5
6	Balance. Subtract line 5 from line 4	6
7	Other taxes (see instructions)	7
8	Total. Add lines 6 and 7	8
9	Credit for federal tax paid on fuels (see instructions)	9
10a	Subtract line 9 from line 8. Note. If less than \$500, the organization is not required to make estimated tax payments. Private foundations, see instructions	10a
b	Enter the tax shown on the 2006 return (see instructions). Caution. If zero or the tax year was for less than 12 months, skip this line and enter the amount from line 10a on line 10c	10b
c	2007 Estimated Tax. Enter the smaller of line 10a or line 10b. If the organization is required to skip line 10b, enter the amount from line 10a on line 10c	10c
		ADJUSTED TO
		2,101.
		2,120.

		(a)	(b)	(c)	(d)	
11	Installment due dates (see instructions)	11	04/17/07	06/15/07	09/17/07	12/17/07
12	Required installments. Enter 25% of line 10c in columns (a) through (d) unless the organization uses the annualized income installment method, the adjusted seasonal installment method, or is a "large organization" (see instructions)	12	530.	530.	530.	530.
13	2006 Overpayment (see instructions)	13				
14	Payment due. (Subtract line 13 from line 12.)	14	530.	530.	530.	530.

LHA For Paperwork Reduction Act Notice, see instructions.

Form 990-W (2007)

Schedule B (Form 990, 990-EZ, or 990-PF) (2006)

Page 1 of 7 of Part I

Name of organization COUNCIL ON AMERICAN-ISLAMIC RELATIONS, INC	Employer identification number 52-1887951
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Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	ADNAN HAMZA BOGARY P.O. BOX 1800 JEDDAH, SAUDI ARABIA 21441	\$ 600,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	EMBASSY OF THE UAE 3522 INTERNATIONAL COURT NW , SUITE #400 WASHINGTON, DC 20008	\$ 219,563.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	KINGDOM HOLDING COMPANY SAUDI ARABIA SAUDI ARABIA	\$ 199,980.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	NATIONAL BANK OF FUJAIRAH PO BOX 887 FUJAIRAH UAE	\$ 100,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5	RED CRESCENT PO BOX 27270 ABU DHABI, UAE	\$ 99,985.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
6	CAIR CALIFORNIA 2180 WEST CRESCENT AVENUE, SUITE F ANAHEIM, CA 92801	\$ 99,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Schedule B (Form 990, 990-EZ, or 990-PF) (2006)

Page 2 of 7 of Part I

Name of organization COUNCIL ON AMERICAN-ISLAMIC RELATIONS, INC	Employer identification number 52-1887951
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Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7	ISLAMIC ASSOCIATION OF WV PO BOX 8414 SOUTH CHARLESTON, WV 25303	\$ 56,500.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
8	CAIR CHICAGO 28 E JACKSON BLVD SUITE 405 CHICAGO, IL 60604	\$ 50,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
9	BIN HAMMODAH PROPORITIES CO. PO BOX 203 ABU DHABI, UAE	\$ 44,985.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
10	CHUGHTAI FOUNDATION, INC. 321 ROUTE 202/206 S., PO BOX 660 PLUCKEMIN, NJ 07978	\$ 12,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
11	M. FAWWAZ SHOUKFEH 3710 21ST ST. LUBBOCK, TX 79410-1220	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
12	AZIZ RAHMAN PO BOX 1907 CENTRALIA, IL 62801-9127	\$ 10,585.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

623452 01-18-07

Schedule B (Form 990, 990-EZ, or 990-PF) (2006)

Schedule B (Form 990, 990-EZ, or 990-PF) (2008)

Page 3 of 7 of Part I

Name of organization COUNCIL ON AMERICAN-ISLAMIC RELATIONS, INC	Employer identification number 52-1887951
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Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
13	TAREK HUSSEIN 955 BEACHCOMBER LN. HOUSTON, TX 77062-4301	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
14	NABIL ATTAYA 2204 WAYNE AVE. LUBBOCK, TX 79407	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
15	UNITY CHAMBER OF COMM., LLC 7362 UNV.AVE,STE 305 FRIDLEY, MN 55432	\$ 14,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
16	DARA D. KOOZEKANANI 23 UNIVERSITY HOUSED, APT A MADISON, WI 53705-1818	\$ 8,400.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
17	MURTADA ELKHALIFA 43043 MONTI CIMINI COURT ASHBURN, VA 20148	\$ 7,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
18	IRFAN GALARIA 1748 ONEIDA STREET SALT LAKE CITY, UT 84108	\$ 6,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Schedule B (Form 990, 990-EZ, or 990-PF) (2006)

Page 4 of 7 of Part I

Name of organization COUNCIL ON AMERICAN-ISLAMIC RELATIONS, INC	Employer identification number 52-1887951
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Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
19	<u>OTHMAN TAHA</u> <u>7585 DUROCHER APPT 13</u> <u>MONTREAL, QUEBEC H3N 2A2</u>	\$ <u>5,900.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
20	<u>RIFFAT R. CHAUDARY</u> <u>15 ROSEWOOD COURT</u> <u>BELLE MEAD, NJ 08502-4936</u>	\$ <u>5,100.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
21	<u>TAJ FOUNDATION</u> <u>3000 BURRWOOD DRIVE</u> <u>SPRINGFIELD, OH 45503-7102</u>	\$ <u>5,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
22	<u>SEHAM ADDALLA</u> <u>3611 ACORN WOOD WAY</u> <u>HOUSTON, TX 77059</u>	\$ <u>5,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
23	<u>M.S. IMADUDDIN</u> <u>14247 ANDREA WAY LANE</u> <u>HOUSTON, TX 77083-7711</u>	\$ <u>5,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
24	<u>E PLANT ADVISORS</u> <u>400 SEAPORT CT, STE 102</u> <u>REDWOOD CITY, CA 94063</u>	\$ <u>5,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

623452 01-18-07

Schedule B (Form 990, 990-EZ, or 990-PF) (2006)

Name of organization COUNCIL ON AMERICAN-ISLAMIC RELATIONS, INC	Employer identification number 52-1887951
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Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
25	TEXAS CARDIAC CENTER 3710 21ST STREET LUBBOCK, TX 79410	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is a noncash contribution.)</small>
26	EYAD TAKIEDINE 1131 GRENOBLE ROAD IVYLAND, PA 18974-1257	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is a noncash contribution.)</small>
27	M.T.KHATER 4508 93RD DRIVE LUBBOCK, TX 79424	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is a noncash contribution.)</small>
28	JAMAL BARZINJI 500 GROVE ST. HERNDON, VA 20170-4735	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is a noncash contribution.)</small>
29	CAMBRIDGE SOLUTIONS, INC P.O. BOX 5362 HERNDON, VA 20172	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is a noncash contribution.)</small>
30	ZIAD SOUS 7313 E. 93RD PLACE TULSA, OK 74133	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is a noncash contribution.)</small>

Schedule B (Form 990, 990-EZ, or 990-PF) (2008)

Page 6 of 7 of Part I

Name of organization COUNCIL ON AMERICAN-ISLAMIC RELATIONS, INC	Employer identification number 52-1887951
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Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
31	OSAMA KANDIL 1162 MILLWOOD POND DR. HERNDON, VA 20170-2365	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
32	AHMAD AMER LLC 100 AMER RD, BLDG.200 WILMINGTON, DE 19809	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
33	IIIT P.O. BOX 669 HERNDON, VA 20172-2973	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
34	SAMEEH M. ZALLOUM 5014 101ST STREET LUBBOCK, TX 79424	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
35	ASSAD MOUHAFSEL 102 THOMAS RD. WEST MONROE, LA 71291-7366	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
36	PARVEZ AHMED 525 EAST 80TH STREET, APT. 1A NEW YORK, NY 10021	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization COUNCIL ON AMERICAN-ISLAMIC RELATIONS, INC	Employer identification number 52-1887951
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Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
37	ABED H. SAHYOUNI 644 PUTNAM PIKE GREENVILLE, RI 02828	\$ 6,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

WINSTON & STRAWN LLP

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August 8, 2011

FRANCESCA M.S. GUERRERO
Associate
(202) 282-5647
fguerrero@winston.com

FEDEX

Internal Revenue Service
201 West Rivercenter Boulevard
Attn: Extracting Stop 312
Covington, KY 41011

**Re: Automatic Revocation of Section 501(c)(3) Status of CAIR Foundation, Inc.
Application for Reinstatement: Form 1023
EIN 77-0646756**

Dear Sir or Madame:

We are contacting you on behalf of CAIR Foundation, Inc. ("CAIR Foundation"). CAIR Foundation is a Section 501(c)(3) public charity whose tax-exempt status was automatically revoked effective May 17, 2010 as a result of failing to file IRS Form 990 for the years 2007, 2008, and 2009. CAIR Foundation is hereby applying for reinstatement of Section 501(c)(3) status effective as of today's date. CAIR Foundation is filing for prospective reinstatement without prejudice to its right to request retroactive reinstatement.

Please find enclosed the following:

1. Form 1023 Checklist
2. Prior IRS Determination Letter dated February 12, 2007
3. Form 2848, Power of Attorney and Declaration of Representative
4. Form 1023, Application for Recognition of Exemption Under Section 501(c)(3), for CAIR Foundation
5. Supplemental Attachment to Form 1023
6. Exhibits to Form 1023
7. Form 5768, Election/Revocation of Election by an Eligible Section 501(c)(3) Organization To Make Expenditures To Influence Legislation
8. Check in the amount of \$850

Should you have any questions, please do not hesitate to contact me.

WINSTON & STRAWN^{LLP}

August 8, 2011
Page 2

Regards,



Francesca M.S. Guerrero

Enclosures

DC:684461.1

Produced Subject to Protective Order

Form 1023 Checklist

(Revised June 2006)

Application for Recognition of Exemption under Section 501(c)(3) of the Internal Revenue Code

Note. Retain a copy of the completed Form 1023 in your permanent records. Refer to the General Instructions regarding Public Inspection of approved applications.

Check each box to finish your application (Form 1023). Send this completed Checklist with your filled-in application. If you have not answered all the items below, your application may be returned to you as incomplete.

- Assemble the application and materials in this order:
 - Form 1023 Checklist
 - Form 2848, *Power of Attorney and Declaration of Representative* (if filing)
 - Form 8821, *Tax Information Authorization* (if filing)
 - Expedite request (if requesting)
 - Application (Form 1023 and Schedules A through H, as required)
 - Articles of organization
 - Amendments to articles of organization in chronological order
 - Bylaws or other rules of operation and amendments
 - Documentation of nondiscriminatory policy for schools, as required by Schedule B
 - Form 5768, *Election/Revocation of Election by an Eligible Section 501(c)(3) Organization To Make Expenditures To Influence Legislation* (if filing)
 - All other attachments, including explanations, financial data, and printed materials or publications. Label each page with name and EIN.

- User fee payment placed in envelope on top of checklist. DO NOT STAPLE or otherwise attach your check or money order to your application. Instead, just place it in the envelope.

- Employer Identification Number (EIN)

- Completed Parts I through XI of the application, including any requested information and any required Schedules A through H.
 - You must provide specific details about your past, present, and planned activities.
 - Generalizations or failure to answer questions in the Form 1023 application will prevent us from recognizing you as tax exempt.
 - Describe your purposes and proposed activities in specific easily understood terms.
 - Financial information should correspond with proposed activities.

- Schedules. Submit only those schedules that apply to you and check either "Yes" or "No" below.

Schedule A	Yes ___ No <input checked="" type="checkbox"/>	Schedule E	Yes ___ No <input checked="" type="checkbox"/>
Schedule B	Yes ___ No <input checked="" type="checkbox"/>	Schedule F	Yes ___ No <input checked="" type="checkbox"/>
Schedule C	Yes ___ No <input checked="" type="checkbox"/>	Schedule G	Yes ___ No <input checked="" type="checkbox"/>
Schedule D	Yes ___ No <input checked="" type="checkbox"/>	Schedule H	Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/>

- An exact copy of your complete articles of organization (creating document). Absence of the proper purpose and dissolution clauses is the number one reason for delays in the issuance of determination letters.
 - Location of Purpose Clause from Part III, line 1 (Page, Article and Paragraph Number) AIC Art. III
 - Location of Dissolution Clause from Part III, line 2b or 2c (Page, Article and Paragraph Number) or by operation of state law AIC Art. VI,C
- Signature of an officer, director, trustee, or other official who is authorized to sign the application.
 - Signature at Part XI of Form 1023.
- Your name on the application must be the same as your legal name as it appears in your articles of organization.

Send completed Form 1023, user fee payment, and all other required information, to:

Internal Revenue Service
P.O. Box 192
Covington, KY 41012-0192

If you are using express mail or a delivery service, send Form 1023, user fee payment, and attachments to:

Internal Revenue Service
201 West Rivercenter Blvd.
Attn: Extracting Stop 312
Covington, KY 41011



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

Date: FEB 12 2007

CAIR-Foundation, Inc.
50 E St. SE, Rm. 301
Washington DC 20003

Employer Identification Number:
77-0646756
Person to Contact and ID Number:
Ward L. Thomas, 50-09822
Toll Free Contact Number:
(877) 829-5500
Accounting Period Ending:
December 31
Public Charity Status:
509(a)(1) & 170(b)(1)(A)(vi)
Form 990 Required:
Yes
Effective Date of Exemption:
Feb. 15, 2005
Contribution Deductibility:
Yes
Advance Ruling Ending Date:
Dec. 31, 2009

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. **Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.**

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. During your advance ruling period, you will be treated as a public charity. Your advance ruling period begins with the effective date of exemption and ends with the advance ruling ending date shown in the heading of this letter.

Shortly before the end of your advance ruling period, we will send you Form 8734, *Support Schedule for Advance Ruling Period*. You will have 90 days after the end of your advance ruling period to return the completed form. We will review the information you provide and determine whether you have met the public support test. We will then notify you, in writing, about your public charity status.

2

CAIR-Foundation, Inc

Please see enclosed *Information for Organizations Exempt Under Section 501(c)(3)* for some helpful information about your responsibilities as an exempt organization.

Sincerely,

|s|

Lois G. Lerner
Director, Exempt Organizations
Rulings & Agreements

Enclosures: *Information for Organizations Exempt Under Section 501(c)(3)*
Consent to extend statute of limitations

Produced Subject to Protective Order

003372

Form **2848**
 (Rev. June 2008)
 Department of the Treasury
 Internal Revenue Service

**Power of Attorney
 and Declaration of Representative**

▶ Type or print. ▶ See the separate instructions.

OMB No. 1545-0150
 For IRS Use Only
 Received by:
 Name _____
 Telephone _____
 Function _____
 Date / /

Part I Power of Attorney

Caution: Form 2848 will not be honored for any purpose other than representation before the IRS.

1 Taxpayer information. Taxpayer(s) must sign and date this form on page 2, line 9.

Taxpayer name(s) and address CAIR Foundation, Inc. 50 E Street SE Washington, DC 20003	Social security number(s) _____ _____ _____ Daytime telephone number (720) 251-0425	Employer identification number 77 0646756 Plan number (if applicable)
--	--	--

hereby appoint(s) the following representative(s) as attorney(s)-in-fact:

2 Representative(s) must sign and date this form on page 2, Part II.

Name and address Barry J. Hart	CAF No. 2605-03039R Telephone No. 202-282-5794 Fax No. 202-282-5100 Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
Name and address Francesca Guerrero	CAF No. 0307-77674R Telephone No. 202-282-5647 Fax No. 202-282-5100 Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
Name and address	CAF No. _____ Telephone No. _____ Fax No. _____ Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>

to represent the taxpayer(s) before the Internal Revenue Service for the following tax matters:

3 Tax matters

Type of Tax (Income, Employment, Excise, etc.) or Civil Penalty (see the instructions for line 3)	Tax Form Number (1040, 941, 720, etc.)	Year(s) or Period(s) (see the instructions for line 3)
Income	1023, 990	2007, 2008, 2009, 2010, 2011

4 Specific use not recorded on Centralized Authorization File (CAF). If the power of attorney is for a specific use not recorded on CAF, check this box. See the instructions for Line 4. **Specific Uses Not Recorded on CAF**

5 Acts authorized. The representatives are authorized to receive and inspect confidential tax information and to perform any and all acts that I (we) can perform with respect to the tax matters described on line 3, for example, the authority to sign any agreements, consents, or other documents. The authority does not include the power to receive refund checks (see line 6 below), the power to substitute another representative or add additional representatives, the power to sign certain returns, or the power to execute a request for disclosure of tax returns or return information to a third party. See the line 5 instructions for more information.

Exceptions. An unenrolled return preparer cannot sign any document for a taxpayer and may only represent taxpayers in limited situations. See **Unenrolled Return Preparer** on page 1 of the instructions. An enrolled actuary may only represent taxpayers to the extent provided in section 10.3(d) of Treasury Department Circular No. 230 (Circular 230). An enrolled retirement plan administrator may only represent taxpayers to the extent provided in section 10.3(e) of Circular 230. See the line 5 instructions for restrictions on tax matters partners. In most cases, the student practitioner's (levels k and l) authority is limited (for example, they may only practice under the supervision of another practitioner).

List any specific additions or deletions to the acts otherwise authorized in this power of attorney: _____

6 Receipt of refund checks. If you want to authorize a representative named on line 2 to receive, **BUT NOT TO ENDORSE OR CASH**, refund checks, initial here _____ and list the name of that representative below.

Name of representative to receive refund check(s) ▶ _____

- 7 Notices and communications.** Original notices and other written communications will be sent to you and a copy to the first representative listed on line 2.
- a** If you also want the second representative listed to receive a copy of notices and communications, check this box
- b** If you do not want any notices or communications sent to your representative(s), check this box

8 Retention/revocation of prior power(s) of attorney. The filing of this power of attorney automatically revokes all earlier power(s) of attorney on file with the Internal Revenue Service for the same tax matters and years or periods covered by this document. If you do not want to revoke a prior power of attorney, check here.

YOU MUST ATTACH A COPY OF ANY POWER OF ATTORNEY YOU WANT TO REMAIN IN EFFECT.

9 Signature of taxpayer(s). If a tax matter concerns a joint return, both husband and wife must sign if joint representation is requested, otherwise, see the instructions. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, or trustee on behalf of the taxpayer, I certify that I have the authority to execute this form on behalf of the taxpayer.

▶ IF NOT SIGNED AND DATED, THIS POWER OF ATTORNEY WILL BE RETURNED.

Signature: *[Handwritten Signature]* Date: 7/15/11 Title (if applicable): Executive Director

Print Name: _____ PIN Number: Print name of taxpayer from line 1 if other than individual: _____

Signature: _____ Date: _____ Title (if applicable): _____

Print Name: _____ PIN Number:

Part II Declaration of Representative

Caution: Students with a special order to represent taxpayers in qualified Low Income Taxpayer Clinics or the Student Tax Clinic Program (levels k and l), see the instructions for Part II.

Under penalties of perjury, I declare that:

- I am not currently under suspension or disbarment from practice before the Internal Revenue Service;
- I am aware of regulations contained in Circular 230 (31 CFR, Part 10), as amended, concerning the practice of attorneys, certified public accountants, enrolled agents, enrolled actuaries, and others;
- I am authorized to represent the taxpayer(s) identified in Part I for the tax matter(s) specified there; and
- I am one of the following:
 - a Attorney—a member in good standing of the bar of the highest court of the jurisdiction shown below.
 - b Certified Public Accountant—duly qualified to practice as a certified public accountant in the jurisdiction shown below.
 - c Enrolled Agent—enrolled as an agent under the requirements of Circular 230.
 - d Officer—a bona fide officer of the taxpayer's organization.
 - e Full-Time Employee—a full-time employee of the taxpayer.
 - f Family Member—a member of the taxpayer's immediate family (for example, spouse, parent, child, brother, or sister).
 - g Enrolled Actuary—enrolled as an actuary by the Joint Board for the Enrollment of Actuaries under 29 U.S.C. 1242 (the authority to practice before the Internal Revenue Service is limited by section 10.3(d) of Circular 230).
 - h Unenrolled Return Preparer—the authority to practice before the Internal Revenue Service is limited by Circular 230, section 10.7(c)(1)(viii). You must have prepared the return in question and the return must be under examination by the IRS. See Unenrolled Return Preparer on page 1 of the instructions.
 - k Student Attorney—student who receives permission to practice before the IRS by virtue of their status as a law student under section 10.7(d) of Circular 230.
 - l Student CPA—student who receives permission to practice before the IRS by virtue of their status as a CPA student under section 10.7(d) of Circular 230.
 - r Enrolled Retirement Plan Agent—enrolled as a retirement plan agent under the requirements of Circular 230 (the authority to practice before the Internal Revenue Service is limited by section 10.3(e)).

▶ IF THIS DECLARATION OF REPRESENTATIVE IS NOT SIGNED AND DATED, THE POWER OF ATTORNEY WILL BE RETURNED. See the Part II instructions.

Designation—Insert above letter (a-r)	Jurisdiction (state or identification)	Signature	Date
a	DC	<i>[Handwritten Signature]</i>	7/15/11
a	DC, VA	<i>[Handwritten Signature]</i>	7/15/11



Department of the Treasury
Internal Revenue Service

Notice 1382

(Rev. November 2010)

Changes for Form 1023:

- Mailing address
- Parts IX, X and XI

Changes for Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code

Change of Mailing Address

The mailing address shown on Form 1023 Checklist, page 28, the first address under the last checkbox; and in the Instructions for Form 1023, page 4 under *Where to File*, has been changed to:

Internal Revenue Service
P.O. Box 12192
Covington, KY 41012-0192

Changes for Parts IX and X

Changes to Parts IX and X are necessary to comply with new regulations that eliminated the advance ruling process. Until Form 1023 is revised to reflect this change, please follow the directions on this notice when completing Part IX and Part X of Form 1023. For more information about the elimination of the advance ruling process, visit us at www.irs.gov and click on *Charities & Non-Profits*.

Part IX. Financial Data

The instructions at the top of Part IX on page 9 of Form 1023 are now as follows. For purposes of this schedule, years in existence refer to completed tax years.

1. If in existence less than 5 years, complete the statement for each year in existence and provide projections of your likely revenues and expenses based on a reasonable and good faith estimate of your future finances for a total of:
 - a. Three years of financial information if you have not completed one tax year, or
 - b. Four years of financial information if you have completed one tax year.
2. If in existence 5 or more years, complete the schedule for the most recent 5 tax years. You will need to provide a separate statement that includes information about the most recent 5 tax years because the data table in Part IX, has not been updated to provide for a 5th year.

Part X. Public Charity Status

Do not complete line 6a on page 11 of Form 1023, and **do not sign** the form under the heading "Consent Fixing Period of Limitations Upon Assessment of Tax Under Section 4940 of the Internal Revenue Code."

Only complete line 6b and line 7 on page 11 of Form 1023, if in existence 5 or more tax years.

www.irs.gov

Notice **1382** (Rev. 11-2010)
Cat. No. 52336F

Part XI. Increase in User Fees

User fee increases are effective for all applications postmarked after January 3, 2010.

1. \$400 for organizations whose gross receipts do not exceed \$10,000 or less annually over a 4-year period.
2. \$850 for organizations whose gross receipts exceed \$10,000 annually over a 4-year period.

See www.irs.gov web page link on Form 1023, page 12, Part XI, User Fee Information, for the current user fees.

Cyber Assistant is a web-based software program designed to help organizations prepare a complete and accurate Form 1023 application. Once the IRS announces the availability of Cyber Assistant, the user fees will change again.

1. \$200 for organizations using Cyber Assistant (regardless of size) to prepare their Form 1023, or
2. \$850 for all other organizations not using Cyber Assistant (regardless of size) to prepare their Form 1023.

The IRS will announce when Cyber Assistant is available and the effective date of the user fee change. Sign up for the *Exempt Organization (EO) Update*, EO's subscription newsletter, at www.irs.gov/charities, to automatically receive an alert that Cyber Assistant is available.

Produced Subject to Protective Order

Automatically Revoked

Form 1023
(Rev. June 2006)
Department of the Treasury
Internal Revenue Service

**Application for Recognition of Exemption
Under Section 501(c)(3) of the Internal Revenue Code**

OMB No. 1545-0056

Note: If exempt status is approved, this application will be open for public inspection.

Use the instructions to complete this application and for a definition of all **bold** items. For additional help, call IRS Exempt Organizations Customer Account Services toll-free at 1-877-829-5500. Visit our website at www.irs.gov for forms and publications. If the required information and documents are not submitted with payment of the appropriate user fee, the application may be returned to you.

Attach additional sheets to this application if you need more space to answer fully. Put your name and EIN on each sheet and identify each answer by Part and line number. Complete Parts I - XI of Form 1023 and submit only those Schedules (A through H) that apply to you.

Part I Identification of Applicant

1 Full name of organization (exactly as it appears in your organizing document)		2 c/o Name (if applicable)	
CAIR-Foundation Inc.			
3 Mailing address (Number and street) (see instructions)		Room/Suite	4 Employer Identification Number (EIN)
50 E Street SE			77-0646756
City or town, state or country, and ZIP + 4		5 Month the annual accounting period ends (01 - 12)	
Washington, DC 20003		12	
6 Primary contact (officer, director, trustee, or authorized representative)		b Phone: 202-282-5794	
a Name: Barry J. Hart		c Fax: (optional)	
7 Are you represented by an authorized representative, such as an attorney or accountant? If "Yes," provide the authorized representative's name, and the name and address of the authorized representative's firm. Include a completed Form 2848, <i>Power of Attorney and Declaration of Representative</i> , with your application if you would like us to communicate with your representative.		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
8 Was a person who is not one of your officers, directors, trustees, employees, or an authorized representative listed in line 7, paid, or promised payment, to help plan, manage, or advise you about the structure or activities of your organization, or about your financial or tax matters? If "Yes," provide the person's name, the name and address of the person's firm, the amounts paid or promised to be paid, and describe that person's role.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
9a Organization's website: www.cair.com			
b Organization's email: (optional)			
10 Certain organizations are not required to file an information return (Form 990 or Form 990-EZ). If you are granted tax-exemption, are you claiming to be excused from filing Form 990 or Form 990-EZ? If "Yes," explain. See the instructions for a description of organizations not required to file Form 990 or Form 990-EZ.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
11 Date incorporated if a corporation, or formed, if other than a corporation. (MM/DD/YYYY)		02 / 15 / 2005	
12 Were you formed under the laws of a foreign country ? If "Yes," state the country.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

For Paperwork Reduction Act Notice, see page 24 of the instructions.

Cat. No. 17133K

Form 1023 (Rev. 6-2006)

003377

Part II Organizational Structure

You must be a corporation (including a limited liability company), an unincorporated association, or a trust to be tax exempt. (See instructions.) **DO NOT file this form unless you can check "Yes" on lines 1, 2, 3, or 4.**

- 1 Are you a **corporation**? If "Yes," attach a copy of your articles of incorporation showing **certification of filing** with the appropriate state agency. Include copies of any amendments to your articles and be sure they also show state filing certification. **Yes** **No**
- 2 Are you a **limited liability company (LLC)**? If "Yes," attach a copy of your articles of organization showing certification of filing with the appropriate state agency. Also, if you adopted an operating agreement, attach a copy. Include copies of any amendments to your articles and be sure they show state filing certification. Refer to the instructions for circumstances when an LLC should not file its own exemption application. **Yes** **No**
- 3 Are you an **unincorporated association**? If "Yes," attach a copy of your articles of association, constitution, or other similar organizing document that is dated and includes at least two signatures. Include signed and dated copies of any amendments. **Yes** **No**
- 4a Are you a **trust**? If "Yes," attach a signed and dated copy of your trust agreement. Include signed and dated copies of any amendments. **Yes** **No**
- b Have you been funded? If "No," explain how you are formed without anything of value placed in trust. **Yes** **No**
- 5 Have you adopted **bylaws**? If "Yes," attach a current copy showing date of adoption. If "No," explain how your officers, directors, or trustees are selected. **Yes** **No**

Part III Required Provisions in Your Organizing Document

The following questions are designed to ensure that when you file this application, your organizing document contains the required provisions to meet the organizational test under section 501(c)(3). Unless you can check the boxes in both lines 1 and 2, your organizing document does not meet the organizational test. **DO NOT file this application until you have amended your organizing document.** Submit your original and amended organizing documents (showing state filing certification if you are a corporation or an LLC) with your application.

- 1 Section 501(c)(3) requires that your organizing document state your exempt purpose(s), such as charitable, religious, educational, and/or scientific purposes. Check the box to confirm that your organizing document meets this requirement. Describe specifically where your organizing document meets this requirement, such as a reference to a particular article or section in your organizing document. Refer to the instructions for exempt purpose language. Location of Purpose Clause (Page, Article, and Paragraph): **AIC - Article III**
- 2a Section 501(c)(3) requires that upon dissolution of your organization, your remaining assets must be used exclusively for exempt purposes, such as charitable, religious, educational, and/or scientific purposes. Check the box on line 2a to confirm that your organizing document meets this requirement by express provision for the distribution of assets upon dissolution. If you rely on state law for your dissolution provision, do not check the box on line 2a and go to line 2c.
- 2b If you checked the box on line 2a, specify the location of your dissolution clause (Page, Article, and Paragraph). Do not complete line 2c if you checked box 2a. **AIC - Article VI.C**
- 2c See the instructions for information about the operation of state law in your particular state. Check this box if you rely on operation of state law for your dissolution provision and indicate the state:

Part IV Narrative Description of Your Activities

Using an attachment, describe your *past, present, and planned* activities in a narrative. If you believe that you have already provided some of this information in response to other parts of this application, you may summarize that information here and refer to the specific parts of the application for supporting details. You may also attach representative copies of newsletters, brochures, or similar documents for supporting details to this narrative. Remember that if this application is approved, it will be open for public inspection. Therefore, your narrative description of activities should be thorough and accurate. Refer to the instructions for information that must be included in your description.

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors

- 1a List the names, titles, and mailing addresses of all of your officers, directors, and trustees. For each person listed, state their total annual **compensation**, or proposed compensation, for all services to the organization, whether as an officer, employee, or other position. Use actual figures, if available. Enter "none" if no compensation is or will be paid. If additional space is needed, attach a separate sheet. Refer to the instructions for information on what to include as compensation.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)
See attachment.			

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

b List the names, titles, and mailing addresses of each of your five highest compensated employees who receive or will receive compensation of more than \$50,000 per year. Use the actual figure, if available. Refer to the instructions for information on what to include as compensation. Do not include officers, directors, or trustees listed in line 1a.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)
See attachment.			

c List the names, names of businesses, and mailing addresses of your five highest compensated independent contractors that receive or will receive compensation of more than \$50,000 per year. Use the actual figure, if available. Refer to the instructions for information on what to include as compensation.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)
None			

The following "Yes" or "No" questions relate to *past, present, or planned* relationships, transactions, or agreements with your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in lines 1a, 1b, and 1c.

2a Are any of your officers, directors, or trustees **related** to each other through **family** or **business relationships**? If "Yes," identify the individuals and explain the relationship. Yes No

b Do you have a business relationship with any of your officers, directors, or trustees other than through their position as an officer, director, or trustee? If "Yes," identify the individuals and describe the business relationship with each of your officers, directors, or trustees. Yes No

c Are any of your officers, directors, or trustees related to your highest compensated employees or highest compensated independent contractors listed on lines 1b or 1c through family or business relationships? If "Yes," identify the individuals and explain the relationship. Yes No

3a For each of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c, attach a list showing their name, qualifications, average hours worked, and duties.

b Do any of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c receive compensation from any other organizations, whether tax exempt or taxable, that are related to you through **common control**? If "Yes," identify the individuals, explain the relationship between you and the other organization, and describe the compensation arrangement. Yes No

4 In establishing the compensation for your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, and 1c, the following practices are recommended, although they are not required to obtain exemption. Answer "Yes" to all the practices you use.

a Do you or will the individuals that approve compensation arrangements follow a conflict of interest policy? Yes No

b Do you or will you approve compensation arrangements in advance of paying compensation? Yes No

c Do you or will you document in writing the date and terms of approved compensation arrangements? Yes No

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

- d Do you or will you record in writing the decision made by each individual who decided or voted on compensation arrangements? Yes No
- e Do you or will you approve compensation arrangements based on information about compensation paid by **similarly situated** taxable or tax-exempt organizations for similar services, current compensation surveys compiled by independent firms, or actual written offers from similarly situated organizations? Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation. Yes No
- f Do you or will you record in writing both the information on which you relied to base your decision and its source? Yes No
- g If you answered "No" to any item on lines 4a through 4f, describe how you set compensation that is **reasonable** for your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in Part V, lines 1a, 1b, and 1c.
-
- 5a Have you adopted a **conflict of interest policy** consistent with the sample conflict of interest policy in Appendix A to the instructions? If "Yes," provide a copy of the policy and explain how the policy has been adopted, such as by resolution of your governing board. If "No," answer lines 5b and 5c. Yes No
- b What procedures will you follow to assure that persons who have a conflict of interest will not have influence over you for setting their own compensation?
- c What procedures will you follow to assure that persons who have a conflict of interest will not have influence over you regarding business deals with themselves?
- Note:** A conflict of interest policy is recommended though it is not required to obtain exemption. Hospitals, see Schedule C, Section I, line 14.
-
- 6a Do you or will you compensate any of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in lines 1a, 1b, or 1c through **non-fixed payments**, such as discretionary bonuses or revenue-based payments? If "Yes," describe all non-fixed compensation arrangements, including how the amounts are determined, who is eligible for such arrangements, whether you place a limitation on total compensation, and how you determine or will determine that you pay no more than reasonable compensation for services. Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation. Yes No
- b Do you or will you compensate any of your employees, other than your officers, directors, trustees, or your five highest compensated employees who receive or will receive compensation of more than \$50,000 per year, through non-fixed payments, such as discretionary bonuses or revenue-based payments? If "Yes," describe all non-fixed compensation arrangements, including how the amounts are or will be determined, who is or will be eligible for such arrangements, whether you place or will place a limitation on total compensation, and how you determine or will determine that you pay no more than reasonable compensation for services. Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation. Yes No
-
- 7a Do you or will you purchase any goods, services, or assets from any of your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," describe any such purchase that you made or intend to make, from whom you make or will make such purchases, how the terms are or will be negotiated at **arm's length**, and explain how you determine or will determine that you pay no more than **fair market value**. Attach copies of any written contracts or other agreements relating to such purchases. Yes No
- b Do you or will you sell any goods, services, or assets to any of your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," describe any such sales that you made or intend to make, to whom you make or will make such sales, how the terms are or will be negotiated at **arm's length**, and explain how you determine or will determine you are or will be paid at least fair market value. Attach copies of any written contracts or other agreements relating to such sales. Yes No
-
- 8a Do you or will you have any leases, contracts, loans, or other agreements with your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," provide the information requested in lines 8b through 8f. Yes No
- b Describe any written or oral arrangements that you made or intend to make.
- c Identify with whom you have or will have such arrangements.
- d Explain how the terms are or will be negotiated at **arm's length**.
- e Explain how you determine you pay no more than fair market value or you are paid at least fair market value.
- f Attach copies of any signed leases, contracts, loans, or other agreements relating to such arrangements.
-
- 9a Do you or will you have any leases, contracts, loans, or other agreements with any organization in which any of your officers, directors, or trustees are also officers, directors, or trustees, or in which any individual officer, director, or trustee owns more than a 35% interest? If "Yes," provide the information requested in lines 9b through 9f. Yes No

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

- b Describe any written or oral arrangements you made or intend to make.
- c Identify with whom you have or will have such arrangements.
- d Explain how the terms are or will be negotiated at arm's length.
- e Explain how you determine or will determine you pay no more than fair market value or that you are paid at least fair market value.
- f Attach a copy of any signed leases, contracts, loans, or other agreements relating to such arrangements.

Part VI Your Members and Other Individuals and Organizations That Receive Benefits From You

The following "Yes" or "No" questions relate to goods, services, and funds you provide to individuals and organizations as part of your activities. Your answers should pertain to *past*, *present*, and *planned* activities. (See instructions.)

- 1a In carrying out your exempt purposes, do you provide goods, services, or funds to individuals? If "Yes," describe each program that provides goods, services, or funds to individuals. Yes No
- b In carrying out your exempt purposes, do you provide goods, services, or funds to organizations? If "Yes," describe each program that provides goods, services, or funds to organizations. Yes No
- 2 Do any of your programs limit the provision of goods, services, or funds to a specific individual or group of specific individuals? For example, answer "Yes," if goods, services, or funds are provided only for a particular individual, your members, individuals who work for a particular employer, or graduates of a particular school. If "Yes," explain the limitation and how recipients are selected for each program. Yes No
- 3 Do any individuals who receive goods, services, or funds through your programs have a family or business relationship with any officer, director, trustee, or with any of your highest compensated employees or highest compensated independent contractors listed in Part V, lines 1a, 1b, and 1c? If "Yes," explain how these related individuals are eligible for goods, services, or funds. Yes No

Part VII Your History

The following "Yes" or "No" questions relate to your history. (See instructions.)

- 1 Are you a **successor** to another organization? Answer "Yes," if you have taken or will take over the activities of another organization; you took over 25% or more of the fair market value of the net assets of another organization; or you were established upon the conversion of an organization from for-profit to non-profit status. If "Yes," complete Schedule G. Yes No
- 2 Are you submitting this application more than 27 months after the end of the month in which you were legally formed? If "Yes," complete Schedule E. Yes No

Part VIII Your Specific Activities

The following "Yes" or "No" questions relate to specific activities that you may conduct. Check the appropriate box. Your answers should pertain to *past*, *present*, and *planned* activities. (See instructions.)

- 1 Do you support or oppose candidates in **political campaigns** in any way? If "Yes," explain. Yes No
- 2a Do you attempt to **influence legislation**? If "Yes," explain how you attempt to influence legislation and complete line 2b. If "No," go to line 3a. Yes No
- b Have you made or are you making an **election** to have your legislative activities measured by expenditures by filing Form 5768? If "Yes," attach a copy of the Form 5768 that was already filed or attach a completed Form 5768 that you are filing with this application. If "No," describe whether your attempts to influence legislation are a substantial part of your activities. Include the time and money spent on your attempts to influence legislation as compared to your total activities. Yes No
- 3a Do you or will you operate bingo or **gaming** activities? If "Yes," describe who conducts them, and list all revenue received or expected to be received and expenses paid or expected to be paid in operating these activities. **Revenue and expenses** should be provided for the time periods specified in Part IX, Financial Data. Yes No
- b Do you or will you enter into contracts or other agreements with individuals or organizations to conduct bingo or gaming for you? If "Yes," describe any written or oral arrangements that you made or intend to make, identify with whom you have or will have such arrangements, explain how the terms are or will be negotiated at arm's length, and explain how you determine or will determine you pay no more than fair market value or you will be paid at least fair market value. Attach copies or any written contracts or other agreements relating to such arrangements. Yes No
- c List the states and local jurisdictions, including Indian Reservations, in which you conduct or will conduct gaming or bingo.

Part VIII Your Specific Activities (Continued)

- 4a** Do you or will you undertake **fundraising**? If "Yes," check all the fundraising programs you do or will conduct. (See instructions.) **Yes** **No**
- | | |
|---|--|
| <input checked="" type="checkbox"/> mail solicitations | <input type="checkbox"/> phone solicitations |
| <input checked="" type="checkbox"/> email solicitations | <input checked="" type="checkbox"/> accept donations on your website |
| <input checked="" type="checkbox"/> personal solicitations | <input type="checkbox"/> receive donations from another organization's website |
| <input type="checkbox"/> vehicle, boat, plane, or similar donations | <input type="checkbox"/> government grant solicitations |
| <input checked="" type="checkbox"/> foundation grant solicitations | <input type="checkbox"/> Other |
- Attach a description of each fundraising program.
- b** Do you or will you have written or oral contracts with any individuals or organizations to raise funds for you? If "Yes," describe these activities. Include all revenue and expenses from these activities and state who conducts them. Revenue and expenses should be provided for the time periods specified in Part IX, Financial Data. Also, attach a copy of any contracts or agreements. **Yes** **No**
- c** Do you or will you engage in fundraising activities for other organizations? If "Yes," describe these arrangements. Include a description of the organizations for which you raise funds and attach copies of all contracts or agreements. **Yes** **No**
- d** List all states and local jurisdictions in which you conduct fundraising. For each state or local jurisdiction listed, specify whether you fundraise for your own organization, you fundraise for another organization, or another organization fundraises for you.
- e** Do you or will you maintain separate accounts for any contributor under which the contributor has the right to advise on the use or distribution of funds? Answer "Yes" if the donor may provide advice on the types of investments, distributions from the types of investments, or the distribution from the donor's contribution account. If "Yes," describe this program, including the type of advice that may be provided and submit copies of any written materials provided to donors. **Yes** **No**
-
- 5** Are you **affiliated** with a governmental unit? If "Yes," explain. **Yes** **No**
- 6a** Do you or will you engage in **economic development**? If "Yes," describe your program. **Yes** **No**
- b** Describe in full who benefits from your economic development activities and how the activities promote exempt purposes.
-
- 7a** Do or will persons other than your employees or volunteers **develop** your facilities? If "Yes," describe each facility, the role of the developer, and any business or family relationship(s) between the developer and your officers, directors, or trustees. **Yes** **No**
- b** Do or will persons other than your employees or volunteers **manage** your activities or facilities? If "Yes," describe each activity and facility, the role of the manager, and any business or family relationship(s) between the manager and your officers, directors, or trustees. **Yes** **No**
- c** If there is a business or family relationship between any manager or developer and your officers, directors, or trustees, identify the individuals, explain the relationship, describe how contracts are negotiated at arm's length so that you pay no more than fair market value, and submit a copy of any contracts or other agreements.
-
- 8** Do you or will you enter into **joint ventures**, including partnerships or **limited liability companies** treated as partnerships, in which you share profits and losses with partners other than section 501(c)(3) organizations? If "Yes," describe the activities of these joint ventures in which you participate. **Yes** **No**
-
- 9a** Are you applying for exemption as a childcare organization under section 501(k)? If "Yes," answer lines 9b through 9d. If "No," go to line 10. **Yes** **No**
- b** Do you provide child care so that parents or caretakers of children you care for can be **gainfully employed** (see instructions)? If "No," explain how you qualify as a childcare organization described in section 501(k). **Yes** **No**
- c** Of the children for whom you provide child care, are 85% or more of them cared for by you to enable their parents or caretakers to be gainfully employed (see instructions)? If "No," explain how you qualify as a childcare organization described in section 501(k). **Yes** **No**
- d** Are your services available to the general public? If "No," describe the specific group of people for whom your activities are available. Also, see the instructions and explain how you qualify as a childcare organization described in section 501(k). **Yes** **No**
-
- 10** Do you or will you publish, own, or have rights in music, literature, tapes, artworks, choreography, scientific discoveries, or other **intellectual property**? If "Yes," explain. Describe who owns or will own any copyrights, patents, or trademarks, whether fees are or will be charged, how the fees are determined, and how any items are or will be produced, distributed, and marketed. **Yes** **No**

Part VIII Your Specific Activities (Continued)

- 11** Do you or will you accept contributions of: real property; conservation easements; closely held securities; intellectual property such as patents, trademarks, and copyrights; works of music or art; licenses; royalties; automobiles, boats, planes, or other vehicles; or collectibles of any type? If "Yes," describe each type of contribution, any conditions imposed by the donor on the contribution, and any agreements with the donor regarding the contribution. Yes No
-
- 12a** Do you or will you operate in a **foreign country** or **countries**? If "Yes," answer lines 12b through 12d. If "No," go to line 13a. Yes No
- b** Name the foreign countries and regions within the countries in which you operate.
- c** Describe your operations in each country and region in which you operate.
- d** Describe how your operations in each country and region further your exempt purposes.
-
- 13a** Do you or will you make grants, loans, or other distributions to organization(s)? If "Yes," answer lines 13b through 13g. If "No," go to line 14a. Yes No
- b** Describe how your grants, loans, or other distributions to organizations further your exempt purposes.
- c** Do you have written contracts with each of these organizations? If "Yes," attach a copy of each contract. Yes No
- d** Identify each recipient organization and any **relationship** between you and the recipient organization.
- e** Describe the records you keep with respect to the grants, loans, or other distributions you make.
- f** Describe your selection process, including whether you do any of the following:
- (i)** Do you require an application form? If "Yes," attach a copy of the form. Yes No
- (ii)** Do you require a grant proposal? If "Yes," describe whether the grant proposal specifies your responsibilities and those of the grantee, obligates the grantee to use the grant funds only for the purposes for which the grant was made, provides for periodic written reports concerning the use of grant funds, requires a final written report and an accounting of how grant funds were used, and acknowledges your authority to withhold and/or recover grant funds in case such funds are, or appear to be, misused. Yes No
- g** Describe your procedures for oversight of distributions that assure you the resources are used to further your exempt purposes, including whether you require periodic and final reports on the use of resources.
-
- 14a** Do you or will you make grants, loans, or other distributions to foreign organizations? If "Yes," answer lines 14b through 14f. If "No," go to line 15. Yes No
- b** Provide the name of each foreign organization, the country and regions within a country in which each foreign organization operates, and describe any relationship you have with each foreign organization.
- c** Does any foreign organization listed in line 14b accept contributions earmarked for a specific country or specific organization? If "Yes," list all earmarked organizations or countries. Yes No
- d** Do your contributors know that you have ultimate authority to use contributions made to you at your discretion for purposes consistent with your exempt purposes? If "Yes," describe how you relay this information to contributors. Yes No
- e** Do you or will you make pre-grant inquiries about the recipient organization? If "Yes," describe these inquiries, including whether you inquire about the recipient's financial status, its tax-exempt status under the Internal Revenue Code, its ability to accomplish the purpose for which the resources are provided, and other relevant information. Yes No
- f** Do you or will you use any additional procedures to ensure that your distributions to foreign organizations are used in furtherance of your exempt purposes? If "Yes," describe these procedures, including site visits by your employees or compliance checks by impartial experts, to verify that grant funds are being used appropriately. Yes No

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Name: CAIR-Foundation Inc.

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Part VIII Your Specific Activities (Continued)

- | | | | |
|----|--|---|--|
| 15 | Do you have a close connection with any organizations? If "Yes," explain. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| 16 | Are you applying for exemption as a cooperative hospital service organization under section 501(e)? If "Yes," explain. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 17 | Are you applying for exemption as a cooperative service organization of operating educational organizations under section 501(f)? If "Yes," explain. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 18 | Are you applying for exemption as a charitable risk pool under section 501(n)? If "Yes," explain. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 19 | Do you or will you operate a school ? If "Yes," complete Schedule B. Answer "Yes," whether you operate a school as your main function or as a secondary activity. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 20 | Is your main function to provide hospital or medical care ? If "Yes," complete Schedule C. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 21 | Do you or will you provide low-income housing or housing for the elderly or handicapped ? If "Yes," complete Schedule F. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 22 | Do you or will you provide scholarships, fellowships, educational loans, or other educational grants to individuals, including grants for travel, study, or other similar purposes? If "Yes," complete Schedule H. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |

Note: Private foundations may use Schedule H to request advance approval of individual grant procedures.

Part IX Financial Data

For purposes of this schedule, years in existence refer to completed tax years. If in existence 4 or more years, complete the schedule for the most recent 4 tax years. If in existence more than 1 year but less than 4 years, complete the statements for each year in existence and provide projections of your likely revenues and expenses based on a reasonable and good faith estimate of your future finances for a total of 3 years of financial information. If in existence less than 1 year, provide projections of your likely revenues and expenses for the current year and the 2 following years, based on a reasonable and good faith estimate of your future finances for a total of 3 years of financial information. (See instructions.)

A. Statement of Revenues and Expenses

	Type of revenue or expense	3 prior tax years or 2 succeeding tax years				(e) Provide Total for (a) through (d)
		Current tax year	(b) From 1.1.09 To 12.31.09	(c) From 1.1.08 To 12.31.08	(d) From To	
		(a) From 1.1.10 To 12.31.10				
Revenues	1 Gifts, grants, and contributions received (do not include unusual grants)	2,359,800	1,501,280	1,023,076	See Attachment	5,971,186
	2 Membership fees received	20,100	9,890	36,125		174,084
	3 Gross investment income	4,778	3,980	5,137		13,895
	4 Net unrelated business income	0	0	0		0
	5 Taxes levied for your benefit	0	0	0		0
	6 Value of services or facilities furnished by a governmental unit without charge (not including the value of services generally furnished to the public without charge)	0	0	0		0
	7 Any revenue not otherwise listed above or in lines 9-12 below (attach an itemized list)	0	0	0		0
	8 Total of lines 1 through 7	2,384,678	1,511,170	1,064,338		6,159,164
	9 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to your exempt purposes (attach itemized list)	0	0	0		0
	10 Total of lines 8 and 9	2,384,678	1,511,170	1,064,338		6,159,164
	11 Net gain or loss on sale of capital assets (attach schedule and see instructions)	0	0	0		0
	12 Unusual grants					
	Expenses	13 Total Revenue Add lines 10 through 12	2,384,678	1,511,170	1,064,338		6,159,164
14 Fundraising expenses		141,215	69,944	101,821		
15 Contributions, gifts, grants, and similar amounts paid out (attach an itemized list)		0				
16 Disbursements to or for the benefit of members (attach an itemized list)		0				
17 Compensation of officers, directors, and trustees		340,037	358,523	333,361		
18 Other salaries and wages		391,941	374,819	645,687		
19 Interest expense		0	3,2820	0		
20 Occupancy (rent, utilities, etc.)		0	0	0		
21 Depreciation and depletion		0				
22 Professional fees		65,443	36,212	30,899		
23 Any expense not otherwise classified, such as program services (attach itemized list)		939,835	877,099	683,654		
24 Total Expenses Add lines 14 through 23		1,878,471	1,719,879	1,795,423		

Additional page attachment to form 1023

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Part IX Financial Data

For purposes of this schedule, years in existence refer to completed tax years. If in existence 4 or more years, complete the schedule for the most recent 4 tax years. If in existence more than 1 year but less than 4 years, complete the statements for each year in existence and provide projections of your likely revenues and expenses based on a reasonable and good faith estimate of your future finances for a total of 3 years of financial information. If in existence less than 1 year, provide projections of your likely revenues and expenses for the current year and the 2 following years, based on a reasonable and good faith estimate of your future finances for a total of 3 years of financial information. (See instructions.)

A. Statement of Revenues and Expenses

	Type of revenue or expense	Current tax year	3 prior tax years or 2 succeeding tax years			(e) Provide Total for (a) through (d)
			(a) From To	(b) From 1.1.07 To 12.31.07	(c) From 1.1.06 To 12.31.06		(d) From ..... To .....
Revenues	1 Gifts, grants, and contributions received (do not include unusual grants)			1,077,030	10,000	
	2 Membership fees received			107,968		
	3 Gross investment income					
	4 Net unrelated business income				0	0
	5 Taxes levied for your benefit	0	0	0	0	0
	6 Value of services or facilities furnished by a governmental unit without charge (not including the value of services generally furnished to the public without charge)	0	0	0	0	0
	7 Any revenue not otherwise listed above or in lines 9-12 below (attach an itemized list)	0	0	0	0	0
	8 Total of lines 1 through 7			1,184,998	10,000	
	9 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to your exempt purposes (attach itemized list)					
	10 Total of lines 8 and 9			1,184,998	10,000	
11 Net gain or loss on sale of capital assets (attach schedule and see instructions)	0	0	0	0	0	
12 Unusual grants	0	0	0	0	0	
13 Total Revenue Add lines 10 through 12			1,184,998	10,000		
Expenses	14 Fundraising expenses			115,945		
	15 Contributions, gifts, grants, and similar amounts paid out (attach an itemized list)	0				
	16 Disbursements to or for the benefit of members (attach an itemized list)	0				
	17 Compensation of officers, directors, and trustees			131,811		
	18 Other salaries and wages			362,541		
	19 Interest expense			129		0
	20 Occupancy (rent, utilities, etc.)	0	0			
	21 Depreciation and depletion					
	22 Professional fees			13,280		
	23 Any expense not otherwise classified, such as program services (attach itemized list)			712,557		
	24 Total Expenses Add lines 14 through 23			1,336,263	0	

CAIR Foundation, Inc.
 Form 1023 Part IX Attachment
 FEIN 77-0646756

Line 23:	2010	2009	2008	2007	2006
Bank Fees	10	90	125	756	-
Civil Rights Legal Assistance	421,187	402,707	343,627	244,362	-
Credit card Merchant Fee	12,874	27,057	12,364	17,815	-
Dues & Subscriptions-Prof.	5,593	3,282	2,801	814	-
Employee benefits	70,641	88,792	9,198	51,765	-
Office Expense	70,150	56,485	41,020	22,413	-
Parking, Transportation	4,992	3,109	4,887	-	-
Payroll Taxes	55,432	54,355	73,976	44,462	-
Postage	44,955	20,119	4,001	77,057	-
Printing & Publishing	76,440	83,668	60,837	75,549	-
Retirement plan Contributions	54,082	49,778	42,475	-	-
Telephone and Internet	30,575	25,885	26,580	49,491	-
Training & Education	14,400	7,923	4,806	14,237	-
Travel	78,503	53,850	56,959	113,836	-
Total Other Expenses	\$ 939,835	\$ 877,099	\$ 683,654	\$ 712,557	\$ -

Produced Subject to Protective Order

Part IX Financial Data (Continued)

B. Balance Sheet (for your most recently completed tax year)

Year End: **2010**

Assets		(Whole dollars)	
1	Cash	1	659,738
2	Accounts receivable, net	2	0
3	Inventories	3	0
4	Bonds and notes receivable (attach an itemized list)	4	0
5	Corporate stocks (attach an itemized list)	5	0
6	Loans receivable (attach an itemized list)	6	0
7	Other investments (attach an itemized list)	7	0
8	Depreciable and depletable assets (attach an itemized list)	8	0
9	Land	9	0
10	Other assets (attach an itemized list)	10	0
11	Total Assets (add lines 1 through 10)	11	659,738
Liabilities			
12	Accounts payable	12	112,899
13	Contributions, gifts, grants, etc. payable	13	0
14	Mortgages and notes payable (attach an itemized list)	14	0
15	Other liabilities (attach an itemized list)	15	0
16	Total Liabilities (add lines 12 through 15)	16	112,899
Fund Balances or Net Assets			
17	Total fund balances or net assets	17	546,839
18	Total Liabilities and Fund Balances or Net Assets (add lines 16 and 17)	18	659,738
19	Have there been any substantial changes in your assets or liabilities since the end of the period shown above? If "Yes," explain.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Part X Public Charity Status

Part X is designed to classify you as an organization that is either a **private foundation** or a **public charity**. Public charity status is a more favorable tax status than private foundation status. If you are a private foundation, Part X is designed to further determine whether you are a **private operating foundation**. (See instructions.)

- 1a Are you a private foundation? If "Yes," go to line 1b. If "No," go to line 5 and proceed as instructed. Yes No
If you are unsure, see the instructions.
- b As a private foundation, section 508(e) requires special provisions in your organizing document in addition to those that apply to all organizations described in section 501(c)(3). Check the box to confirm that your organizing document meets this requirement, whether by express provision or by reliance on operation of state law. Attach a statement that describes specifically where your organizing document meets this requirement, such as a reference to a particular article or section in your organizing document or by operation of state law. See the instructions, including Appendix B, for information about the special provisions that need to be contained in your organizing document. Go to line 2.
- 2 Are you a private operating foundation? To be a private operating foundation you must engage directly in the active conduct of charitable, religious, educational, and similar activities, as opposed to indirectly carrying out these activities by providing grants to individuals or other organizations. If "Yes," go to line 3. If "No," go to the signature section of Part XI. Yes No
- 3 Have you existed for one or more years? If "Yes," attach financial information showing that you are a private operating foundation; go to the signature section of Part XI. If "No," continue to line 4. Yes No
- 4 Have you attached either (1) an affidavit or opinion of counsel, (including a written affidavit or opinion from a certified public accountant or accounting firm with expertise regarding this tax law matter), that sets forth facts concerning your operations and support to demonstrate that you are likely to satisfy the requirements to be classified as a private operating foundation; or (2) a statement describing your proposed operations as a private operating foundation? Yes No
- 5 If you answered "No" to line 1a, indicate the type of public charity status you are requesting by checking one of the choices below. You may check only one box.
The organization is not a private foundation because it is:
 - a 509(a)(1) and 170(b)(1)(A)(i)—a church or a convention or association of churches. Complete and attach Schedule A.
 - b 509(a)(1) and 170(b)(1)(A)(ii)—a **school**. Complete and attach Schedule B.
 - c 509(a)(1) and 170(b)(1)(A)(iii)—a **hospital**, a cooperative hospital service organization, or a medical research organization operated in conjunction with a hospital. Complete and attach Schedule C.
 - d 509(a)(3)—an organization supporting either one or more organizations described in line 5a through c, f, g, or h or a publicly supported section 501(c)(4), (5), or (6) organization. Complete and attach Schedule D.

Part X Public Charity Status (Continued)

- e 509(a)(4)—an organization organized and operated exclusively for testing for public safety.
- f 509(a)(1) and 170(b)(1)(A)(iv)—an organization operated for the benefit of a college or university that is owned or operated by a governmental unit.
- g 509(a)(1) and 170(b)(1)(A)(vi)—an organization that receives a substantial part of its financial support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public.
- h 509(a)(2)—an organization that normally receives not more than one-third of its financial support from gross **investment income** and receives more than one-third of its financial support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions).
- i A publicly supported organization, but unsure if it is described in 5g or 5h. The organization would like the IRS to decide the correct status.

6 If you checked box g, h, or i in question 5 above, you must request either an **advance** or a **definitive ruling** by selecting one of the boxes below. Refer to the instructions to determine which type of ruling you are eligible to receive.

- a **Request for Advance Ruling:** By checking this box and signing the consent, pursuant to section 6501(c)(4) of the Code you request an advance ruling and agree to extend the statute of limitations on the assessment of excise tax under section 4940 of the Code. The tax will apply only if you do not establish public support status at the end of the 5-year advance ruling period. The assessment period will be extended for the 5 advance ruling years to 8 years, 4 months, and 15 days beyond the end of the first year. You have the right to refuse or limit the extension to a mutually agreed-upon period of time or issue(s). Publication 1035, *Extending the Tax Assessment Period*, provides a more detailed explanation of your rights and the consequences of the choices you make. You may obtain Publication 1035 free of charge from the IRS web site at www.irs.gov or by calling toll-free 1-800-829-3676. Signing this consent will not deprive you of any appeal rights to which you would otherwise be entitled. If you decide not to extend the statute of limitations, you are not eligible for an advance ruling.

Consent Fixing Period of Limitations Upon Assessment of Tax Under Section 4940 of the Internal Revenue Code

For Organization

.....
 (Signature of Officer, Director, Trustee, or other authorized official)

.....
 (Type or print name of signer)

.....
 (Date)

.....
 (Type or print title or authority of signer)

For IRS Use Only

.....
 IRS Director, Exempt Organizations

.....
 (Date)

- b **Request for Definitive Ruling:** Check this box if you have completed one tax year of at least 8 full months and you are requesting a definitive ruling. To confirm your public support status, answer line 6b(i) if you checked box g in line 5 above. Answer line 6b(ii) if you checked box h in line 5 above. If you checked box i in line 5 above, answer both lines 6b(i) and (ii).

(i) (a) Enter 2% of line 8, column (e) on Part IX-A. Statement of Revenues and Expenses. 123,183

(b) Attach a list showing the name and amount contributed by each person, company, or organization whose gifts totaled more than the 2% amount. If the answer is "None," check this box.

(ii) (a) For each year amounts are included on lines 1, 2, and 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each **disqualified person**. If the answer is "None," check this box.

(b) For each year amounts are included on line 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each payer, other than a disqualified person, whose payments were more than the larger of (1) 1% of line 10, Part IX-A. Statement of Revenues and Expenses, or (2) \$5,000. If the answer is "None," check this box.

- 7 Did you receive any unusual grants during any of the years shown on Part IX-A. Statement of Revenues and Expenses? If "Yes," attach a list including the name of the contributor, the date and amount of the grant, a brief description of the grant, and explain why it is unusual. Yes No

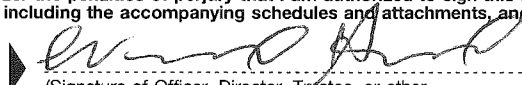
Part XI User Fee Information

You must include a user fee payment with this application. It will not be processed without your paid user fee. If your average annual gross receipts have exceeded or will exceed \$10,000 annually over a 4-year period, you must submit payment of \$750. If your gross receipts have not exceeded or will not exceed \$10,000 annually over a 4-year period, the required user fee payment is \$300. See instructions for Part XI, for a definition of **gross receipts** over a 4-year period. Your check or money order must be made payable to the United States Treasury. *User fees are subject to change. Check our website at www.irs.gov and type "User Fee" in the keyword box, or call Customer Account Services at 1-877-829-5500 for current information.*

- 1 Have your annual gross receipts averaged or are they expected to average not more than \$10,000? Yes No
 If "Yes," check the box on line 2 and enclose a user fee payment of \$300 (Subject to change—see above).
 If "No," check the box on line 3 and enclose a user fee payment of \$750 (Subject to change—see above).
- 2 Check the box if you have enclosed the reduced user fee payment of \$300 (Subject to change).
- 3 Check the box if you have enclosed the user fee payment of \$750 (Subject to change).

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

Please Sign Here


 (Signature of Officer, Director, Trustee, or other authorized official)

Nihad Awad
 (Type or print name of signer)

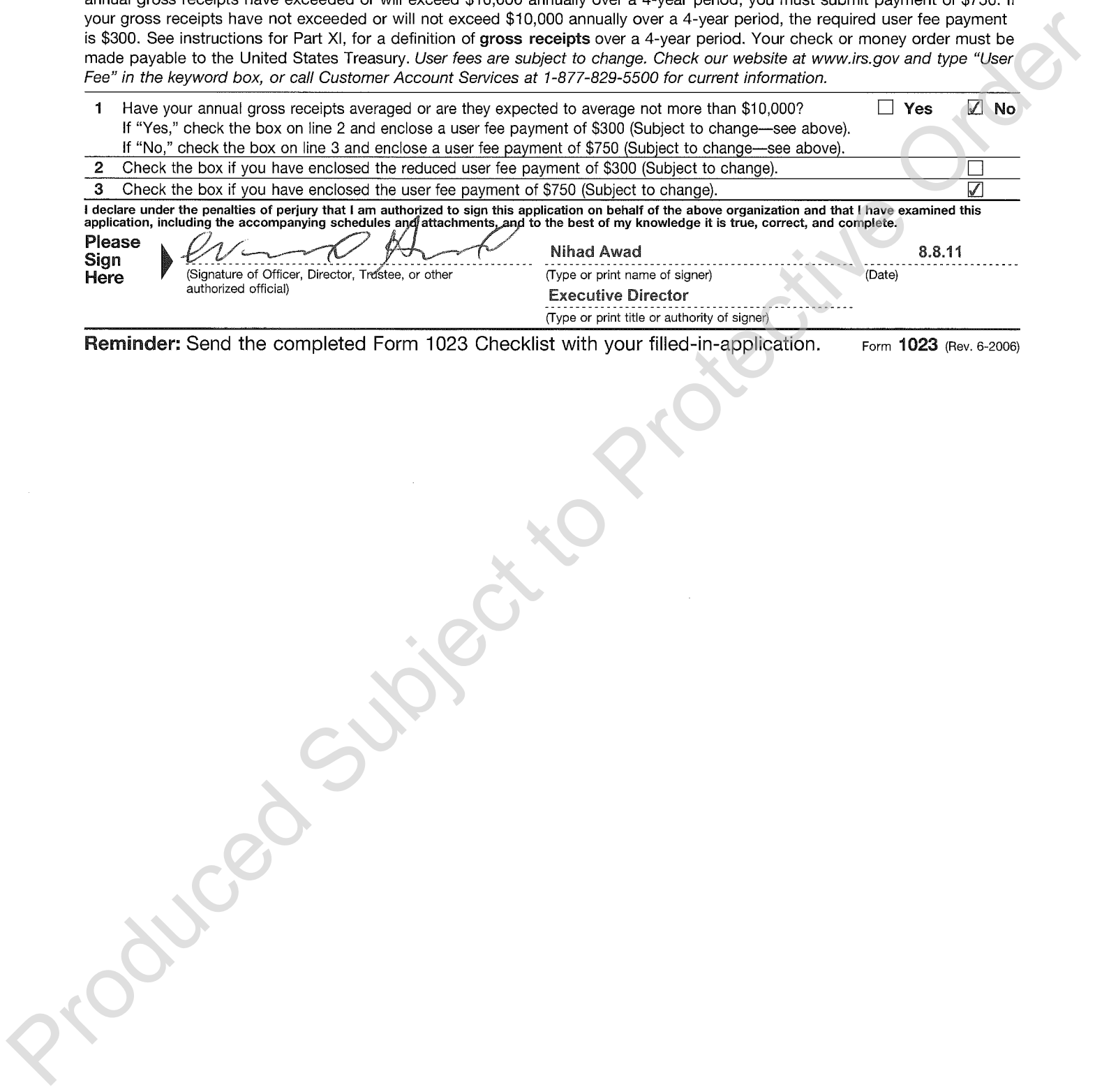
8.8.11

(Date)

Executive Director
 (Type or print title or authority of signer)

Reminder: Send the completed Form 1023 Checklist with your filled-in-application.

Form **1023** (Rev. 6-2006)



Schedule H. Organizations Providing Scholarships, Fellowships, Educational Loans, or Other Educational Grants to Individuals and Private Foundations Requesting Advance Approval of Individual Grant Procedures

Section I *Names of individual recipients are not required to be listed in Schedule H.*

Public charities and private foundations complete lines 1a through 7 of this section. See the instructions to Part X if you are not sure whether you are a public charity or a private foundation.

- 1a Describe the types of educational grants you provide to individuals, such as scholarships, fellowships, loans, etc.
 - b Describe the purpose and amount of your scholarships, fellowships, and other educational grants and loans that you award.
 - c If you award educational loans, explain the terms of the loans (interest rate, length, forgiveness, etc.).
 - d Specify how your program is publicized.
 - e Provide copies of any solicitation or announcement materials.
 - f Provide a sample copy of the application used.
- 2 Do you maintain case histories showing recipients of your scholarships, fellowships, educational loans, or other educational grants, including names, addresses, purposes of awards, amount of each grant, manner of selection, and relationship (if any) to officers, trustees, or donors of funds to you? If "No," refer to the instructions. Yes No
- 3 Describe the specific criteria you use to determine who is eligible for your program. (For example, eligibility selection criteria could consist of graduating high school students from a particular high school who will attend college, writers of scholarly works about American history, etc.)
- 4a Describe the specific criteria you use to select recipients. (For example, specific selection criteria could consist of prior academic performance, financial need, etc.)
- b Describe how you determine the number of grants that will be made annually.
- c Describe how you determine the amount of each of your grants.
- d Describe any requirement or condition that you impose on recipients to obtain, maintain, or qualify for renewal of a grant. (For example, specific requirements or conditions could consist of attendance at a four-year college, maintaining a certain grade point average, teaching in public school after graduation from college, etc.)
- 5 Describe your procedures for supervising the scholarships, fellowships, educational loans, or other educational grants. Describe whether you obtain reports and grade transcripts from recipients, or you pay grants directly to a school under an arrangement whereby the school will apply the grant funds only for enrolled students who are in good standing. Also, describe your procedures for taking action if the terms of the award are violated.
- 6 Who is on the selection committee for the awards made under your program, including names of current committee members, criteria for committee membership, and the method of replacing committee members?
- 7 Are relatives of members of the selection committee, or of your officers, directors, or **substantial contributors** eligible for awards made under your program? If "Yes," what measures are taken to ensure unbiased selections? Yes No
- Note.** If you are a private foundation, you are not permitted to provide educational grants to **disqualified persons**. Disqualified persons include your substantial contributors and foundation managers and certain family members of disqualified persons.

Section II **Private foundations complete lines 1a through 4f of this section. Public charities do not complete this section.**

- 1a If we determine that you are a private foundation, do you want this application to be considered as a request for advance approval of grant making procedures? Yes No N/A
- b For which section(s) do you wish to be considered?
- 4945(g)(1)—Scholarship or fellowship grant to an individual for study at an educational institution
 - 4945(g)(3)—Other grants, including loans, to an individual for travel, study, or other similar purposes, to enhance a particular skill of the grantee or to produce a specific product
- 2 Do you represent that you will (1) arrange to receive and review grantee reports annually and upon completion of the purpose for which the grant was awarded, (2) investigate diversions of funds from their intended purposes, and (3) take all reasonable and appropriate steps to recover diverted funds, ensure other grant funds held by a grantee are used for their intended purposes, and withhold further payments to grantees until you obtain grantees' assurances that future diversions will not occur and that grantees will take extraordinary precautions to prevent future diversions from occurring? Yes No
- 3 Do you represent that you will maintain all records relating to individual grants, including information obtained to evaluate grantees, identify whether a grantee is a disqualified person, establish the amount and purpose of each grant, and establish that you undertook the supervision and investigation of grants described in line 2? Yes No

Schedule H. Organizations Providing Scholarships, Fellowships, Educational Loans, or Other Educational Grants to Individuals and Private Foundations Requesting Advance Approval of Individual Grant Procedures
(Continued)

Section II Private foundations complete lines 1a through 4f of this section. Public charities do not complete this section. (Continued)

- 4a** Do you or will you award scholarships, fellowships, and educational loans to attend an educational institution based on the status of an individual being an *employee of a particular employer*? If "Yes," complete lines 4b through 4f. Yes No
- b** Will you comply with the seven conditions and either the percentage tests or facts and circumstances test for scholarships, fellowships, and educational loans to attend an educational institution as set forth in Revenue Procedures 76-47, 1976-2 C.B. 670, and 80-39, 1980-2 C.B. 772, which apply to inducement, selection committee, eligibility requirements, objective basis of selection, employment, course of study, and other objectives? (See lines 4c, 4d, and 4e, regarding the percentage tests.) Yes No
- c** Do you or will you provide scholarships, fellowships, or educational loans to attend an educational institution to employees of a particular employer? Yes No N/A
 If "Yes," will you award grants to 10% or fewer of the eligible applicants who were actually considered by the selection committee in selecting recipients of grants in that year as provided by Revenue Procedures 76-47 and 80-39? Yes No
- d** Do you provide scholarships, fellowships, or educational loans to attend an educational institution to children of employees of a particular employer? Yes No N/A
 If "Yes," will you award grants to 25% or fewer of the eligible applicants who were actually considered by the selection committee in selecting recipients of grants in that year as provided by Revenue Procedures 76-47 and 80-39? If "No," go to line 4e. Yes No
- e** If you provide scholarships, fellowships, or educational loans to attend an educational institution to children of employees of a particular employer, will you award grants to 10% or fewer of the number of employees' children who can be shown to be eligible for grants (whether or not they submitted an application) in that year, as provided by Revenue Procedures 76-47 and 80-39? Yes No N/A
 If "Yes," describe how you will determine who can be shown to be eligible for grants without submitting an application, such as by obtaining written statements or other information about the expectations of employees' children to attend an educational institution. If "No," go to line 4f.
- Note.** Statistical or sampling techniques are not acceptable. See Revenue Procedure 85-51, 1985-2 C.B. 717, for additional information.
- f** If you provide scholarships, fellowships, or educational loans to attend an educational institution to *children of employees of a particular employer* without regard to either the 25% limitation described in line 4d, or the 10% limitation described in line 4e, will you award grants based on facts and circumstances that demonstrate that the grants will not be considered compensation for past, present, or future services or otherwise provide a significant benefit to the particular employer? If "Yes," describe the facts and circumstances that you believe will demonstrate that the grants are neither compensatory nor a significant benefit to the particular employer. In your explanation, describe why you cannot satisfy either the 25% test described in line 4d or the 10% test described in line 4e. Yes No

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PART I: IDENTIFICATION OF APPLICANT

7. *Are you represented by an authorized representative, such as an attorney or accountant?*

Yes. As indicated on Form 2848, CAIR-Foundation, Inc. (the "Organization" or "CAIR Foundation") is represented by:

Barry J. Hart of Winston & Strawn LLP, 1700 K Street NW, Washington, D.C. 20006

Francesca Guerrero of Winston & Strawn LLP, 1700 K Street NW, Washington, D.C. 20006

PART II: ORGANIZATIONAL STRUCTURE

1. *Are you a corporation?*

Yes. Please see the Articles of Incorporation, attached as Exhibit A.

5. *Have you adopted bylaws?*

Yes. Please see Bylaws attached as Exhibit B.

PART IV: NARRATIVE DESCRIPTION OF YOUR ACTIVITIES

Using an attachment, describe your past, present, and planned activities in a narrative.

CAIR Foundation's vision is to be a leading advocate for justice and mutual understanding. CAIR Foundation's mission is to enhance understanding of Islam, encourage dialogue, protect civil liberties, empower American Muslims, and build coalitions that promote justice and mutual understanding.

CAIR Foundation is a grassroots civil rights and advocacy group. CAIR Foundation believes it is America's largest Muslim civil liberties group, with regional affiliated chapters nationwide. (These affiliated chapters are separate legal entities and are responsible for their own tax-exempt status.) Since its establishment, CAIR Foundation has worked to promote a positive image of Islam and Muslims in America. Through media relations, government relations, education and advocacy, CAIR Foundation puts forth an Islamic perspective to ensure the Muslim voice is represented in American public discourse. In offering this perspective, CAIR seeks to empower the American Muslim community and encourage their participation in political and social activism.

Civil Rights Work – CAIR Foundation's Civil Rights Department counsels, mediates and advocates on behalf of Muslims and others who have experienced religious discrimination, defamation or hate crimes. The department works to protect and defend the constitutional rights of American Muslims, thereby supporting the rights of all Americans.

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CAIR-Foundation, Inc.

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Government Affairs – CAIR Foundation’s Governmental Affairs Department conducts and organizes lobbying efforts on issues related to Islam and Muslims. The department is active in monitoring legislation and government activities and then, responding on behalf of the American Muslim community. CAIR Foundation representatives have testified before Congress and have sponsored a number of activities designed to bring Muslim concerns to Capitol Hill.

Media Relations – CAIR Foundation's Communications Department works in conjunction with local and national media to ensure an accurate portrayal of Islam and Muslims is presented to the American public. CAIR Foundation monitors local, national and international media in part, to challenge negative stereotypes, but also to applaud and encourage positive representations of Islam and Muslims. Over the years, CAIR Foundation has become a respected and credible source for journalists and other media professionals.

Action Alerts - In an effort to empower the American Muslim community, CAIR Foundation issues “Action Alerts” as a means of generating a grassroots response to critical political, social and media-related issues. These alerts have produced overwhelming results and have made a significant impact in bringing about change. CAIR Foundation also offers an email list designed to be a source of information and news for the American Muslim community. Subscribers to the CAIR Foundation e-mail lists receive news releases and other materials dealing with American Muslim positions on issues of importance.

Research – CAIR Foundation's Research Department conducts empirical research studies on subjects relevant to the American Muslim community, including gathering and analyzing data for the annual civil rights report. The North American Muslim Resource Guide: Muslim Community Life in the United States and Canada (Routledge) is a product of the research department.

Internships - CAIR Foundation offers internships to students or other interested individuals of all faiths who wish to gain experience in media relations, political activism or civil rights work.

CAIR Foundation Publications - CAIR Foundation offers a variety of publications that address the needs and rights of American Muslims. These publications include guides for employers, educators, healthcare providers, and law enforcement. CAIR Foundation also produces practical handbooks and resource materials for the Muslim community. CAIR Foundation's Research Department publishes an annual report on the status of American Muslim civil rights, which serves to document hate crimes and discrimination cases reported to CAIR Foundation’s Civil Rights Department.

Education - Conferences, Seminars and Workshops - CAIR Foundation organizes regular conferences and training seminars for government and law enforcement agencies, media professionals and the academic community. These events are designed to present easily accessible and accurate information about Islam and Muslims. CAIR Foundation’s TeamWorks sensitivity and diversity training workshop is offered to employers, educators and organizations

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as a proactive approach that highlights relevant Islamic practices and offers suggestions for religious accommodation. CAIR Foundation also provides training for the Muslim community and activists in areas such as media relations, public speaking, lobbying, and civil rights.

Voter Registration - CAIR Foundation and its chapters regularly sponsor voter registration drives across the country.

Outreach and Interfaith Relations - Each year, groups representing people of all faiths visit CAIR Foundation offices to learn more about Islam and Muslims in America. Through these visits, as well as other interfaith initiatives, CAIR Foundation strives to educate others about Islam while building strong relationships with other faith communities.

PART V: COMPENSATION AND OTHER FINANCIAL ARRANGEMENTS WITH YOUR OFFICERS, DIRECTORS, TRUSTEES, EMPLOYEES, AND INDEPENDENT CONTRACTORS

1a. List the names, titles, and mailing addresses of all of your officers, directors, and trustees. For each person listed, state their total annual compensation, or proposed compensation, for all services to the organization, whether as an officer, employee, or other position.

NAME	TITLE	MAILING ADDRESS	COMPENSATION
Larry Shaw	Chairman/ President, Director	50 E Street, SE Washington, DC 20003	None
Sarwat Husain	Vice Chair, Director	50 E Street, SE Washington, DC 20003	None
Nihad Awad	Director, Executive Director	50 E Street, SE Washington, DC 20003	\$150,000 (in his capacity as Executive Director, not for his services as a member of the Board of Directors)
Omar Zaki	Director, Secretary	50 E Street, SE Washington, DC 20003	None
Ahmed Shehab	Director	50 E Street, SE Washington, DC 20003	None
Ihsan Bagby	Director	50 E Street, SE Washington, DC 20003	None
Jimmy Jones	Director	50 E Street, SE Washington, DC 20003	None

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1b. List the names, titles, and mailing addresses of each of your five highest compensated employees who receive or will receive compensation of more than \$50,000 per year. Use the actual figure, if available.

NAME	TITLE	MAILING ADDRESS	COMPENSATION
Cary Hooper	Communications Director	50 E Street SE Washington, DC 20003	\$110,698
Corey Saylor	Legislative Director	50 E Street SE Washington, DC 20003	\$82,658
Nadhira Al-Khalili	Legal Counsel	50 E Street SE Washington, DC 20003	\$65,508
Omar Ali	IT Director	50 E Street SE Washington, DC 20003	\$64,272
Gadeir Abbas	Staff Attorney	50 E Street SE Washington, DC 20003	\$52,000

2b. Do you have a business relationship with any of your officers, directors, or trustees other than through their position as an officer, director, or trustee?

Yes. Nihad Awad serves as director of the Organization and he is employed by the Organization as the executive director as described above and below.

3a. For each of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c, attach a list showing their name, qualifications, average hours worked, and duties.

NAME	Larry Shaw
TITLE	Chairman/President, Director
QUALIFICATIONS	<ul style="list-style-type: none"> • Member of the North Carolina Senate, General Assembly • Former Member of the North Carolina House of Representatives, General Assembly • Serves as chairman of the General Assembly Transportation Committee and vice-chairman of the General Assembly Finance Committee
AVERAGE HOURS WORKED	10/wk
DUTIES	As a director, his duties include attending and taking part in board meetings. As chairman, he is responsible for leading the board meetings.

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NAME	Sarwat Husain
TITLE	Vice Chair, Director
QUALIFICATIONS	<ul style="list-style-type: none"> • Founding president of the San Antonio affiliate of the CAIR Foundation • Serves on the San Antonio Interreligious Council and the Texas Media Empowerment Project • Founder of the San Antonio Muslim Council and a member of the San Antonio Council for International Visitors • Formerly served on the FBI Regional Advisory Council • Publishes Al-Ittihaad Monthly, the largest American Muslim newspaper in Texas and is a frequent guest columnist for the San Antonio Express News
AVERAGE HOURS WORKED	10/wk
DUTIES	As a director, her duties include attending and taking part in board meetings. As vice chair, she is responsible for leading the board meetings in the absence of the chairman.

NAME	Nihad Awad
TITLE	Director, Executive Director
QUALIFICATIONS	<ul style="list-style-type: none"> • Frequently interviewed in national and international media, including CNN, BBC, PBS, C-SPAN, NPR, the New York Times, The Washington Post, Voice of America, and Al-Jazeera • In 1997, served on Vice President Al Gore's Civil Rights Advisory Panel to the White House Commission on Aviation Safety and Security • Has conducted over 100 public relations and media training seminars nationwide • Worked with the American Muslim Political Coordinating Committee to form a Muslim voting bloc in the 2000 presidential election • Regularly participates in the U.S. Department of State's "International Visitors Program" which welcomes foreign dignitaries, journalists, and academics who are currently visiting the President of the United States • Has spoken at several educational institutions, including

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	<p>Harvard, Stanford, and Johns Hopkins University</p> <ul style="list-style-type: none"> • A featured speaker in the 2002 Reuters Forum on global cooperation at Columbia University's Graduate School of Journalism
AVERAGE HOURS WORKED	60/wk
DUTIES	<p>As a director, duties include attending and taking part in board meetings.</p> <p>As executive director, Mr. Awad manages the day-to-day operations of the Organization.</p>

NAME	Omar Zaki
TITLE	Director, Secretary
QUALIFICATIONS	<ul style="list-style-type: none"> • Currently an agency owner for Allstate Insurance Agency • Former Executive Vice President (GM) of Sabtech Industries • Previous Director of Government Relations for a CAIR Foundation affiliate in Los Angeles • U.S. army veteran
AVERAGE HOURS WORKED	10/wk
DUTIES	<p>As a director, duties include attending and taking part in board meetings. As Secretary, duties include attending and keeping the minutes of all meetings of the board of directors; issuing proper notice of all meetings; performing all other duties incident to the office of Secretary; and performing such other duties as the board of directors or the President may prescribe. The Secretary also has custody of the minute book and the corporate seal of the Organization.</p>

NAME	Ahmed Shehab
TITLE	Director
QUALIFICATIONS	<ul style="list-style-type: none"> • 15 years of industry experience with a diverse business background. • Managed teams of 5-95 people and project budgets from \$3 million to over \$28 million.
AVERAGE HOURS	10/wk

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DUTIES	As a director, his duties include attending and taking part in board meetings.

NAME	Ihsan Bagby
TITLE	Director
QUALIFICATIONS	<ul style="list-style-type: none"> • Associate Professor of Islamic Studies at the University of Kentucky • PhD. in Near Eastern Studies from University of Michigan, 1986 • Published a comprehensive study of mosques in America in 2001, <u>The Mosque in America: A National Portrait</u> and publishes other articles • Serves on the advisory board of Hartford Seminary's The Hartford Interfaith Alliance in North America (MANA) and Islamic Society of North America (ISNA)
AVERAGE HOURS WORKED	10/wk
DUTIES	As a director, his duties include attending and taking part in board meetings.

NAME	Jimmy Jones
TITLE	Director
QUALIFICATIONS	<ul style="list-style-type: none"> • Ph.D. of Ministry in Christian-Muslim Relations, Hartford Seminary • M.A. in Religion, Yale University Divinity School • B.S. in Education, Hampton University • Has taught at Manhattanville College for 17 years • Member of the President's University Council-Religious and Spiritual Life at Yale University and several other interfaith efforts
AVERAGE HOURS WORKED	10/wk
DUTIES	As a director, his duties include attending and taking part in board

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	meetings.
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NAME	Cary Hooper
TITLE	Communications Director
QUALIFICATIONS	<ul style="list-style-type: none"> • B.A. in History, M.A. in Journalism and Mass Communication • Has worked with CAIR Foundation since the beginnings of its formation, pre-incorporation in 1994
AVERAGE HOURS WORKED	60/wk
DUTIES	As communications director, Mr. Hooper manages the media information produced by CAIR Foundation. He serves as CAIR Foundation's spokesman and appears frequently on national and international television programs.

NAME	Corey Saylor
TITLE	Legislative Director
QUALIFICATIONS	<ul style="list-style-type: none"> • Participated in advocacy campaigns focused on Burger King and Bell Helicopter-Boeing. • Has worked to place media stories with major national and international news media. • Maintained a blog focused on the 2005-2006 reauthorization of the USA PATRIOT ACT which was named a "Web Winner" by the Philadelphia Inquirer.
AVERAGE HOURS WORKED	50/wk
DUTIES	As legislative director, Mr. Saylor directs the monitoring of legislation by CAIR Foundation and directs its legislative advocacy efforts. He also conducts leadership, advocacy and media training across the United States.

NAME	Nadhira Al-Khalili
TITLE	Legal Counsel
QUALIFICATIONS	<ul style="list-style-type: none"> • B.A. in Foreign Language-Spanish from Virginia

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	<p>Commonwealth University, 1996</p> <ul style="list-style-type: none"> • J.D. from Dickinson School of Law, Pennsylvania State University, 2000 • Previously worked as Assistant Commonwealth's Attorney in Richmond, VA, 2001-2003 • Community work includes serving on the Board of Directors of the American Muslim Women's Association and as Legal Director, 2005-2006
AVERAGE HOURS WORKED	50/wk
DUTIES	Serves as a legal advisor to the Organization and assists in its civil rights legal advocacy work.

NAME	Omar Ali
TITLE	IT Director
QUALIFICATIONS	<ul style="list-style-type: none"> • Over 15 years of experience in the information technology industry. • B.A. in MIS/Business Administration from Florida International University
AVERAGE HOURS WORKED	50/wk
DUTIES	Mr. Ali oversees and manages the Organization's information technology systems and equipment.

NAME	Gadeir Abbas
TITLE	Staff Attorney
QUALIFICATIONS	<ul style="list-style-type: none"> • J.D. from Case Western Reserve University • B.A. from Loyola University Chicago • Previously served as a teacher in Mississippi with Teach for America
AVERAGE HOURS WORKED	50/wk
DUTIES	Serves as a legal advisor to the Organization and assists in its civil

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	rights legal advocacy work.
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5a. Have you adopted a **conflict of interest policy** consistent with the sample conflict of interest policy in Appendix A to the instructions?

Yes. Please see the Organization's conflict of interest policy, attached as Exhibit C, which was adopted by resolution of the Organization's governing board.

6a. Do you or will you compensate any of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in lines 1a, 1b, or 1c through non-fixed payments, such as discretionary bonuses or revenue-based payments? If "Yes," describe all non-fixed compensation arrangements, including how the amounts are determined, who is eligible for such arrangements, whether you place a limitation on total compensation, and how you determine or will determine that you pay no more than reasonable compensation for services.

CAIR Foundation occasionally provides discretionary bonuses to its full time employees. The amounts of the bonuses are determined by the board of directors and generally are equal to or less than 5% of the annual salary of the employee. The executive director may receive a bonus of 15%-20% of his or her annual salary. The Organization has adopted an Executive Compensation Policy, attached as Exhibit D. This policy will be used for assessing bonus amounts as well as salaries.

6b. Do you or will you compensate any of your employees, other than your officers, directors, trustees, or your five highest compensated employees who receive or will receive compensation of more than \$50,000 per year, through non-fixed payments, such as discretionary bonuses or revenue-based payments? If "Yes," describe all non-fixed compensation arrangements, including how the amounts are or will be determined, who is or will be eligible for such arrangements, whether you place or will place a limitation on total compensation, and how you determine or will determine that you pay no more than reasonable compensation for services.

CAIR Foundation occasionally provides discretionary bonuses to its full time employees. The amounts of the bonuses are determined by the executive director in consultation with the board. The bonuses are typically less than \$1,000 per year. CAIR Foundation periodically will determine what range of bonuses are reasonable for staff of CAIR through comparison to similarly situated organizations.

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PART VI: YOUR MEMBERS AND OTHER INDIVIDUALS AND ORGANIZATIONS THAT RECEIVE BENEFITS FROM YOU

1a. In carrying out your exempt purposes, do you provide goods, services, or funds to individuals? If "Yes," describe each program that provides goods, services, or funds to individuals.

CAIR Foundation's Civil Rights Department counsels, mediates and advocates on behalf of American Muslims and others who have experienced religious discrimination, defamation or hate crimes. The department works to protect and defend the constitutional rights of American Muslims, thereby supporting the rights of all Americans.

In addition, CAIR Foundation provides educational information, media material, and training services that would benefit individuals who participate or read the information.

1b. In carrying out your exempt purposes, do you provide goods, services, or funds to organizations? If "Yes," describe each program that provides goods, services, or funds to organizations.

CAIR Foundation provides training and seminars to organizations in relation to its exempt purposes as described above. CAIR Foundation also provides sensitivity training and diversity training to organizations regarding religious and cultural practices.

In addition, CAIR Foundation makes occasionally contributions to its local chapters that are separate organizations.

2. Do any of your programs limit the provision of goods, services, or funds to a specific individual or group of specific individuals? For example, answer "Yes," if goods, services, or funds are provided only for a particular individual, your members, individuals who work for a particular employer, or graduates of a particular school. If "Yes," explain the limitation and how recipients are selected for each program.

CAIR Foundation does not limit its provision of goods, services, or funds to a specific individual or group of specific individuals. Because the mission and purpose of the Organization focuses on American Muslims and Islam, the Organization generally provides its civil rights services to American Muslims. However, the Organization has and will continue to provide its services to other persons who have faced religious or ethnic discrimination or other civil rights violations.

PART VII: YOUR HISTORY

2. Are you submitting this application more than 27 months after the end of the month in which you were legally formed? If "Yes," complete Schedule E.

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The Organization is submitting this application more than 27 months after the end of the month in which it was legally formed. This is an application for reinstatement after automatic revocation of Section 501(c)(3) status. As instructed in the IRS directions regarding applications for reinstatement, the Organization is not completing and attaching Schedule E.

PART VIII: YOUR SPECIFIC ACTIVITIES

2a. Do you attempt to influence legislation? If "Yes," explain how you attempt to influence legislation and complete line 2b.

CAIR Foundation's Governmental Affairs Department conducts and organizes lobbying efforts on issues related to Islam, Muslims, and civil rights. The department is active in monitoring legislation and government activities and then, responding on behalf of the American Muslim community. CAIR Foundation representatives have testified before Congress and have sponsored a number of activities designed to bring Muslim concerns to Capitol Hill. CAIR Foundation representatives may lobby individual congressmen and officials on these issues.

2b. Have you made or are you making an election to have your legislative activities measured by expenditures by filing Form 5768? If "Yes," attach a copy of the Form 5768 that was already filed or attach a completed Form 5768 that you are filing with this application.

The Organization has attached a copy of Form 5768 which it is filing with this application.

4a. Do you or will you undertake fundraising? Attach a description of each fundraising program.

Email solicitations. The Organization will send email solicitations for donations to people in the community and local and national corporations identified by the Board as potential donors. Requests for donations would be primarily in the daily newsletter.

Mail solicitations. The Organization will send mail solicitations for donations to people in the community and local and national corporations identified by the Board as potential donors.

Personal solicitations. The Organization will personally solicit donations from acquaintances of the board members and officers, as well as business associations, companies, and individuals identified by the Board as potential donors.

Foundation grant solicitations. The Organization will apply for grants from various foundations.

Accept Donations on Your Website. The Organization may create a website in the future, which will accept donations.

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4d. List all states and local jurisdictions in which you conduct fundraising. For each state or local jurisdiction listed, specify whether you fundraise for your own organization, you fundraise for another organization, or another organization fundraises for you.

The Organization intends to conduct fundraising in all of the 50 States and possibly the territories of the United States. The Organization will perform fundraising for itself.

10. Do you or will you publish, own, or have rights in music, literature, tapes, artworks, choreography, scientific discoveries, or other intellectual property? If "Yes," explain. Describe who owns or will own any copyrights, patents, or trademarks, whether fees are or will be charged, how the fees are determined, and how any items are or will be produced, distributed, and marketed.

The Council on American-Islamic Relations Action Network, Inc. ("CAIR Action Network"), with which CAIR Foundation is closely connected, owns various trademarks related to the name CAIR and Council on American-Islamic Relations. The Organization has a license to use those trademarks from CAIR Action Network. The Organization does not pay any fee or royalty to CAIR Action Network for these licenses.

13a. Do you or will you make grants, loans, or other distributions to organization(s)? If "Yes," answer lines 13b through 13g.

b. Describe how your grants, loans, or other distributions to organizations further your exempt purposes.

The Organization makes occasional grants to its affiliated chapter organizations that are separate organizations. These chapters support the same mission and purpose of CAIR Foundation, but conduct locally-based activities.

c. Do you have written contracts with each of these organizations? If "Yes," attach a copy of each contract.

The Organization does not have a formal written grant contract with any organization.

d. Identify each recipient organization and any relationship between you and the recipient organization.

The recipient organizations are considered CAIR Foundation chapters. The Council on American-Islamic Relations Action Network, Inc. ("CAIR Action Network"), with which CAIR Foundation is closely connected, owns various trademarks related to the name CAIR and Council on American-Islamic Relations. As noted in response to Question VIII,10, the Organization has a license to use those trademarks from CAIR Action Network. The chapters also have licenses to use these trademarks from CAIR Action Network. CAIR Action Network does not charge a fee for these licenses.

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CAIR Foundation regularly works with the CAIR Foundation chapters on certain programs and activities. CAIR Foundation is closely connected to the chapters as described below in response to Question VIII, 15.

e. Describe the records you keep with respect to the grants, loans, or other distributions you make.

The Secretary of the Organization maintains a record of all grants, loans, and distributions.

f. Describe your selection process.

The Organization does not have a grant application form, nor does it require a written grant proposal. However, the Organization reviews the activities and reputation of potential grantees through interviews and discussions with officers and employees of the Organization and discussions with members of the community focusing on these issues. The Organization also requests information from the chapters about the intended uses of the grant funds. The Organization works closely with the chapter Organizations, and is very familiar with their programs and activities. All grants will be made for purposes consistent with the Organization's exempt purposes.

g. Describe your procedures for oversight of distributions that assure you the resources are used to further your exempt purposes, including whether you require periodic and final reports on the use of resources.

The Organization may request periodic and final reports from recipient organizations on the use of resources provided.

15. Do you have a close connection with any organizations? If "Yes," explain.

CAIR Foundation is closely connected to CAIR Action Network, a Section 501(c)(4) organization whose tax exempt status has been revoked as of the date of this filing. CAIR Action Network and CAIR Foundation have overlapping boards. CAIR Action Network donates office space to CAIR Foundation at no cost to CAIR Foundation.

CAIR Foundation is closely connected to its local chapters through its National Council. CAIR Foundation has a National Council that provides guidance to the Organization and elects a portion of its board of directors. The National Council is comprised of the current board of directors and senior executive staff members of CAIR Foundation, as well as two persons from each local chapter/office that is large enough to have a paid executive director (or one person from smaller chapters/offices), and one person from the board of directors of each state's local office. (Other persons on the National Council may be elected by the board of directors of CAIR Foundation.)

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PART X: PUBLIC CHARITY STATUS

6.b.i.b. Attach a list showing the name and amount contributed by each person, company, or organization whose gifts totaled more than the 2% amount.

Council on American-Islamic Relations Action Network, Inc. has contributed \$1,080,000 over the five year period.

The Government of Qatar has contributed \$405,000 over the five year period.¹

¹ Qatar is a foreign government whose support may be considered in determining an organization's qualification under Section 509(a) of the Internal Revenue Code of 1986, as amended, (the "Code") as an organization described in Section 170(b)(1)(A)(vi) of the Code. Rev. Rul. 75-435.

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SCHEDULE H. ORGANIZATIONS PROVIDING SCHOLARSHIPS, FELLOWSHIPS, EDUCATIONAL LOANS, OR OTHER EDUCATIONAL GRANTS TO INDIVIDUALS AND PRIVATE FOUNDATIONS REQUESTING ADVANCE APPROVAL OF INDIVIDUAL GRANT PROCEDURES

1a. Describe the types of educational grants you provide to individuals, such as scholarships, fellowships, loans, etc.

Each year, CAIR Foundation provides a \$1,000 grant to an undergraduate or graduate student who best exemplifies certain characteristics and has achieved a record of excellence in academic and professional endeavors. The grant is made in honor of the life and work of civil rights pioneer Rosa Parks.

1b. Describe the purpose and amount of your scholarships, fellowships, and other educational grants and loans that you award.

The purpose of the award is to recognize and encourage students who have a demonstrated commitment to civil liberties work as well as a high potential to make significant contributions in the field. The \$1,000 award is intended to facilitate the further scholarship of such students in the area of civil rights and civil liberties.

1c. If you award educational loans, explain the terms of the loans (interest rate, length, forgiveness, etc.).

CAIR Foundation does not award educational loans.

1d. Specify how your program is publicized.

The Organization publicizes the grant on its website, through a press release, and through social media.

1e. Provide copies of any solicitation or announcement materials.

A copy of the press release announcing the scholarship is attached as Exhibit E.

1f. Provide a sample copy of the application used.

A copy of the application for the scholarship is attached as Exhibit F.

3. Describe the specific criteria you use to determine who is eligible for your program. (For example, eligibility selection criteria could consist of graduating high school students from a particular high school who will attend college, writers of scholarly works about American history, etc.)

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CAIR-Foundation, Inc.
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Applicants must be enrolled in, or accepted by, a full-time undergraduate (12 or more credit hours), graduate (9 or more credit hours), or professional program of an accredited university in the United States majoring in a field that promotes civil rights, social justice and/or the peaceful resolution of conflicts.

4a. *Describe the specific criteria you use to select recipients. (For example, specific selection criteria could consist of prior academic performance, financial need, etc.)*

Applications are rated using the following criteria and weighted scores:

- Past experience (volunteer or paid) in the civil rights field (20 points)
- Professional Career Goals (5 points)
- Plans for use of award funds (5 points)
- Grade point average (15 points)
- References (15 points)
- Essay (40 points)

4b. *Describe how you determine the number of grants that will be made annually.*

CAIR Foundation has determined that it will give out one grant each year.

4c. *Describe how you determine the amount of each of your grants.*

CAIR Foundation has determined that the grant will be for \$1,000 each year that it is given.

4d. *Describe any requirement or condition that you impose on recipients to obtain, maintain, or qualify for renewal of a grant. (For example, specific requirements or conditions could consist of attendance at a four-year college, maintaining a certain grade point average, teaching in public school after graduation from college, etc.)*

The grant is not renewable.

5. *Describe your procedures for supervising the scholarships, fellowships, educational loans, or other educational grants. Describe whether you obtain reports and grade transcripts from recipients, or you pay grants directly to a school under an arrangement whereby the school will apply the grant funds only for enrolled students who are in good standing. Also, describe your procedures for taking action if the terms of the award are violated.*

The grant is made in one payment of \$1,000 to the scholarship recipient. CAIR Foundation does not oversee the recipient's use of the funds.

Attachment to Form 1023

CAIR-Foundation, Inc.

EIN: 77-0646756

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6. *Who is on the selection committee for the awards made under your program, including names of current committee members, criteria for committee membership, and the method of replacing committee members?*

There is no fixed selection committee for the scholarship. However, the committee is typically comprised of CAIR Foundation's employees who volunteer to review the applications for the scholarship.

7. *Are relatives of members of the selection committee, or of your officers, directors, or substantial contributors eligible for awards made under your program? If "Yes," what measures are taken to ensure unbiased selections?*

Because members of the selection committee do not have access to donor lists, they make their selection without knowing whether any particular applicant is related to a substantial contributor to the Organization. Officers or directors or other persons may not serve on the selection committee if they are related to an applicant.

Attachment to Form 1023
CAIR-Foundation, Inc.
EIN: 77-0646756

Exhibit A
Articles of Incorporation

Produced Subject to Protective Order

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS



CERTIFICATE

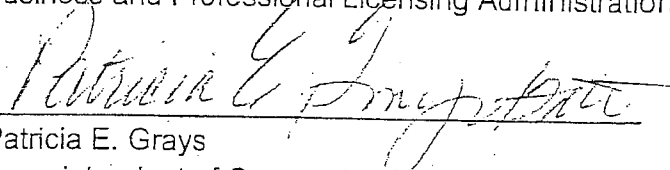
THIS IS TO CERTIFY that all applicable provisions of the District of Columbia NonProfit Corporation Act have been complied with and accordingly, this *CERTIFICATE OF INCORPORATION* is hereby issued to:

CAIR-FOUNDATION, INC.

IN WITNESS WHEREOF I have hereunto set my hand and caused the seal of this office to be affixed as of the 15th day of February, 2005.

Patrick J. Canavan
Acting Director

John T. Drann
Administrator
Business and Professional Licensing Administration


Patricia E. Grays
Superintendent of Corporations
Corporations Division

Anthony A. Williams
Mayor

Attachment
Application for Recognition of
Exemption under Section 501(c)3
of the Internal Revenue Code
CAIR-Foundation, Inc.
(EIN: 77-0646756) 003412

FILE
Feb 15 2005

ARTICLES OF INCORPORATION

OF

CAIR - FOUNDATION, INC.

TO: Department of Consumer and Regulatory Affairs
Business Regulation Division
Corporation Division
Washington, D.C. 20001

We, the undersigned natural persons of the age twenty-one years or more, acting as incorporators of a corporation under the NON-PROFIT CORPORATION ACT (D.C. Code 2001 edition, Title 29, Chapter 3), adopt the following Articles of Incorporation:

FIRST: The name of the corporation is CAIR - FOUNDATION, INC.

SECOND: The period of duration is perpetual.

THIRD: The purposes for which the corporation is organized are as follows: The corporation is organized exclusively for educational and charitable purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986 as now in effect or as may hereafter be amended ("the Code"). The purposes for which the corporation is organized are to combat prejudice and discrimination against Muslims in the United States; to preserve, protect and promote civil rights of Muslims in the United States; and to educate the American public about the Islamic faith and its history and the problems of discrimination against Muslim citizens in the United States; and for related purposes.

In furtherance thereof, the corporation may receive property by gift, bequest or devise, invest and reinvest the same, and apply the income and principal thereof, as the board of directors may from time to time determine, and engage in any lawful act or activity for which corporations may be organized under the District of Columbia Nonprofit Corporation Act.

In furtherance of its corporate purposes, the corporation shall have all the general powers enumerated in section 29-301.05 of the District of Columbia Nonprofit Corporation Act as now in effect or as may hereafter be amended, together with the power to solicit grants and contributions for such purposes.

Attachment
Application for Recognition of
Exemption under Section 501(c)3
of the Internal Revenue Code
CAIR-Foundation, Inc. 003413
(EIN: 87-0616756)

- FOURTH: The corporation shall have no members.
- FIFTH: There shall be at least three directors who shall be elected or appointed as provided by the bylaws of the corporation.
- SIXTH: Provisions for the regulation of internal affairs of the corporation, including provisions for distribution of assets on dissolution or final liquidation, are as follows:
- A. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its officers, trustees, directors or any other private person, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered to or for the corporation and to make payments and distributions in furtherance of the purposes set forth in Article THIRD hereof.
 - B. No substantial part of the activities of the corporation shall consist of carrying on of propaganda or otherwise attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these Articles of Incorporation, the corporation shall not directly or indirectly carry on any other activities not permitted to be carried on (i) by a corporation exempt from federal income tax under section 501(c)(3) of the Code, or the corresponding section of any future federal tax code, or (ii) by a corporation, contributions to which are deductible under section 170(c)(2) of the Code or the corresponding section of any future federal tax code.
 - C. Upon dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) the Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction in the District of Columbia, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.
- SEVENTH: The address, including street and number, of the initial registered office is CAIR Foundation, 50 E Street, SE Suite 200, Washington, DC 20003 the name of the registered agent at such address is ~~Khalid Iqbal~~ Betty Robinson
- EIGHTH: The number of directors constituting the initial board of directors is three and the names and addresses, including street and number of the persons

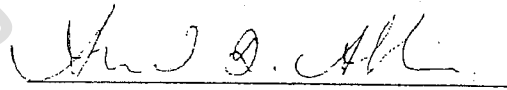
Attachment
Application for Recognition of
Exemption under Section 501(c)3
of the Internal Revenue Code
CAIR-Foundation, Inc.
(EIN: 77-0646756) 003414

who are to serve as the initial directors until the first annual meeting or until their successors are elected and qualified are:

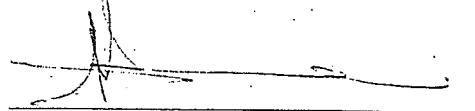
<u>Name</u>	<u>Address</u>
Ahmad Al-Akhras	1311 Lee Lane Marie Circle Columbus OH 43235 <i>A.A.</i>
Parvez Ahmed	12346 Winter Pine Court Jacksonville, FL 32225
Khalid Iqbal	453 New Jersey Ave S.E. Washington DC 20003

NINTH: The name and address, including street and number, of each incorporator is as follows:

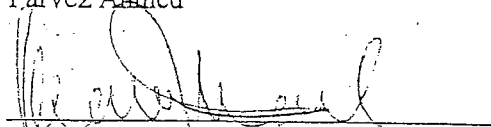
<u>Name</u>	<u>Address</u>
Ahmad Al-Akhras	1311 Lee Lane Marie Circle Columbus OH 43235 <i>A.A.</i>
Parvez Ahmed	12346 Winter Pine Court Jacksonville, FL 32225
Khalid Iqbal	453 New Jersey Ave S.E. Washington DC 20003



 Ahmad Al-Akhras



 Parvez Ahmed



 Khalid Iqbal

_____) ss:

I, [Signature], a Notary Public in and for _____, hereby certify that on the _____ day of _____, 2004, Ahmad Al-Akhras appeared before me and signed the foregoing document as an incorporator, and averred that the statements therein contained are true.

(Notary Seal)

[Signature]
Notary Public

My commission expires: 2-1-2006

_____) ss:

I, GANDY SETIADY, a Notary Public in and for the FLA STATE OF FLORIDA, hereby certify that on the 27 day of February, 2004, Parvez Ahmed appeared before me and signed the foregoing document as an incorporator, and averred that the statements therein contained are true.

(Notary Seal)

[Signature]
Notary Public



OFFICIAL SEAL
Gandy Setiady
Commission # DD 009515
My Commission Expires March 14, 2005

My commission expires: MAR 14, 2005

_____) ss:

I, ALICIA GREENIDGE, a Notary Public in and for the District Financial Association, hereby certify that on the 27 day of January, 2004, Khalid Iqbal appeared before me and signed the foregoing document as an incorporator, and averred that the statements therein contained are true.

(Notary Seal)

[Signature]
Notary Public

My commission expires: _____

Attachment to Form 1023
CAIR-Foundation, Inc.
EIN: 77-0646756

Exhibit B
Bylaws

Produced Subject to Protective Order

BY-LAWS

**OF
CAIR-FOUNDATION, INC.**

**Incorporated 2007 and
Formed under the District of Columbia Nonprofit Corporation Act**

Produced Subject to Protective Order

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Article I

Organization

Section 1.01 Location: The principal office of CAIR-Foundation (“the Corporation”) shall be located within or without the District of Columbia, at such place as the board of Directors shall from time to time designate. The Corporation may maintain additional

offices at such other places as the Board of Directors may designate. The Corporation shall continuously maintain within the District of Columbia a registered office at such place as may be designated by the Board of Directors.

Section 1.02 Name: The name of the organization shall be CAIR-Foundation, Inc. (herein referred to as "CAIR"). The organization may change the name of the organization by an at least 2/3 majority vote of the Directors in office. CAIR-Foundation shall also do business as CAIR and/or Council on American-Islamic Relations.

Article II

Purposes and Mission

Section 2.01 Public Relations: To promote greater interest and understanding among the general public and government officials with regard to Islam and Muslims in North America.

Section 2.02 Education: To conduct educational services in the fields of religion, culture, education, society, and history concerning Islamic issues both in the United States and abroad.

Section 2.03 Civil Rights: To preserve and protect religious, human and civil rights secured by law for Muslims in America.

Section 2.04 Grant-giving: To assist other organizations which promote any or all of the above thorough grant-giving.

Section 2.05 Mission: The corporation's mission is to enhance understanding of Islam, encourage dialogue, protect civil liberties, empower American Muslims and build coalitions that promote justice and mutual understanding through civil rights, government affairs, media relations, research, internships, publications, education (conferences, seminars, workshops), voter registration, outreach and interfaith

The foregoing enumeration of the purposes of CAIR is made in furtherance, and not in limitation, of the powers conferred upon CAIR by law and is not intended, by the mention of any particular purpose, in any manner to limit or restrict any of the powers of CAIR, other than as provided below. CAIR is formed upon the articles, conditions and provisions relative to non-stock corporations which are contained in the general laws of the District of Columbia.

CAIR is organized and shall be operated exclusively for religious, educational and charitable purposes within the meaning of sections 170(c)(2)(B), 501(c)(3), 2055(A)(2), 2106 or 2522(a)(2) of the Internal Revenue Code. No part of the net earnings or assets of CAIR shall inure to the benefit of, or be distributable to members, Directors, Officers, other private individuals, or organizations organized and operating for profit (except that CAIR shall be authorized and empowered to pay reasonable compensation for or make payments and distributions in furtherance of the purposes as hereinabove stated).

No substantial part of the activities of CAIR shall be the carrying on of propaganda or otherwise attempting to influence legislation, and CAIR shall be empowered to make the election authorized under Section 501(h) of the Internal Revenue Code. CAIR shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provisions herein, CAIR shall not carry on any activities not permitted to be carried on:

(a) By an organization exempt from federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c) of Such Code, and/or

(b) By an organization, contributions to which are deductible under Sections 170(c)(2), 2055(A)(2), 2106 or 2522(a)(2) of the Internal Revenue Code.

Article III

Members

Section 3.01 Membership: The Corporation shall have one class of non-voting members.

Article IV

Board of Directors

Section 4.01 Powers of Board: The Board of Directors (herein after referred to as "Board") shall offer general guidance on the affairs of the Corporation. Members of the Board of Directors shall be referred to "Directors" or "Members".

Section 4.02 Duties: The Board shall support and guide the policies, goals, and direction of the corporation as defined and outlined by the Executive Director of the corporation. The Executive Director may consult with the National Council, and his/her employees, advisors and/or consultants prior to creating the polices, goals and directions of the corporation. The Board shall delegate responsibility for day-to-day operations to the Executive Director and any staff that the Executive Director chooses to hire, retains and compensate as s/he desires. Directors need not be residents of the District of Columbia.

Other duties and powers of the Board shall be the following:

- a. Supervise the management and control of the business, property and affairs of CAIR;
- b. To approve or disapprove any financial transactions relating to CAIR's real estate and other assets. The Board shall ensure that the title to CAIR's real estate and other assets shall be kept in CAIR's name. No sale, assignment, transfer, or any other action involving the disposition of CAIR's real estate can be authorized without the written consent of the majority of the existing number of Directors.
- c. To determine the policies of CAIR and execute CAIR's purposes, and to appoint and remunerate to agents and employees the some of the authority of the Board.

- d. To review, amend or approve the annual budget proposed by the Executive Director.
- e. To approve the financial transactions and disbursement of CAIR funds (including borrowing, lending and investing for and on behalf of CAIR).
- f. To adopt rules and regulations for the conduct of CAIR's business, and to delegate the responsibility and authority as shall be deemed advisable, insofar as such delegation of authority is not inconsistent with or repugnant to the Articles of Incorporation or bylaws of CAIR (in their present form or as they may be amended) or to any applicable law.
- g. To provide guidance for the execution and development of long-range plans for CAIR.

Section 4.03 Number of Directors: The number of members of the Board of Directors (herein referred to as "Directors") directors of the Corporation shall be at least three (3), namely the President, the Vice-President and the Secretary/Treasurer who shall be members of the Board of Directors by virtue of their office. Pursuant to 2001 D.C. Code Section 29-301.19, the number of directors shall never be less than three (3). No director shall hold more than one office at a time, unless and until a vacancy is created. In such case, a director may hold the office until a successor is chosen, but in no case for longer than six (6) months.

All other Directors shall be Members at Large of the Board of Directors. The number of directors may be increased or decreased from time to time by amending the By-Laws. No decrease in the number of directors shall have the effect of shortening the term of any incumbent director. For the purposes of preserving the integrity and productivity of the Board of Directors, there shall be no more than 9 (nine) members of the Board. This may not be changed except for written amendment of the bylaws signed by a 2/3 of members then in office.

Section 4.04 Qualifications and background investigation: To be eligible for election as an officer, a person must (1) have been an active member-at-large of the board in good standing for the past twelve (12) months; (2) have successfully performed documented voluntary service to CAIR for a minimum of one (1) year, including but not limited to lending advice, council, and guidance to the organization, (3) be at least 25 years old, and practice Islamic, ethical and professional behavior. The nominee must also reside in the Continental United States of America for six (6) months prior to becoming a member of the Board and for the entire time of their term as a Director and (7) they must be citizens of the United States of America at the time they are elected onto the Board.

Candidates for office must be willing to submit to a detailed background investigation prior to election. Each elected member shall sign a confidentiality/non-disclosure agreement.

Section 4.05 Election of Directors by National Council: The National Council, as outlined in Article V herein, shall elect exactly 3 (three) members on the Board of Directors

pursuant to Article V. At any meeting of the National Council, each National Council member shall have one vote. Voting is not permitted by proxy.

Each director shall hold office for a term of three years (3) years or until the director resigns. After the expiration of their three-year term, the person is eligible for reelection for three terms. All directors can serve for three three year terms. After the third consecutive full term of service, a director must wait one year before being eligible to serve again as a Director.

Section 4.06 Election of Directors by Board of Directors: The Board of Directors shall elect the remaining Members who are eligible for reelection each year. Each director is to hold office for a term of three (3) years until the director resigns. They shall additionally fill vacancies in positions created by members that the Board elected. The Board of Directors shall elect all four officers in their appropriate year.

Section 4.07 Term of Directors: Each Director of the Corporation shall hold office for a term of three (3) years and such term is renewable for three consecutive terms. After the third consecutive full term of service, a Director must wait one year before being eligible to serve again as Director.

Section 4.08 Vacancies: Any vacancy occurring in the Board of Directors in a position previously filled by the either the Board may be filled by the affirmative vote of a majority of the directors then in office though less than a quorum of the board. Any vacancy occurring in the Board of Directors may be filled from the pool of members qualified under Section 4.04 of these Bylaws. A director selected to fill a vacancy shall be selected for the un-expired term of his/her predecessor in office and until his/her successor is elected and qualified.

A director appointed to fill a vacancy shall be elected for the unexpired term of his/her predecessor in office and until his/her successor is elected and shall have qualified. S/he shall be eligible for election to the office at the natural expiration of his/her predecessor's term. The vacancy should be filled as soon as practicable, through a regular or a special meeting of the Board of Directors.

Section 4.09 Removal of Directors: A Director may be removed with cause for:

- (1) violation of these Bylaws,
- (2) failing to attend three meetings (either telephonic or physical) of the Board in a calendar year without justifiable reason for which the Board is timely informed (unexcused absence),
- (3) performing acts repugnant to the Articles of Incorporation or Bylaws of CAIR, or
- (4) becomes disqualified under Section 4.10 below.

Such removal may occur by motion of any Board member. Upon such motion, the Board shall appoint a committee to conduct an investigation and make recommendations to the Board. The Director involved shall have the right to respond to the charges. The Board then shall act on the basis of reasonable and consistent criteria, always with the objective of advancing the best interests of CAIR. Removal occurs by a two-thirds majority of votes on the motion. The removal of a director shall be without prejudice to his/her contract rights, if any, and the election of a director shall not by itself create contract rights.

Section 4.10 Resignations: Except as otherwise required by law, any director of the Corporation may resign at any time by giving written notice to Chairperson of the Board or in his/her absence to any member of the Board. Such resignation shall take effect at the time specified therein. If no time is specified, at the time of acceptance thereof as determined by the Board.

The successor to a resigning Member shall be selected in accordance with Section 4.08. In the event all the members of the Board resign it shall be the obligation of the Chairperson to hold a general election as soon as is practicable. However, should the Chairperson be incapacitated or unable to conduct such elections or have resigned, the responsibility of holding such elections shall then be transferred to the Chairperson of the Election Committee. If this Member has also resigned, the Executive Director (or President or CEO) shall become the presiding officer and shall appoint four temporary Officers of the Board whose sole function shall then be to facilitate electing new members according to these bylaws.

Section 4.11 Conflicts of Interest: Board members shall determine by a simple majority vote, whether or not a Board member has a conflict of interest. A Board member who declares a conflict of interest or who has been declared so by the Board shall not enter into vote concerning the matter. The Director may resolve the conflict of interest or appeal the decision to a Grievance Committee created by the Board in Article IX. A motion passed by the Board after following the procedures in Article IX shall become a final decision of the Board.

Section 4.12 Quorum of Directors and Action by Board: A majority of the number of directors (50% + 1) shall constitute a quorum for the transaction of business, provided, however, that in no event shall a quorum consist of less than one-third (1/3rd) of the number of directors then in office. Except as otherwise provided by law or by the Articles of Incorporation or these By-Laws, the act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board. If less than a quorum of Directors is present at a meeting, a majority of the Directors present may adjourn the meeting without further notice.

The act of a majority of the total members of the Board shall be the act of the Board of the Directors. Each Director shall have one vote. Meetings may be held by telephone conference to the extent permitted by law. Voting by proxy shall not be permitted. In the absence of a quorum, any action taken shall be recommendatory only, but may become valid if subsequently confirmed by a majority vote, in conformance with the quorum requirements, of the Board of Directors.

In the absence of a quorum, the Board shall give notice to all Board members that a quorum was not present at the meeting and that a second meeting will be called. The Board shall give the time and location of the second meeting, the attendance of any Board members to the second meeting shall thereby constitute a quorum for the purpose of conducting business that that particular meeting only.

The Board of Directors may adopt rules and regulations for the conduct of its business in accordance with these Bylaws.

Section 4.13 Meetings of Board: Meetings of the Board of Directors, regular or special, may be held at such place within or without the District of Columbia, and upon such notice as may be prescribed by resolution of the Board of Directors. The directors may consider or transact any business either special or general at any meeting of the Board. Notice of such meetings shall be e-mailed, mailed, delivered, telephoned or faxed to each director not less than 48 hours prior the meeting's scheduled commencement

A director's attendance at any meeting shall constitute waiver of notice of such meeting, excepting such attendance at a meeting by the director for the purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

Neither the business to be transacted at, nor the purpose of any regular or special meeting of the Board of Directors need to be specified in the notice or waiver of such meeting.

(a) Meetings. A regular meeting of the Board of Directors of CAIR shall be held at least once every three (3) months, at such time, day and place as shall be designated by the Board of Directors, for the purpose of transacting such business as may come before the meeting. This may be conducted physically or telephonically. The Board of Directors may, by resolution, provide for holding of additional regular meetings. The Board must meet in person at least once per fiscal year. These will be held in summer in the winter of each fiscal year.

(b) Special Meetings. Special meetings of the Board of Directors may be called at the direction of the Chairperson of Board of Directors or President or by a majority of the voting Directors then in office, to be held at such time, day and place as shall be designated in the notice of the meeting.

The purpose or purposes for which a special meeting is called shall be stated in the notice thereof. Directors may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Any employee of CAIR who desires to attend the regular or special meetings, may be allowed to participate as an observer. The Board of Directors may, in its absolute discretion, hold a closed door meeting when the subject matter of the meeting so requires.

Section 4.14 Informal Action by Directors-- Meetings by Telephone Conference: Unless otherwise restricted by the Articles of Incorporation or these By-Laws, any action required or permitted to be taken by the Board may be taken without a meeting if all directors consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consent thereto by the directors shall be filed with the minutes of proceedings of the Board.

Unless otherwise restricted by the Articles of Incorporation or these By-Laws, any or all directors may participate in a meeting of the board or a committee of the board by means of conference telephone or by any means of communications by which all persons participating in the meeting are able to hear one another, and such participation shall constitute presence in person at the meeting.

Section 4.15 Voting at each meeting: Each member of the Board shall have one vote upon all matters presented to the Board of Directors. Such voting may not be done by proxy. Questions arising at any meeting of Directors shall be decided by a majority of votes. All Directors may vote on any question. In case of an equality of votes the motion shall be defeated. A declaration by the Chairperson that a motion has been carried and an entry to that effect in the minutes shall be admissible in evidence as prima facie proof of the fact without proof of the number or proportion of the votes recorded in favor of or against such resolution. In absence of the Chairperson, her/his duties may be performed by the Vice-chairperson, and then any other director as the Chairperson of the Board may from time to time appoint for the purpose of conducting a meeting.

Section 4.16 Order of Business: The order of business at all meetings of the board shall be as follows:

- (1) Roll Call
- (2) Reading of the Minutes of the preceding meeting
- (3) Approval of the minutes
- (4) Election of new Members, if necessary
- (5) Reports of any Committees
- (6) Old and Unfinished Business
- (7) New Business
- (8) Adjournment

Section 4.17 Compensation of Directors: The Corporation shall not pay any compensation to directors for services rendered to the Corporation, except that directors may be reimbursed for expenses incurred in the performance of their duties to the Corporation, in reasonable amounts as approved by a majority of the entire Board in office.

Article V

National Council

Section 5.01 Purpose: The Board recognizes the need to harness the experience and education of individuals who perform the grassroots work of CAIR. The Board wishes to

see larger participation through local involvement which will involve the chapters in decision making, develop new leaders and coordinate among the chapters.

Section 5.02 Membership: The members of the National Council shall consist of all members of the Board of Directors, senior executive staff members of CAIR-Foundation's headquarters in Washington, DC, two members from each local office that has a paid executive director (or one member from other local offices) and one member of that state's Board of Directors, as is designated by that board. If any of these persons is not available, the state's Board of Directors shall select the individuals it wishes to represent it but at no time shall the total voting representatives number more be than what the chapter is entitled to, as outlined above. Other persons may attend the meeting and participate as non-voting observers unless the Board, in its absolute discretion, determines that the meeting should be closed.

Section 5.03 Duties: The National Council advises the Board on the mission, vision, strategy, goals and policy for CAIR through the following:

- The National Council elects three the members of the Board on a rotating basis as is detailed herein. Voting in elections for Members of the Board of Directors is not permitted by proxy.
- The National Council provides recommendations and feedback to the Board on all of CAIR activities.
- At any time, members of the National Council may convene or be convened through a meeting or a conference call to discuss and advise the Board on issues of importance to the organization.

Section 5.04 Annual Meeting: Every year, at the commencement of the new fiscal year, the Executive Committee will call and convene a meeting of all members of the National Council. The meeting may be within or without the District of Columbia. All chapters and offices may send their representatives. The elections of new Board members by the National Council shall be conducted during the meeting. Each chapter shall be responsible for covering the costs of each delegate that they send.

Persons desiring election to the Board by the National Council must submit their qualifications and position statements or complete any other requirements in a timely fashion, according to the rules of the Election Committee.

ARTICLE VI

Board Construction

Section 6.01 The Board of Directors: The Board of Directors shall consist of the following positions as of the effective date of these bylaws:

1. Chairperson of the Board:
2. Vice-Chairperson:

3. Secretary:
4. Treasurer:
5. Member-at-Large One:
6. Member-at-Large Two:
7. Member-at-Large Three:
8. Member-at-Large Four:
9. Member-at-Large Five:

Section 6.02 Powers and Duties of Officers: Subject to the control of the Board of Directors, all officers as between themselves and the Corporation shall have such authority and perform such duties in the management of the property and affairs of the Corporation as may be provided in these bylaws or by resolution of the Board and, to the extent not so provided, as generally pertain to their respective offices.

The Board of Directors shall also elect or appoint a President, a Vice-President, a Secretary and a Treasurer, and may, if it so determines, elect such other officers and assistant officers as may be deemed necessary.

The Executive Director is hired by and answers to the Board of Directors, performing such duties as the Board of Directors delegates. The Executive Director of CAIR shall be an ex officio voting member of the Board of Directors.

Section 6.03 Chairperson of the Board: The Chairperson shall convene regularly scheduled Board meetings, shall be a member of the Executive Committee, and shall preside or arrange for other members of the Executive Committee to preside at each meeting in the following order: Vice-Chair, Secretary, Treasurer, and Executive Director.

The Chairperson will:

1. Ensure that meetings are held regularly, with no less than four (4) per year.
2. Run the Board of Director's meetings.
 - a. Receive the meeting agenda from the Secretary, and evaluate the agenda items in terms of importance.
 - b. Speak with the Secretary prior to the meeting, if possible.
 - c. Ensure that the secretary is present and that minutes are recorded.
 - d. Ensure that a quorum is present.
 - e. Ensure that the agenda is followed, and that Robert's Rules of Order are used to conduct the meeting.

The Chairperson is subject to the supervision of the Board of Directors, and shall perform all the duties customary to that office and shall supervise and control all of the affairs of the Corporation in accordance with policies and directives approved by the Board of Directors. The annual budget, working action plan, and a short-term operation plan shall be prepared under the direction of the Chairperson upon taking office and shall be submitted to the Board of Directors for their approval on an annual basis thereafter.

Notwithstanding the foregoing, the Chairperson of CAIR shall have the following specific powers and duties:

1. He/she shall review the agenda prepared by the Secretary for the meetings of the Executive Committee.
2. He/she shall appoint such standing or special committees, or subcommittees, as may be required by these bylaws or as may be necessary, and shall be an observing *ex officio* member without vote, as the appointment shall state, of all such committees of CAIR. All such committees shall be approved by the Board.
3. They shall also perform such other duties as the Board of Directors may designate from time to time.

Section 6.04 Vice-Chairperson of the Board: In the absence of the Chair or in the event of his inability or refusal to act, the Vice-Chairperson shall perform the duties of the Chairperson, and when so acting shall have all the powers of and be subject to all the restrictions placed upon the Chair. The Vice-Chairperson shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe by standing or special resolution, or as the Chairperson may from time to time provide, subject to the powers and the supervision of the Board of Directors.

The Vice chair shall serve as a member of the Board of Directors and as a member of the Executive Committee. S/he shall serve on any number of committees, with preference to chairing committees, serving as a leader within the organization, guiding, advising and helping the organization when needed.

Section 6.05 Secretary: The Secretary shall be responsible for the keeping of an accurate record of the proceedings of all meetings of the Board of Directors, shall give or cause to be given all notices in accordance with these By-Laws or as required by law, and, in general, shall perform all duties customary to the office of Secretary. The Secretary shall be the custodian of CAIR's meeting records and the seal and shall have the authority to affix the seal of CAIR, if required, to attest the instrument by affixing his/her signature. The Board may authorize any other Officer to perform such tasks.

H/she shall give or cause to be given the agenda to each Board member, and assure that corporate records are maintained. The Secretary of CAIR shall have all powers and perform all duties commonly included in the office of secretary, including the following duties and responsibilities:

1. He/she shall be member of the Board of Directors and the Executive Committee.
2. He/she shall attend all meetings of the Board of Directors and the Executive Committee, and prepare and distribute minutes of all such meetings to the Board of Directors as well as the Executive Committee.

3. He/she shall ensure that all notices are given in accordance with these Bylaws.
4. He/she shall prepare agendas for the meetings of the Board of Directors and the Executive Committee.
5. He/she shall also maintain a current list of who is a member of the National Council of CAIR for the approval of the Board.
6. He/she shall be present when quarterly reports are prepared which shall describe the achievements, present status, future plans, proposed budget and other matters of interests.
7. He/she shall perform such other responsibilities as the Board of Directors or the Chairperson of CAIR may, from time to time, prescribe.

Section 6.06 Treasurer: The Treasurer shall have access to information regarding all funds and securities of the Corporation. S/he shall ensure that complete and accurate accounts of receipts and disbursements of the Corporation are being kept, and shall ensure that all monies and other valuable property of the Corporation are being deposited in the name and to the credit of the Corporation in such banks or depositories as the Executive Director of the Corporation may designate. The Treasurer shall advise the bookkeeper, accountant of the Corporation on best practices and policy, but shall not be responsible for the day-to-day financial operations of the Corporation.

The treasurer shall, if required by the Board, chair the Finance Committee, assist in the review and critique of the budget, and help develop fundraising plans and policies. The Treasurer of CAIR shall have the following additional powers and responsibilities:

1. He/she shall be a member of the Board of Directors and the Executive Committee.
2. He/she shall be responsible for developing and reviewing the fiscal policies of CAIR for the approval of the Board.
3. Besides ensuring that the Corporation maintains monthly accounts and semiannual reports, whenever required by the Board, the treasurer shall ensure that a financial report is prepared which shall include the balance sheet, detailed statements of income and expenses for the auditors. The treasurer shall also be able to review the books and accounts at any reasonable time and exhibit them to any officer or trustee of the Corporation.
4. He/she shall render a report of the finances of the Corporation at any meeting of the Board of Directors or whenever requested by the President or the Board showing all receipts and expenditures for the current year.
5. He/she shall provide assistance for filing all tax returns.
6. He/she shall also furnish, if required by the Board, fidelity bonds or security for the faithful performance of the duties of all Officers or the Board of Directors, at CAIR's cost and expense.

7. He shall also perform such other duties as the President or the Board may, from to time, designate.

Section 6.07 Agents: The Board of Directors may appoint agents who shall have such authority and perform such duties as may be prescribed by the Board. The Board may remove any agent or employee at any time with or without cause. Removal without cause shall be without prejudice to such person's contract rights, if any, and the appointment of such person shall not itself create contract rights. The Board shall make final approval of any senior staff/director level positions hired by the Executive Director.

Section 6.08 Compensation of Officers, Agents and Employees: The Corporation may pay compensation in reasonable amounts to agents and employees for services rendered to the Board such amount to be fixed by a majority of the entire Board or, if the Board delegates power to any officer or officers, then by such officer or officers. The Board may require officers, agents or employees to give security for the faithful performance of their duties.

Article VII Executive Committee.

Section 7.01 Executive Committee. The four Officers of the Corporation shall comprise the Executive Committee of CAIR. Each position will be voted on by the members of the Board of Directors then in office any time there is a vacancy.

In the event of an emergency situation or if it is impractical to hold a meeting of the Board of Directors, the National Executive Council may meet and make decisions normally reserved for the Board of Directors. The National Executive Council shall consist of the Board Chair, Vice Chair, Treasurer, Secretary, Executive Director, Communications Director, a Chapter representative when necessary, and any other person appointed by the board to create the quorum needed to make decisions and carry out the normal duties and responsibilities of the Executive Committee.

Section 7.02 Duties and Responsibilities of Executive Committee: The Executive Committee shall have the responsibilities and duties needed for proper functioning of CAIR, within the powers expressly granted by the Board of Directors. Any power not expressly conferred to the Officers by these Bylaws or a duly adopted resolution of the Board shall belong to the Board of Directors. The duties and responsibilities of the Executive Committee shall include the following:

1. Develop a plan of work for the Board's committees in accordance with the guidelines laid down by the Board of Directors for implementation during the course of their term.
2. Submit the plan of work to the Board for its review and approval within forty five (45) days of the adoption of these bylaws.

3. Assist the Executive Director in implementing the approved plan of work and furnishing quarterly progress reports to the Board of Directors for review and approval.
4. Assist the Executive Director in planning and implementing other activities consistent with the objectives of CAIR, and prepare the status reports for the Board of Directors.
5. Assist the Executive Director in planning and implementing activities consistent with the objectives and policies of CAIR.
6. Assist the Executive Director in maintaining and operating CAIR's headquarters and other facilities, if any, and establish the rules and regulations for their use. The management of the property and day to day affairs of CAIR as may be provided in these Bylaws or by resolution of the Board of Directors and, to the extent not so provided, as generally pertain to their respective offices. All rules and regulations of CAIR shall be approved by the Board of Directors.
7. Prepare the annual budget for review and approval of Board of Directors.
8. Perform any other functions that are needed for proper management of CAIR and its assets.

Section 7.03 Meetings of the Executive Committee: The Executive Committee will meet at least quarterly, and more as needed, at prescheduled times, dates and places, to evaluate the progress of different committees, resolve the problems, if any, and transact the business of CAIR. A simple majority of the members shall determine the quorum for such meetings.

Article VIII Other Committees

Section 8.01 Committee Authority: The Board of Directors, by resolution adopted by a majority of the directors in office, may designate and appoint one or more committees, which committees, to the extent provided in the resolution, shall have and exercise the authority of the Board of Directors of the Corporation. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual director of any responsibility imposed upon it or him/her by law or under these bylaws.

Other committees not having and exercising the authority of the Board of Directors in the management of the Corporation may be designated and appointed by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. The Board shall set up such standing and temporary committees which they deem necessary to adequately serve the needs of the Corporation.

Each standing or temporary committee shall consist of a Chairperson to be named by the Board and committee members recruited by the chair or other Board member. A temporary committee shall exist only so long as it serves a current, useful purpose. A

temporary committee may be dissolved by the Board if in the Board's opinion it no longer serves the current, useful description above.

Section 8.02 Election Committee: Every year during the month of November, the Board shall appoint from the National Council a three-member Election Committee. The three members will elect, within fifteen days of their nomination, one of them as a chairperson of the Election Committee. The chairperson and the members of the Election Committee shall neither be candidates in the upcoming election of the Board of Directors, Officers, members of the Grievance Committee.

Section 8.03 Responsibilities and Duties of Election Committee: The Election Committee shall follow the election procedures set by the Board. These procedures shall be made available by the Board to CAIR's chapters and National Council members before the solicitation of nominations for elections. The Election Committee shall scrutinize the validity of the applicants for election to the Board and prepare the listing of the eligible candidates. The List shall be mailed to each voting member of the National Council at least 60 days prior to the Annual National Council meeting. The Election Committee shall conduct the election, tabulate the results and submit the report to the Board of Directors for announcement to the chapters and to the National Council.

Article IX Grievance Committee

Section 9.01 At any time, the Board may empanel a committee to review grievances by employees, contractors, or chapters/affiliates brought to the Board. In such an instance, the Board shall appoint an impartial three-member Grievance Committee. The three members shall investigate and review the grievance within a reasonable time and make a written recommendation to the Board.

Article X Miscellaneous

Section 10.01 Fiscal Year: The fiscal year of the Corporation shall be the calendar year or such other period as may be fixed by the Board of Directors.

Section 10.02 Corporate Seal: The corporate seal shall be in such form as may be approved from time to time by the Board of Directors. The Secretary may designate the Executive Director to use the seal and to sign any documents requiring the seal.

Section 10.03 Checks, Notes and Contracts: The Board of Directors shall determine who shall be authorized from time to time on the Corporation's behalf to sign checks, drafts, or other orders for payment of money; to sign acceptances, notes or other evidences of indebtedness; to enter into contract; or to execute and deliver other documents and instruments. The Board may designate this duty to the Executive Director.

Section 10.04 Books and Records to be Kept: The Corporation shall keep at its principal office in the District of Columbia correct and complete books and records of account, as well as minutes of the proceedings of the Board of Directors and any committee having any of the authority of the Board, including: (1) correct and complete books and records of financial accounts, (2) minutes of the proceedings of the meetings of the Board of Trustees, Executive Committee and any other committees established or appointed by CAIR, and (3) an updated record of the names and addresses of the members of the National Council. The Board may designate this duty to the Executive Director.

Section 10.05 Amendment of Articles and By-Laws. The Articles of Incorporation may be amended, by an affirmative vote of not less than 2/3 of the directors then in office. These By-Laws may be altered, amended or repealed by an affirmative vote of not less than 2/3 of the directors then in office.

Section 10.06 Indemnification and Insurance. Unless otherwise prohibited by law, the Corporation shall indemnify any director or officer, any former director or officer, any person who may have served at its request as a director or officer of another corporation, whether for profit or not for profit. The corporation may, by resolution of the Board of Directors, indemnify any employee against any and all expenses and liabilities actually and necessarily incurred by him or imposed on him in connection with any claim, action, suit, or proceeding (whether actual or threatened, civil, criminal, administrative, or investigative, including appeals) to which he may be or is made a party by reason of being or having been such director, officer, or employee. However, that there shall be no indemnification in relation to matters as to which he shall be adjudged in such claim, action, suit, or proceeding to be guilty of a criminal offense or liable to the Corporation for damages arising out of his own negligence or misconduct in the performance of a duty to the Corporation.

Amounts paid in indemnification of expenses and liabilities may include, but shall not be limited to, counsel fees and other fees; costs and disbursements; and judgments, fines, and penalties against, and amounts paid in settlement by, such director, officer or employee. The Corporation may advance expenses to, or where appropriate may itself, at its expense, undertake the defense of, any director, officer, or employee; provided, however, that such director, officer or employee shall undertake to repay or to reimburse such expense if it should be ultimately determined that he is not entitled to indemnification under this Article.

The provisions of this Article shall be applicable to claims, actions, suits, or proceedings made or commenced after the adoption hereof, whether arising from acts or omissions to act occurring before or after adoption hereof.

The indemnification provided by this Article shall not be deemed exclusive of any other rights to which such director, officer, or employee may be entitled under any statute, By-Law, agreement, vote of the Board of Directors, or otherwise and shall not restrict the power of the Corporation to make any indemnification permitted by law.

Section 10.07 Use of Terms: As used herein, words in any gender shall be deemed to include the other genders and the singular shall be deemed to include the plural, and vice versa.

Section 10.08 Severability: If any provision of these Bylaws shall be held invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions of these Bylaws shall not be impaired thereby, nor shall the validity, legality or enforceability of any such defective provision be in any way affected or impaired.

Section 10.09 Loans to Directors and Officers: No loans shall be made by CAIR to any of its Directors or other Officers.

Section 10.10 Dissolution: The Corporation may be dissolved at any time by an adopted resolution signed by not less than 2/3 of the Board of Directors. In the event of the dissolution of the Corporation, whether voluntary or involuntary or by operation of law, other than for purposes of reorganization, after payment of the debts of the Association, its property and assets shall be given to a charitable organization selected by the Board. After dissolution, the Board shall file or cause to be filed Articles of Dissolution and any other reports required under local or federal law.

Attachment to Form 1023
CAIR-Foundation, Inc.
EIN: 77-0646756

Exhibit C
Conflict of Interest Policy

Produced Subject to Protective Order

CONFLICT OF INTEREST POLICY

CAIR FOUNDATION, INC.

ARTICLE I

PURPOSE

The purpose of the conflict of interest policy is to protect the interest of CAIR Foundation, Inc. (the "Organization") when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or member of the Board of Directors ("Board") of the Organization or might result in a possible "excess benefit transaction" as defined in Section 4958 of the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations thereunder. This policy is intended to supplement but not replace any applicable District of Columbia, state and federal laws governing conflicts of interest applicable to nonprofit organizations. In addition, this policy is not intended to alter or replace the provisions covering acts of "self-dealing" as defined in Section 4941 of the Code and the Treasury Regulations thereunder.

ARTICLE II

DEFINITIONS

Section 1. Interested Person: Any director, principal officer, or member of a committee with Board delegated powers, who has a direct or indirect financial interest, as defined below, is an "Interested Person."

Section 2. Financial Interest: A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement;
- b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement;
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the Board or appropriate committee decides that a conflict of interest exists.

ARTICLE III

PROCEDURES

Section 1. Duty to Disclose: In connection with any actual or possible conflict of interest, an Interested Person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Board and members of committees with Board delegated powers considering the proposed transaction or arrangement.

Section 2. Determining Whether a Conflict of Interest Exists: After disclosure of the financial interest and all material facts, and after any discussion with the Interested Person, he/she shall leave the Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists. This is an objective determination of whether a conflict exists, not a vote on whether the potentially interested party is capable of unbiased judgment in the face of a conflict.

Section 3. Procedures for Addressing the Conflict of Interest:

- a. An Interested Person may make a presentation at the Board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The Chairperson of the Board or committee shall, if appropriate, appoint a person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the Board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested members of the Board or committee whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination the Board or committee shall make its decision as to whether to enter into the transaction or arrangement.

Section 4. Violations of the Conflicts of Interest Policy:

- a. If the Board or committee has reasonable cause to believe a person has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the person's response and after making further investigation as warranted by the circumstances, the Board or committee determines the person has failed to disclose

an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

ARTICLE IV

RECORDS OF PROCEEDINGS

The minutes of the Board and all committees with Board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

ARTICLE V

COMPENSATION

Section 1. A voting member of the Board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

Section 2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

Section 3. No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

ARTICLE VI

ANNUAL STATEMENTS

Each director, principal officer, and member of a committee with Board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflict of interest policy;

- b. Has read and understands the policy;
- c. Has agreed to comply with the policy; and
- d. Understands the Organization is charitable and educational and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

ARTICLE VII

PERIODIC REVIEWS

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investments or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, an excess benefit transaction, or an act of self-dealing.

ARTICLE VIII

USE OF OUTSIDE EXPERTS

When conducting the periodic reviews as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

Attachment to Form 1023
CAIR-Foundation, Inc.
EIN: 77-0646756

Exhibit D
Executive Compensation Policy

Produced Subject to Protective Order

EXECUTIVE AND OFFICER COMPENSATION POLICY

CAIR FOUNDATION, INC.

I. Authority

The Board of Directors (the “Board”) has the responsibility of approving and evaluating the compensation of key executives and paid officers of CAIR Foundation, Inc. (the “Organization”) to ensure that such compensation is reasonable and subject to a presumption of reasonableness under Sec. 4958 of the Internal Revenue Code of 1986, as amended, and Treasury Regulations thereunder. When a new executive or paid officer is hired, a draft employment contract must be submitted to the Board for review. This draft employment contract must include an explanation and basis of the proposed salary to be paid to the executive or officer.

II. Conflicts

If any member of the Board has, or believes that he or she has, a conflict of interest with respect to the compensation arrangement of a proposed executive or officer, such person must recuse himself or herself and should not take part in the compensation evaluation. A Board member has a conflict of interest if the member (i) is participating in or economically benefiting from the compensation arrangement, (ii) is a member of the family of any person with a conflict of interest under this section, (iii) is in an employment relationship subject to the direction or control of any person participating in or economically benefiting from the compensation arrangement, (iv) receives compensation or other payments subject to approval by any person participating in or economically benefiting from the compensation arrangement, (v) has a material financial interest affected by the compensation arrangement or property transfer, or (vi) approves a transaction providing economic benefits to any person participating in the compensation arrangement who, in turn, has approved or will approve a transaction providing economic benefits to the Board member.

III. Comparability Assessment

The Board will assess the proposed compensation for the executive or officer by looking at compensation amounts paid by similarly situated organizations for comparable positions. The Board will attempt to obtain compensation information from at least three other non-profit organizations that are comparable in size and offer the same or similar services as the Organization. In addition, the Board may obtain comparable compensation information from similarly situated taxable organizations, current compensation surveys compiled by independent firms, and actual written offers from similar organizations competing for the services of the individual at issue. The Board will compile and use this data to determine whether the proposed compensation for the executive or officer is competitive and reasonable. The proposed compensation for each executive or officer should be within the range provided by the comparable compensation information. Any approved compensation that is higher or lower than the range provided must have an adequate and documented justification.

IV. Record

The Board will document the basis of its determination regarding an executive or officer's compensation in the Board minutes concurrently with making its decision. Such documentation will include: (i) the terms of the compensation that was approved; (ii) the date of approval; (iii) the Board members who were present during evaluation and debate on the compensation that was approved and who voted; (iv) the comparability data that was obtained and relied upon by the Board and how that information was obtained; and (v) any actions taken with regard to the review of the compensation by any Board member(s) who had a conflict of interest in regards to the consideration of the proposed compensation. In addition, if the Board determines that the proposed compensation is higher or lower than the range of comparables obtained, the Board must record the basis of its determination as to why the proposed compensation is reasonable.

V. Subsequent Review

The Board will assess each proposed increase or raise in any executive or officer's compensation using the procedures described above for a new offer of employment.

Attachment to Form 1023
CAIR-Foundation, Inc.
EIN: 77-0646756

Exhibit E
Press Release for Scholarship Announcement

Produced Subject to Protective Order

CAIR Seeks Applicants for Rosa Parks Civil Liberties Scholarship Award to be presented Oct. 15 at 17th annual CAIR banquet in Arlington, Va.

(WASHINGTON, D.C., 7/6/2011) - The Council on American-Islamic Relations (CAIR) is seeking applicants for its annual scholarship honoring the life and work of civil rights pioneer Rosa Parks.

This year's awardee of the annual \$1,000 "Rosa Parks Civil Liberties Scholarship" will be announced at CAIR's 17th annual banquet on Saturday, October 15 in Arlington, Va. A day-long leadership skills training conference is scheduled to precede the banquet on Saturday.

The application deadline for the scholarship is September 23, 2011. A printable version of the application can be found here:

http://www.cair.com/Portals/0/pdf/Rosa_Parks_Scholarship_Application_2011.pdf

Applicants must be enrolled in, or accepted by, a full-time undergraduate, graduate or professional program of an accredited college or university in the United States majoring in a field that promotes civil rights, social justice or the peaceful resolution of conflicts. They must have a grade point average of 3.0 or above for undergraduate students or 3.5 or above for graduate students.

The applicants must also have a demonstrated interest in civil liberties issues. Preference will be given to applicants with past employment or volunteer experiences indicating such interest.

All applicants must submit two letters of recommendation and an essay demonstrating knowledge of the civil rights movement and how it relates to the American Muslim experience.

CAIR is America's largest Muslim civil liberties and advocacy organization. Its mission is to enhance the understanding of Islam, encourage dialogue, protect civil liberties, empower American Muslims, and build coalitions that promote justice and mutual understanding.

Attachment to Form 1023
CAIR-Foundation, Inc.
EIN: 77-0646756

Exhibit F
Scholarship Application Form

Produced Subject to Protective Order



Council on American-Islamic Relations

453 New Jersey Ave S.E.

Washington, D.C. 20003

Tel: 202 488 8787 Fax: 202 488 0833

E-mail: info@cair.com URL: www.cair.com

Rosa Parks Civil Liberties Scholarship

1. Applicants must be enrolled in, or accepted by, a full-time undergraduate (12 or more credit hours), graduate (9 or more credit hours), or professional program of an accredited university in the United States majoring in a field that promotes civil rights, social justice and/or the peaceful resolution of conflicts.
2. Applicants must have a demonstrated interest in issues related to civil rights, social justice and/or the peaceful resolution of conflicts.
3. Preference will be given to applicants with past employment or volunteer experiences relating to civil rights, social justice and/or the peaceful resolution of conflicts.
4. Preference will be given to those with a professional career goal of serving in fields that promote to civil rights, social justice and/or the peaceful resolution of conflicts.
5. Applicant's intended use of the scholarship funds will be considered, with preference for uses that contribute directly to his or her academic and professional development.
6. Applicants must have a grade point average of 3.0 or above for undergraduate students or 3.5 or above for graduate students. Applicants, by applying, are authorizing the scholarship committee to review their academic files. An official transcript must be included with the application. High school transcripts will be required if the applicant has been accepted by a recognized university.
7. Considerable weight will be given to the applicant's ability to convey creative ideas through a well-organized, clear and thoughtful essay dealing with some aspect of civil rights, social justice or the peaceful resolution of conflicts. The essay must be typed, single-spaced, and three to five pages in length. Preference is given to an essay that is written specifically for this application, rather than a previously written class paper. The essay should demonstrate knowledge of the civil rights movement and how it relates to the American Muslim experience. The essay should also blend personal insight with the discussion of a relevant issue.
8. The strength of the applicant's two letters of recommendation will be an important part of the evaluation.
9. Application deadline is **5pm September 23, 2011**. The application form must be completed and accompany a 3-5 page essay (Arial or New Times Roman, font 12, double spaced). E-mail: banquet@cair.com or by mail to "Scholarship Committee," CAIR, 453 New Jersey Ave SE, Washington, D.C. 20003
10. Two letters of recommendation are required. They should be on reference's official letterhead, if applicable, or they may be submitted on plain white stationery. References should include the following points:

- How long and in what capacity have you known the applicant?
- Eligibility reasons for the candidate for this scholarship.
- Other comments relating to the candidate's participation and/or knowledge of civil rights, social justice and/or peaceful conflict resolution.

Each recommendation letter must contain the reference's name and applicable contact information, including telephone number. They must be sealed with applicant's name on the outside of envelope and attached to the completed application (if emailing, please scan clearly and attach with remainder of application).

Application Review Procedure

1. The CAIR Scholarship Committee will review all complete applications received by or before the due date.
2. Applications will be rated using the following criteria and weighted scores:
 - Past experience (volunteer or paid) in the civil rights field (20 points)
 - Professional Career Goals (5 points)
 - Plans for use of award funds (5 points)
 - Grade point average (15 points)
 - References (15 points)
 - Essay (40 points)
3. A telephone interview with the applicant may be requested.

SCHOLARSHIP PAYMENT

The Scholarship will be awarded in one installment at the 17th Annual Banquet in Arlington, Va. Awardee must be present to accept receipt of the check. CAIR will cover the travel cost of the awardee to the event and 1 night stay if necessary.



CAIR

ROSA PARKS SCHOLARSHIP APPLICATION FORM

First Name:

Last Name:

Email:

Address:

City:

State:

Zip Code:

Phone Number: --

College /University Name and Address:

Please enter your GPA: Please attach latest marks transcript with the application

GPA * (based on a 4.0 scale, ex. 3.5, 3.0)

Date of Birth:

MM / DD / YYYY

Gender:

Male Female

A minimum of two references are required to verify education and experience

1. Reference Name Phone

Email :

2. Reference Name Phone

Email :

3. Reference Name Phone

Email :

Deadline for application is 5p.m. **September 23, 2011**. This form must accompany a 3-5 page essay and letters of recommendation for application to be considered. E-mail: banquet@cair.com or mail to "Scholarship Committee," CAIR, 453 New Jersey Ave SE, Washington, D.C. 20003

Form **5768**

**Election/Revocation of Election by an Eligible
Section 501(c)(3) Organization To Make
Expenditures To Influence Legislation**

(Rev. September 2009)

Department of the Treasury
Internal Revenue Service

(Under Section 501(h) of the Internal Revenue Code)

For IRS
Use Only ▶

Name of organization

CAIR-Foundation, Inc.

Employer identification number

77 0646756

Number and street (or P.O. box no., if mail is not delivered to street address)

50 E Street SE

Room/suite

City, town or post office, and state

Washington, DC 20003

ZIP + 4

1 Election—As an eligible organization, we hereby elect to have the provisions of section 501(h) of the Code, relating to expenditures to influence legislation, apply to our tax year ending 2011 and all subsequent tax years until revoked. (Month, day, and year)

Note: This election must be signed and postmarked within the first taxable year to which it applies.

2 Revocation—As an eligible organization, we hereby revoke our election to have the provisions of section 501(h) of the Code, relating to expenditures to influence legislation, apply to our tax year ending _____ (Month, day, and year)

Note: This revocation must be signed and postmarked before the first day of the tax year to which it applies.

Under penalties of perjury, I declare that I am authorized to make this (check applicable box) election revocation on behalf of the above named organization.

[Signature]
(Signature of officer or trustee)

Executive Director
(Type or print name and title)

8/8/2011
(Date)

General Instructions

Section references are to the Internal Revenue Code.

Section 501(c)(3) states that an organization exempt under that section will lose its tax-exempt status and its qualification to receive deductible charitable contributions if a substantial part of its activities are carried on to influence legislation. Section 501(h), however, permits certain eligible section 501(c)(3) organizations to elect to make limited expenditures to influence legislation. An organization making the election will, however, be subject to an excise tax under section 4911 if it spends more than the amounts permitted by that section. Also, the organization may lose its exempt status if its lobbying expenditures exceed the permitted amounts by more than 50% over a 4-year period. For any tax year in which an election under section 501(h) is in effect, an electing organization must report the actual and permitted amounts of its lobbying expenditures and grass roots expenditures (as defined in section 4911(c)) on its annual return required under section 6033. See Part II-A of Schedule C (Form 990 or Form 990-EZ). Each electing member of an affiliated group must report these amounts for both itself and the affiliated group as a whole.

To make or revoke the election, enter the ending date of the tax year to which the election or revocation applies in item **1** or **2**, as applicable, and sign and date the form in the spaces provided.

Eligible organizations. A section 501(c)(3) organization is permitted to make the election if it is not a disqualified organization (see below) and is described in:

1. Section 170(b)(1)(A)(ii) (relating to educational institutions),
2. Section 170(b)(1)(A)(iii) (relating to hospitals and medical research organizations),
3. Section 170(b)(1)(A)(iv) (relating to organizations supporting government schools),
4. Section 170(b)(1)(A)(vi) (relating to organizations publicly supported by charitable contributions),
5. Section 509(a)(2) (relating to organizations publicly supported by admissions, sales, etc.), or
6. Section 509(a)(3) (relating to organizations supporting certain types of public charities other than those section 509(a)(3) organizations that support section 501(c)(4), (5), or (6) organizations).

Disqualified organizations. The following types of organizations are not permitted to make the election:

- a. Section 170(b)(1)(A)(i) organizations (relating to churches),

- b. An integrated auxiliary of a church or of a convention or association of churches, or
- c. A member of an affiliated group of organizations if one or more members of such group is described in **a** or **b** of this paragraph.

Affiliated organizations. Organizations are members of an affiliated group of organizations only if (1) the governing instrument of one such organization requires it to be bound by the decisions of the other organization on legislative issues, or (2) the governing board of one such organization includes persons (i) who are specifically designated representatives of another such organization or are members of the governing board, officers, or paid executive staff members of such other organization, and (ii) who, by aggregating their votes, have sufficient voting power to cause or prevent action on legislative issues by the first such organization.

For more details, see section 4911 and section 501(h).

Note. A private foundation (including a private operating foundation) is not an eligible organization.

Where to file. Mail Form 5768 to the Department of the Treasury, Internal Revenue Service Center, Ogden, UT 84201-0027.

Form **1120**
Department of the Treasury
Internal Revenue Service

U.S. Corporation Income Tax Return

For calendar year 2010 or tax year

beginning MAY 17, 2010, ending DECEMBER 31, 2010

2010

A Check if:

- 1a Consolidated return (attach Form 851)
- b Life/nonlife consolidated return
- 2 Personal holding co. (attach Sch. PH)
- 3 Personal service corp. (see instructions)
- 4 Schedule M-3 attached

Print or type

Name
CAIR-FOUNDATION, INC

Number, street, and room or suite no. If a P.O. box, see instructions.
453 NEW JERSEY AVE SE

City or town, state, and ZIP code
WASHINGTON, DC 20003

B Employer identification number
77-0646756

C Date incorporated
02/15/2005

D Total assets (see instructions)
\$ 658,893.

E Check if: (1) Initial return (2) Final return (3) Name change (4) Address change

Income	1 a Gross receipts or sales	2,379,541.	b Less returns and allowances		c Bal	2,379,541.
	2 Cost of goods sold (Schedule A, line 8)				2	
	3 Gross profit. Subtract line 2 from line 1c				3	2,379,541.
	4 Dividends (Schedule C, line 19)				4	
	5 Interest				5	
	6 Gross rents				6	
	7 Gross royalties				7	
	8 Capital gain net income (attach Schedule D (Form 1120))				8	
	9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)				9	
	10 Other income (attach schedule)	SEE STATEMENT 2			10	4,778.
	11 Total income. Add lines 3 through 10				11	2,384,319.

Deductions (See instructions for limitations on deductions.)	12 Compensation of officers (Schedule E, line 4)			12	27,850.
	13 Salaries and wages (less employment credits)			13	708,225.
	14 Repairs and maintenance			14	
	15 Bad debts			15	
	16 Rents			16	98,701.
	17 Taxes and licenses	SEE STATEMENT 3		17	58,591.
	18 Interest			18	
	19 Charitable contributions			19	
	20 Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562)			20	7,473.
	21 Depletion			21	
	22 Advertising			22	
	23 Pension, profit-sharing, etc., plans			23	22,308.
	24 Employee benefit programs			24	70,868.
	25 Domestic production activities deduction (attach Form 8903)			25	
	26 Other deductions (attach schedule)	SEE STATEMENT 4		26	796,249.
	27 Total deductions. Add lines 12 through 26			27	1,790,265.
	28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11			28	594,054.
29 Less: a Net operating loss deduction		29a			
b Special deductions (Schedule C, line 20)		29b			
29c					

Tax, Refundable Credits, and Payments	30 Taxable income. Subtract line 29c from line 28 (see instructions)		30	594,054.
	31 Total tax (Schedule J, line 10)		31	201,978.
	32 a 2009 overpayment credited to 2010	32a		
	b 2010 estimated tax payments	32b		
	c 2010 refund applied for on Form 4466	32c		
	d Bal	32d		
	e Tax deposited with Form 7004	32e		
	f Credits: (1) Form 2439 (2) Form 4136	32f		
	g Refundable credits from Form 3800, line 19c, and Form 8827, line 8c	32g		
	32h			
33 Estimated tax penalty (see instructions). Check if Form 2220 is attached		33	2,589.	
34 Amount owed. If line 32h is smaller than the total of lines 31 and 33, enter amount owed		34	204,567.	
35 Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid		35		
36 Enter amount from line 35 you want: Credited to 2011 estimated tax Refunded		36		

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: _____ **NIHAD AWAD** Title: _____

May the IRS discuss this return with the preparer shown below? Yes No

Paid Preparer Use Only

Print/type preparer's name: **G. F. JOEY MUSMAR, CPA** Preparer's signature: _____ Date: **09/15/12** Check if self-employed PTIN: **P00176506**

Firm's name: **MILLER MUSMAR, PC** Firm's EIN: **52-2010201**

Firm's address: **12353 SUNRISE VALLEY DR, SUITE A RESTON, VA 20191** Phone no.: **703-437-8877**

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	
2	Purchases	2	
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	
6	Total. Add lines 1 through 5	6	
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	

9 a Check all methods used for valuing closing inventory:

(i) Cost

(ii) Lower of cost or market

(iii) Other (Specify method used and attach explanation.) ▶

b Check if there was a writedown of subnormal goods ▶

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO 9d

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? Yes No
If "Yes," attach explanation

Schedule C Dividends and Special Deductions (see instructions)

	(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)	70	
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)	80	
3	Dividends on debt-financed stock of domestic and foreign corporations	see instructions	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	42	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	48	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs	70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs	80	
8	Dividends from wholly owned foreign subsidiaries	100	
9	Total. Add lines 1 through 8		
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958	100	
11	Dividends from affiliated group members	100	
12	Dividends from certain FSCs	100	
13	Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12		
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)		
15	Foreign dividend gross-up		
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3		
17	Other dividends		
18	Deduction for dividends paid on certain preferred stock of public utilities		
19	Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4		
20	Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b		

Schedule E Compensation of Officers (see instructions for page 1, line 12)
Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
NIHAD A. HAMMAD	474-06-0492	100	.00%		27,850.
2	Total compensation of officers				27,850.
3	Compensation of officers claimed on Schedule A and elsewhere on return				
4	Subtract line 3 from line 2. Enter the result here and on page 1, line 12				27,850.

Schedule J Tax Computation (see instructions)			
1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))	▶ <input type="checkbox"/>	
2	Income tax. Check if a qualified personal service corporation (see instructions)	▶ <input type="checkbox"/>	201,978.
3	Alternative minimum tax (attach Form 4626)		
4	Add lines 2 and 3		201,978.
5a	Foreign tax credit (attach Form 1118)	5a	
5b	Credit from Form 8834, line 29	5b	
5c	General business credit (attach Form 3800)	5c	
5d	Credit for prior year minimum tax (attach Form 8827)	5d	
5e	Bond credits from Form 8912	5e	
6	Total credits. Add lines 5a through 5e	6	
7	Subtract line 6 from line 4	7	201,978.
8	Personal holding company tax (attach Schedule PH (Form 1120))	8	
9	Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Form 8902 <input type="checkbox"/> Other (attach schedule)	9	
10	Total tax. Add lines 7 through 9. Enter here and on page 1, line 31	10	201,978.

Schedule K Other Information (see instructions)			
1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶		Yes No
2	See the instructions and enter the:		
a	Business activity code no. ▶ 813000		
b	Business activity ▶ CHARITY CONSULTING		
c	Product or service ▶ CHARITY CONSULTING		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsiary controlled group? If "Yes," enter name and EIN of the parent corporation ▶		X
4	At the end of the tax year:		
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G)		X
b	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G)		X
5	At the end of the tax year, did the corporation:		
a	Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851, Affiliations Schedule? For rules of constructive ownership, see instructions If "Yes," complete (i) through (iv).		X

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

JWA

Form 1120 (2010)

Schedule K Continued

b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions **Yes** **No**
 If "Yes," complete (i) through (iv). **X**

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital

6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) **Yes** **No**
 If "Yes," file **Form 5452**, Corporate Report of Nondividend Distributions.
 If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary. **X**

7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of the corporation's stock entitled to vote or (b) the total value of all classes of the corporation's stock? **Yes** **No**
 For rules of attribution, see section 318. If "Yes," enter:
 (i) Percentage owned ▶ _____ and (ii) Owner's country ▶ _____
 (c) The corporation may have to file **Form 5472**, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ▶ _____ **X**

8 Check this box if the corporation issued publicly offered debt instruments with original issue discount
 If checked, the corporation may have to file **Form 8281**, Information Return for Publicly Offered Original Issue Discount Instruments.

9 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ _____

10 Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶ _____

11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here
 If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.

12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a.) ▶ \$ _____

13 Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000? **Yes** **No**
 If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 5. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶ \$ _____ **X**

14 Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement (see instructions)? **Yes** **No**
 If "Yes," complete and attach Schedule UTP. **X**

JWA

Form **1120** (2010)

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash		295,587.		630,492.
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts	()		()	
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities				
6	Other current assets (att. sch.) STMT 6		24,793.		15,225.
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (att. sch.)				
10a	Buildings and other depreciable assets	30,470.		32,094.	
b	Less accumulated depreciation	(11,445.)	19,025.	(18,918.)	13,176.
11a	Depletable assets				
b	Less accumulated depletion	()		()	
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization	()		()	
14	Other assets (att. sch.)				
15	Total assets		339,405.		658,893.
Liabilities and Shareholders' Equity					
16	Accounts payable				
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (att. sch.) STMT 7		2,874.		51,790.
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (att. sch.) STMT 8		1,272,770.		949,608.
22	Capital stock: a Preferred stock				
	b Common stock				
23	Additional paid-in capital				
24	Retained earnings - Appropriated (attach schedule)				
25	Retained earnings - Unappropriated		-936,239.		-342,505.
26	Adjustments to shareholders' equity (attach schedule)				
27	Less cost of treasury stock	()		()	
28	Total liabilities and shareholders' equity		339,405.		658,893.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return				
Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more - see instructions				
1	Net income (loss) per books	593,734.	7	Income recorded on books this year not included on this return (itemize):
2	Federal income tax per books			Tax-exempt interest \$ _____
3	Excess of capital losses over capital gains			_____
4	Income subject to tax not recorded on books this year (itemize): _____			
5	Expenses recorded on books this year not deducted on this return (itemize):		8	Deductions on this return not charged against book income this year (itemize):
a	Depreciation			a Depreciation
b	Charitable contributions			b Charitable contributions
c	Travel and entertainment	320.		_____
		320.		
6	Add lines 1 through 5	594,054.	9	Add lines 7 and 8
			10	Income (page 1, line 28) - line 6 less line 9
				594,054.

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)				
1	Balance at beginning of year	-936,239.	5	Distributions: a Cash
2	Net income (loss) per books	593,734.		b Stock
3	Other increases (itemize): _____			c Property
			6	Other decreases (itemize): _____
			7	Add lines 5 and 6
4	Add lines 1, 2, and 3	-342,505.	8	Balance at end of year (line 4 less line 7)
				-342,505.

Form **2220**

Underpayment of Estimated Tax by Corporations

OMB No. 1545-0142

Department of the Treasury
Internal Revenue Service

▶ See separate instructions.
▶ Attach to the corporation's tax return.

2010

Name **CAIR-FOUNDATION, INC** Employer identification number **77-0646756**

Note: Generally, the corporation is not required to file Form 2220 (see Part II below for exceptions) because the IRS will figure any penalty owed and bill the corporation. However, the corporation may still use Form 2220 to figure the penalty. If so, enter the amount from page 2, line 38 on the estimated tax penalty line of the corporation's income tax return, but **do not** attach Form 2220.

Part I Required Annual Payment			
1	Total tax (see instructions)	1	201,978.
2a	Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 1	2a	
2b	Look-back interest included on line 1 under section 460(b)(2) for completed long-term contracts or section 167(g) for depreciation under the income forecast method	2b	
2c	Credit for federal tax paid on fuels (see instructions)	2c	
2d	Total. Add lines 2a through 2c	2d	
3	Subtract line 2d from line 1. If the result is less than \$500, do not complete or file this form. The corporation does not owe the penalty	3	201,978.
4	Enter the tax shown on the corporation's 2009 income tax return (see instructions). Caution: If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 3 on line 5	4	
5	Required annual payment. Enter the smaller of line 3 or line 4. If the corporation is required to skip line 4, enter the amount from line 3	5	201,978.

Part II Reasons for Filing - Check the boxes below that apply. If any boxes are checked, the corporation **must** file Form 2220 even if it does not owe a penalty (see instructions).

- 6 The corporation is using the adjusted seasonal installment method.
- 7 The corporation is using the annualized income installment method.
- 8 The corporation is a "large corporation" figuring its first required installment based on the prior year's tax.

Part III Figuring the Underpayment

	(a)	(b)	(c)	(d)
9 Installment due dates. Enter in columns (a) through (d) the 15th day of the 4th (Form 990-PF filers: Use 5th month), 6th, 9th, and 12th months of the corporation's tax year	09/15/2010	12/15/2010		
10 Required installments. If the box on line 6 and/or line 7 above is checked, enter the amounts from Sch A, line 38. If the box on line 8 (but not 6 or 7) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% of line 5 above in each column.	100,989.	100,989.		
11 Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 11 on line 15				
Complete lines 12 through 18 of one column before going to the next column.				
12 Enter amount, if any, from line 18 of the preceding column				
13 Add lines 11 and 12				
14 Add amounts on lines 16 and 17 of the preceding column		100,989.		
15 Subtract line 14 from line 13. If zero or less, enter -0-				
16 If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0-		100,989.		
17 Underpayment. If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18	100,989.	100,989.		
18 Overpayment. If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column				

Go to Part IV on page 2 to figure the penalty. Do not go to Part IV if there are no entries on line 17 - no penalty is owed.

JWA For Paperwork Reduction Act Notice, see separate instructions. Form 2220 (2010)

Part IV Figuring the Penalty

	(a)	(b)	(c)	(d)
19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions). (Form 990-PF and Form 990-T filers: Use 5th month instead of 3rd month.)	STATEMENT 9			
20 Number of days from due date of installment on line 9 to the date shown on line 19	20			
21 Number of days on line 20 after 4/15/2010 and before 7/1/2010	21			
22 Underpayment on line 17 x $\frac{\text{Number of days on line 21} \times 4\%}{365}$	22 \$	\$	\$	\$
23 Number of days on line 20 after 06/30/2010 and before 10/1/2010	23			
24 Underpayment on line 17 x $\frac{\text{Number of days on line 23} \times 4\%}{365}$	24 \$	\$	\$	\$
25 Number of days on line 20 after 9/30/2010 and before 1/1/2011	25			
26 Underpayment on line 17 x $\frac{\text{Number of days on line 25} \times 4\%}{365}$	26 \$	\$	\$	\$
27 Number of days on line 20 after 12/31/2010 and before 4/1/2011	27			
28 Underpayment on line 17 x $\frac{\text{Number of days on line 27} \times 3\%}{365}$	28 \$	\$	\$	\$
29 Number of days on line 20 after 3/31/2011 and before 7/1/2011	29			
30 Underpayment on line 17 x $\frac{\text{Number of days on line 29} \times \%}{365}$	30 \$	\$	\$	\$
31 Number of days on line 20 after 6/30/2011 and before 10/01/2011	31			
32 Underpayment on line 17 x $\frac{\text{Number of days on line 31} \times \%}{365}$	32 \$	\$	\$	\$
33 Number of days on line 20 after 9/30/2011 and before 1/1/2012	33			
34 Underpayment on line 17 x $\frac{\text{Number of days on line 33} \times \%}{365}$	34 \$	\$	\$	\$
35 Number of days on line 20 after 12/31/2011 and before 2/16/2012	35			
36 Underpayment on line 17 x $\frac{\text{Number of days on line 35} \times \%}{366}$	36 \$	\$	\$	\$
37 Add lines 22, 24, 26, 28, 30, 32, 34, and 36	37 \$	\$	\$	\$
	1,798.	791.		
38 Penalty. Add columns (a) through (d) of line 37. Enter the total here and on Form 1120; line 33; or the comparable line for other income tax returns	38 \$			\$
				2,589.

* Use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS website at www.irs.gov. You can also call 1-800-829-4933 to get interest rate information.

Form **4562**
 Department of the Treasury
 Internal Revenue Service (99)
 Name(s) shown on return

Depreciation and Amortization
 (Including Information on Listed Property) **OTHER**
 ▶ See separate instructions. ▶ Attach to your tax return.

OMB No. 1545-0172

2010
 Attachment
 Sequence No. **67**

CAIR-FOUNDATION, INC

OTHER DEPRECIATION

77-0646756

Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	500,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	2,000,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2009 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2011. Add lines 9 and 10, less line 12	▶ 13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year	14	812.
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	51.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2010	17	6,502.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here	<input type="checkbox"/>	

Section B - Assets Placed in Service During 2010 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		812.	5 YRS.	HY	200DB	108.
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		39 yrs.	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2010 Tax Year Using the Alternative Depreciation System

20a	Class life				S/L	
b	12-year		12 yrs.		S/L	
c	40-year	/	40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	7,473.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No **24b** If "Yes," is the evidence written? Yes No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
--	-------------------------------------	--	-------------------------------	--	---------------------------	------------------------------	----------------------------------	---------------------------------------

25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use **25**

26 Property used more than 50% in a qualified business use:

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
	:	%						
	:	%						
	:	%						

27 Property used 50% or less in a qualified business use:

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
	:	%				S/L -		
	:	%				S/L -		
	:	%				S/L -		

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 **28**

29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 **29**

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
30 Total business/investment miles driven during the year (do not include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2010 tax year:	:				
	:				
43 Amortization of costs that began before your 2010 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report					44

2010 DEPRECIATION AND AMORTIZATION REPORT

OTHER DEPRECIATION

OTHER

Asset No.	Description	Date Acquired	Method	Life	Conv	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	Reduction In Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
	BUILDINGS														
5	LEASEHOLD IMPROVEMENTS	01/01/07	SL	39.00		MM16	3,388.				3,388.	649.		51.	700.
	* OTHER TOTAL BUILDINGS						3,388.				3,388.	649.		51.	700.
	FURNITURE & FIXTURES														
1	FURNITURE AND FIXTURES	01/01/07	200DB	7.00		HY17	1,545.				1,545.	725.		156.	881.
	* OTHER TOTAL FURNITURE & FIXTURES						1,545.				1,545.	725.		156.	881.
	MACHINERY & EQUIPMENT														
2	COMPUTER - HARDWARE	01/01/07	200DB	5.00		HY17	18,162.				18,162.	3,884.		6,346.	10,230.
3	COMPUTER- SOFTWARE	01/01/07	200DB	3.00		HY17	7,374.				7,374.	6,187.		0.	6,187.
4	COMPUTER - HARDWARE	07/08/10	200DB	5.00		HY19B	1,624.			812.	812.			920.	108.
	* OTHER TOTAL MACHINERY & EQUIPMENT						27,160.			812.	26,348.	10,071.		7,266.	16,525.
	* GRAND TOTAL OTHER DEPRECIATION						32,093.			812.	31,281.	11,445.		7,473.	18,106.
	CURRENT YEAR ACTIVITY														
	BEGINNING BALANCE						30,469.		0.	0.	30,469.	11,445.			17,998.
	ACQUISITIONS						1,624.		0.	812.	812.	0.			108.
	DISPOSITIONS						0.		0.	0.	0.	0.			0.
	ENDING BALANCE						32,093.		0.	812.	31,281.	11,445.			18,106.

028111
05-01-10

(D) - Asset disposed

* ITC, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone

FOOTNOTES

STATEMENT 1

CAIR-FOUNDATION, INC IS FILING AN 1120 TAX RETURN FOR THE FIRST TIME DUE TO THE REASON THAT THE EXEMPT STATUS WAS REVOKED BY THE IRS EFFECTIVE 05/17/2010.

Produced Subject to Protective Order

FORM 1120 OTHER INCOME STATEMENT 2

DESCRIPTION	AMOUNT
OTHER INCOME	4,778.
TOTAL TO FORM 1120, LINE 10	4,778.

FORM 1120 TAXES AND LICENSES STATEMENT 3

DESCRIPTION	AMOUNT
BUSINESS LICENSE	233.
PAYROLL TAXES	58,358.
TOTAL TO FORM 1120, LINE 17	58,591.

FORM 1120 OTHER DEDUCTIONS STATEMENT 4

DESCRIPTION	AMOUNT
BANK CHARGES	25.
COMMISSIONS	8,740.
CONSULTANTS	59,441.
DUES AND SUBSCRIPTION EXPENSES	5,801.
FUNDRAISING EXPENSE	24,591.
INSURANCE EXPENSE	9,322.
INTERNET EXPENSES	39,741.
INTERNSHIP STIPEND	9,462.
MEALS AND ENTERTAINMENT	320.
MEETINGS	2,946.
OFFICE EXPENSES	32,246.
OUTREACH	12,971.
POSTAGE	36,749.
PRINTING AND PUBLICATIONS	42,870.
PROFESSIONAL FEES	285,511.
PUBLIC RELATIONS	97,424.
TELEPHONE AND UTILITIES	28,822.
TRAVEL EXPENSES	99,267.
TOTAL TO FORM 1120, LINE 26	796,249.

TAX COMPUTATION

STATEMENT 5

1.	TAXABLE INCOME	594,054
2.	LESSER OF LINE 1 OR FIRST BRACKET AMOUNT . .	50,000
3.	LINE 1 LESS LINE 2	544,054
4.	LESSER OF LINE 3 OR SECOND BRACKET AMOUNT . .	25,000
5.	LINE 3 LESS LINE 4	519,054
6.	INCOME SUBJECT TO 34% TAX RATE	519,054
7.	INCOME SUBJECT TO 35% TAX RATE	0
8.	15 PERCENT OF LINE 2	7,500
9.	25 PERCENT OF LINE 4	6,250
10.	34 PERCENT OF LINE 6	176,478
11.	35 PERCENT OF LINE 7	0
12.	ADDITIONAL 5% SURTAX.	11,750
13.	ADDITIONAL 3% SURTAX	0
14.	TOTAL INCOME TAX	<u>201,978</u>

SCHEDULE L		OTHER CURRENT ASSETS		STATEMENT	6
DESCRIPTION		BEGINNING OF TAX YEAR	END OF TAX YEAR		
ADVANCES AND DEPOSITS		15,075.	15,225.		
PREPAID SIMPLE IRA		9,218.			
DUE FROM TENA QURESHI		500.			
TOTAL TO SCHEDULE L, LINE 6		24,793.	15,225.		

SCHEDULE L		OTHER CURRENT LIABILITIES		STATEMENT	7
DESCRIPTION		BEGINNING OF TAX YEAR	END OF TAX YEAR		
PAYROLL LIABILITIES			13,856.		
PAYROLL TAX LIABILITY		2,874.	2,296.		
ACCRUED EXPENSES			35,638.		
TOTAL TO SCHEDULE L, LINE 18		2,874.	51,790.		

SCHEDULE L		OTHER LIABILITIES		STATEMENT	8
DESCRIPTION		BEGINNING OF TAX YEAR	END OF TAX YEAR		
AMEX CREDIT CARD PAYABLE		13,425.	8,325.		
DUE TO CAIR		1,259,345.	941,283.		
TOTAL TO SCHEDULE L, LINE 21		1,272,770.	949,608.		

FORM 2220 COMPUTATION OF UNDERPAYMENT PENALTY STATEMENT 9

Q T R	EVENT AMOUNT TYPE	*	REMAINING UNDERPAYMENT	PERIOD OF UNDERPAYMENT	DAYS	INT RATE	AMOUNT OF PENALTY	
A	Q		100,989.	09/15/2010 12/31/2010	107	4.00%	1,184.	
	R		100,989.	12/31/2010 03/15/2011	74	3.00%	614.	
B	Q		100,989.	12/15/2010 12/31/2010	16	4.00%	177.	
	R		100,989.	12/31/2010 03/15/2011	74	3.00%	614.	
TOTAL TO FORM 2220, LINE 38								2,589.

EVENT TYPE: Q = AMOUNT UNDERPAID AT START OF QUARTER
 P = PAYMENT
 W = WITHHOLDING
 R = INTEREST RATE CHANGE
 L = SWITCH TO OR FROM A LEAP YEAR

Government of the District of Columbia

2010 D-20 SUB Corporation Franchise Tax Return



Federal Employer I.D. Number
770646756

Number of business locations
In the District: 1 Outside the District: 0

100200311019
SOFTWARE DEVELOPER USE ONLY
VENDOR ID# 1019

Name of corporation
CAIR-FOUNDATION, INC

Tax period ending (MMYY)
1210

Business mailing address #1
453 NEW JERSEY AVE SE
Business mailing address #2

Mark if:
AMENDED RETURN
CERTIFIED QHTC
CONSOLIDATED RETURN
FINAL RETURN

City
WASHINGTON

State ZIP code
DC 20003

• READ INSTRUCTIONS BEFORE PREPARING RETURN
(To allocate Non-Business items, see instructions.)

Enter dollar amounts only. If amount is zero, leave line blank.
If minus, enter amount and mark X in space.

GROSS INCOME

1	Gross receipts, minus returns and allowances	1	\$	2379541	.00
2	Cost of goods sold (from D-20 Schedule A) and/or operations <i>Attach statement</i>	2	\$		.00
3	Gross profit from sales and/or operations <i>Line 1 minus Line 2</i>	3	\$	2379541	.00
4	Dividends <i>From Form D-20, Schedule B</i>	4	\$		.00
5	Interest <i>Attach statement</i>	5	\$		.00
6	Gross rental income from D-20, Schedule I	6	\$		.00
7	Gross royalties <i>Attach statement</i>	7	\$		.00
8	(a) Net capital gain <i>Attach copy of federal Form 1120, Schedule D</i>	8(a)	\$		.00
	(b) Ordinary gain (loss) from Part II, federal Form 4797 <i>Attach copy of completed Form 4797</i>	8(b)	\$		.00
9	Other income (loss) <i>Attach statement</i> SEE STATEMENT 1	9	\$	4778	.00
10	Total gross income <i>Add Lines 3 - 9</i>	10	\$	2384319	.00

DEDUCTIONS

11	Compensation of officers <i>From Form D-20, Schedule C</i>	11	\$	27850	.00
12	Salaries and wages	12	\$	708225	.00
13	Repairs	13	\$		.00
14	Bad debts	14	\$		.00
15	Rent	15	\$	98701	.00
16	Taxes <i>From Form D-20, Schedule D</i>	16	\$	58591	.00
17	(a) Interest payments			.00	
	(b) Minus nondeductible payments to related entities	17c	\$	.00	.00
18	Contributions and/or gifts <i>Attach statement</i>	18	\$		.00
19	Amortization <i>Attach copy of your Federal Form 4562</i>	19	\$		.00
20	Depreciation <i>Attach copy of your Federal Form 4562</i> SEE STATEMENT 2 <i>Do not include any additional federal sec. 179 expenses or bonus depreciation.</i>	20	\$	6770	.00
21	Depletion <i>Attach statement</i>	21	\$		.00
22	(a) Enter royalty payments made			.00	
	(b) Minus nondeductible payments to related entities	22c	\$	.00	.00

Taxpayer Name: CAIR-FOUNDATION, INC



100200321019

Federal Employer I.D. Number: 770646756

Enter dollar amounts only

23	Pension, profit-sharing plans	Mark if minus	23	\$	22,308.00
24	Other deductions <i>Attach statement</i>	SEE STATEMENT 3	24	\$	867117.00
25	Total deductions <i>Add Lines 11 - 24</i>		25	\$	1789562.00
26	Net income <i>Line 10 minus Line 25</i>	Mark if minus	26	\$	594757.00
27	Net operating loss deduction <i>(For years before 2000)</i>		27	\$	.00
28	Net income after net operating loss deduction <i>Line 26 minus Line 27</i>	Mark if minus	28	\$	594757.00
29	(a) Non-business income <i>Attach statement</i>	Mark if minus	29a	\$	.00
	(b) Expense related to non-business income <i>Attach statement</i>		29b	\$	.00
	(c) 29(a) minus 29(b)	Mark if minus	29c	\$	.00
30	Net income subject to apportionment <i>Line 28 minus 29(c)</i>	Mark if minus	30	\$	594757.00
31	DC apportionment factor <i>from Form D-20, Schedule F, col. 3, line 5</i>		31		1.000000
32	Net income from trade or business apportioned to DC	Mark if minus	32	\$	594757.00
	<i>Line 30 amount multiplied by Line 31 factor.</i>				
33	Portion of Line 29(c) attributable to DC <i>Attach statement</i>	Mark if minus	33	\$	0.00
34	Total taxable income <i>before</i> apportioned NOL deduction	Mark if minus	34	\$	594757.00
	<i>Line 32 plus or minus Line 33</i>				
35	Apportioned NOL deduction <i>(Losses occurring in year 2000 and later)</i>		35	\$	.00
36	Total District taxable income <i>Line 34 plus or minus Line 35</i>	Mark if minus	36	\$	594757.00
37	TAX 9.975% of Line 36. <i>If less than \$100, enter required minimum of \$100</i>		37	\$	59327.00
38	Minus nonrefundable credits from Schedule UB, Line 6		38	\$	.00
39	Net Tax (may not be less than \$100)	* INCLUDES D-2220 PENALTY	39	\$	63175.00
40	Payments and Refundable Credits:				
	(a) Tax paid <i>if any, with request for an extension of time to file or paid with original return if this is an amended return</i>		40a	\$	.00
	(b) 2010 estimated franchise tax payments		40b	\$	.00
	(c) Refundable credits from Schedule UB, Line 9		40c	\$	.00
41	Add Lines 40(a), (b) and (c)		41	\$	.00
42	Tax due <i>If Line 39 amount is larger, subtract Line 41 from Line 39</i>		42	\$	63175.00
	<i>Will this payment come from an account outside the U.S.? Yes No <input checked="" type="checkbox"/> See instructions</i>				
43	Overpayment <i>If Line 41 amount is larger, subtract Line 39 from Line 41</i>		43	\$	.00
44	Amount you want to apply to your 2011 estimated franchise tax		44	\$	.00
45	Amount to be refunded <i>Line 43 minus Line 44</i>		45	\$	.00
	<i>Will this refund go to an account outside the U.S.? Yes No See instructions</i>				

TAX - PAYMENTS AND CREDITS

Payment due return - make payment payable to the D.C. Treasurer. Include your FEIN, "D-20" and tax year on your payment and attach it to the D-2030P voucher. Mail return and payment to the Office of Tax and Revenue, PO Box 679, Washington, DC 20044-0679

Refund or no payment due return - mail return to the Office of Tax and Revenue, PO Box 221, Washington, DC 20044-0221. Your return is due by the 15th day of the third month following the close of the tax year.

Under penalties of law, I declare that I have examined this return and, to the best of my knowledge, it is correct. Declaration of paid preparer is based on the information available to the preparer.

043411 02-02-11

PLEASE SIGN HERE PAID PREPARER ONLY

Officer's signature	NIHAD AWAD	Title	Date	7038514051	Telephone number of person to contact
Preparer's signature (if other than taxpayer)	09/15/12	Date	MUSMAR, G F JOEY	Firm name	Firm address
Preparer's FEIN, SSN or PTIN	P00176506				

If you want to allow the preparer to discuss this return with the Office of Tax and Revenue, mark here

Schedule A - Cost of Goods Sold (See specific instructions for Line 2.)		Schedule B - Dividends (See specific instructions for Line 4.)	
1. Inventory at beginning of year	\$	NAME AND ADDRESS OF DECLARING CORPORATION	AMOUNT
2. Merchandise bought for manufacture or sale			\$
3. Salaries and wages			
4. (Additional federal bonus deprec. is not allowable.)			
5. Total	\$		
6. Minus: Inventory at end of tax year			
7. Cost of goods sold (Enter here and on D-20, Line 2.)	\$		
Method of inventory valuation:			
		Total Dividends	\$
		Minus deduction for Subpart F Income.	
		Minus deduction for dividends received from wholly-owned subsidiary	
		TOTAL (Enter here and on D-20, Line 4.)	\$

Schedule C - Compensation of officers (See specific instructions for Line 11.)						
Col. 1 Name, Address and SSN of Officer	Col. 2 Official Title	Col. 3 Percent of Time Devoted to Business	Percent of Corporation Stock Owned		Col. 6 Amount of Compensation	Col. 7 Expense Account Allowances
			Col. 4 Common	Col. 5 Preferred		
NIHAD A. HAMMAD	OFFICER	100 %	.00%		\$ 27850.	\$
5005 COLUMBIA RD						
474-06-0492						
		%	%	%		
		%	%	%		
		%	%	%		
TOTAL COMPENSATION OF OFFICERS (Enter here and on D-20, Line 11.)					\$ 27850.	

Schedule D - Taxes (See specific instructions for Line 16.)			
EXPLANATION	AMOUNT	EXPLANATION	AMOUNT
PAYROLL TAXES	\$ 58358.		\$
BUSINESS LICENSE	233.		
TOTAL (Enter here and on D-20, Line 16.)			\$ 58591.

Schedule E - Reconciliation of the net income reported on Federal and DC returns			
1. Taxable income before net operating loss deduction and special deductions (page 1 of your Federal corporate return).	\$ 594054.	7. Total District taxable income reported (from D-20, Line 36).	\$ 594757.
UNALLOWABLE DEDUCTIONS AND ADDITIONAL INCOME		NON-TAXABLE INCOME AND ADDITIONAL DEDUCTIONS	
2. Income taxes (see specific instructions for line 16).		8. Net income apportioned or allocated to outside DC.	
3. DC income taxes and franchise taxes imposed by DC Revenue Act of 1947, as amended.		9. Other non-taxable income and additional deductions including NOL (itemize):	
4. Interest on obligations of states, territories of the U.S. or any Political Subdivision thereof.		(a) _____	
5. Other unallowable deductions and additional income (itemize, include additional federal bonus depreciation and additional IRC § 179 expenses).		(b) _____	
(a) ADDITIONAL			
(b) DEPRECIATION DUE TO 179/BONUS	703.		
6. TOTAL of Lines 1-5.	\$ 594757.	10. TOTAL of Lines 7, 8 and 9.	\$ 594757.

CAIR-FOUNDATION, INC
77-0646756



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Schedule F - DC Apportionment Factor (See instructions.)

Round cents to the nearest dollar.
If an amount is zero, leave the line blank.

Carry all factors to six decimal places.

	Column 1 TOTAL	Column 2 in DC	Column 3 Factor (Col. 2 divided by Column 1.)
1. PROPERTY FACTOR: Average value of real estate and tangible personal property owned or rented to and used by the corporation. (Financial institutions do not complete this item.) \$	.00	\$.00	.00
2. PAYROLL FACTOR: Total compensation paid or accrued by the corporation. \$	.00	\$.00	.00
3. SALES FACTOR: All gross receipts of the corporation other than gross receipts from non-business income. \$	.00	\$.00	.00
4. SUM OF FACTORS: (Add Column 3 entries.)			
5. DC APPORTIONMENT FACTOR: Line 4 divided by 3 if there are 3 denominators. If fewer than 3 entries in col. 1, divide Line 4 by the actual number. Note: Financial institutions use a two-factor formula and divide Line 4 by 2. (Enter the factor here and on D-20, Line 31.)			

Schedule G - Balance Sheets

Beginning of Taxable Year

End of Taxable Year

	(A) Amount	(B) Total	(A) Amount	(B) Total
ASSETS				
1. Cash		295,587.		630,492.
2. Trade notes and accounts receivable (a) MINUS: Allowance for bad debts				
3. Inventories				
4. Gov't obligations: (a) U.S. and its instrumentalities (b) States, subdivisions thereof, etc				
5. Other current assets (attach statement) STATEMENT 4		24,793.		15,225.
6. Loans to stockholders				
7. Mortgage and real estate loans				
8. Other investments (attach statement)				
9. Buildings and other fixed depreciable assets (a) MINUS: Accumulated depreciation	30,470. 11,445.	19,025.	32,094. 18,918.	13,176.
10. Depletable assets (a) MINUS: Accumulated depletion				
11. Land (net of any amortization)				
12. Intangible assets (amortizable only) (a) MINUS: Accumulated amortization				
LIABILITIES AND CAPITAL				
13. Other assets (attach statement)				
14. TOTAL ASSETS		339,405.		658,893.
15. Accounts payable				
16. Mortgages, notes, bonds payable in less than 1 year				
17. Other current liabilities (attach statement) STATEMENT 5		2,874.		51,790.
18. Loans from stockholders				
19. Mortgages, notes, bonds payable in 1 year or more				
20. Other liabilities (attach statement) STATEMENT 6		1,272,770.		949,608.
21. Capital stock: (a) Preferred stock (b) Common stock				
22. Paid-in or capital surplus (attach statement)				
23. Retained earnings - Appropriated (attach statement)				
24. Retained earnings - Unappropriated		-936,239.		-342,505.
25. MINUS: Cost of treasury stock				
26. TOTAL LIABILITIES AND CAPITAL		339,405.		658,893.

043421 01-19-11

CAIR-FOUNDATION, INC

77-0646756

Page 5

Schedule H-1 - Reconciliation of Income (Loss) per Books With Income (Loss) per Return

1. Net income per books	\$ 593,734.	7. Income recorded on books this year and not included in this return (itemize). Tax-exempt interest \$	\$
2. Federal income tax			
3. Excess of capital losses over capital gains			
4. Taxable income not recorded on books this year (itemize)			
5. Expenses recorded on books this year and not deducted on this return (itemize). (a) Depreciation \$ (b) Depletion \$		8. Deductions on this tax return and not charged against book income this year (itemize). (a) Depreciation \$ (b) Depletion \$	
STMT 8 320.	320.	9. TOTAL of Lines 7 and 8	\$
6. TOTAL of Lines 1 through 5	\$ 594,054.	10. Taxable Income (federal Form 1120, page 1, line 28 should equal Line 6 minus Line 9 of this Schedule.)	\$ 594,054.

Schedule H-2 - Analysis of Unappropriated Retained Earnings per Books

1. Balance at beginning of year	\$ -936,239.	5. Distributions: (a) Cash (b) Stock (c) Property	\$
2. Net income per books	593,734.	6. Other decreases (itemize).	
3. Other increases (itemize)			
4. TOTAL of Lines 1, 2 and 3	\$ -342,505.	7. TOTAL of Lines 5 and 6	\$
		8. Balance at end of year (Line 4 minus Line 7)	\$ -342,505.

Schedule I - Income from Rent

Col. 1 Address of Property	Col. 2 Kind of Property	Col. 3 Gross Amount of Rent	Col. 4 Depreciation* or Amortization (Per Federal Form 4562)	Col. 5 Repairs (Explain in Sch. I-1)	Col. 6 Taxes, Interest and other Expenses* (Explain in Sch. I-1)
1.		\$	\$	\$	\$
2.					
3.					
4.					
5.					
6.					
7. TOTAL (Enter the total of Col. 3, minus columns 4, 5 and 6, on D-20, Line 6.)		\$	\$	\$	\$

*excludes federal 30% and 50% bonus depreciation and additional IRC §179 expenses deductions.

Schedule I-1 - Explanation of deductions claimed in Columns 5 and 6 of Schedule I.

Column No.	Explanation	Amount	Column No.	Explanation	Amount
		\$			\$

CAIR-FOUNDATION, INC

77-0646756

Supplemental Information

1. STATE OR COUNTRY OF INCORPORATION DC	2.(a) DATE OF INCORPORATION 02/15/2005	2.(b) DATE BUSINESS BEGAN IN DC	3. IRS SERVICE CENTER WHERE FEDERAL RETURN WAS FILED FOR PERIOD COVERED BY THIS RETURN:
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4. THE CORPORATION'S BOOKS ARE IN THE CARE OF - CAIR-FOUNDATION INC	5. LOCATED AT - DC 20003
---	---------------------------------

6. During 2010, has the Internal Revenue Service made or proposed any adjustments to your federal income tax return, or did you file any amended returns with the IRS?
 YES NO If you have already provided OTR with a detailed statement, enter the date it was sent. MM/DD/YYYY

If "YES", please submit separately a detailed statement, unless previously submitted, to the address shown on page 7 under Amended returns.

7. Is this corporation affiliated with a partnership or another corporation? YES NO If yes, explain:

8. Is this return made on the accrual basis? YES NO If no, indicate basis used: Cash Basis Other (specify)

9. Did you file a franchise tax return with DC for the year 2009? YES NO If no, state reason:

10. Did you withhold DC income tax from wages paid to your DC resident employees during 2010? YES NO If no, state reason:

11. Did you file annual information returns, federal forms 1096 and 1099, relating to payment of dividends and interest for 2010? YES NO

12. (a) Has the business been terminated? YES NO If yes, explain and give date:
 (b) Have you moved out of DC? YES NO

DC FORM D-20 OTHER INCOME STATEMENT 1

DESCRIPTION	AMOUNT
OTHER INCOME	4,778.
TOTAL TO FORM D-20, PAGE 1, LINE 9	4,778.

DC FORM D-20 DEPRECIATION STATEMENT 2

DESCRIPTION	AMOUNT
DEPRECIATION FROM FORM 1120, LINE 21B	7,473.
DEPRECIATION ADJUSTMENT DUE TO 179/BONUS	-703.
TOTAL TO FORM D-20, PAGE 1, LINE 20	6,770.

DC FORM D-20 OTHER DEDUCTIONS STATEMENT 3

DESCRIPTION	AMOUNT
BANK CHARGES	25.
COMMISSIONS	8,740.
CONSULTANTS	59,441.
DUES AND SUBSCRIPTION EXPENSES	5,801.
FUNDRAISING EXPENSE	24,591.
INSURANCE EXPENSE	9,322.
INTERNET EXPENSES	39,741.
INTERNSHIP STIPEND	9,462.
MEALS AND ENTERTAINMENT	320.
MEETINGS	2,946.
OFFICE EXPENSES	32,246.
OUTREACH	12,971.
POSTAGE	36,749.
PRINTING AND PUBLICATIONS	42,870.
PROFESSIONAL FEES	285,511.
PUBLIC RELATIONS	97,424.
TELEPHONE AND UTILITIES	28,822.
TRAVEL EXPENSES	99,267.
EMPLOYEE BENEFIT PROGRAMS	70,868.
TOTAL TO FORM D-20, PAGE 2, LINE 24	867,117.

DC SCHEDULE G	OTHER CURRENT ASSETS	STATEMENT	4
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR	
ADVANCES AND DEPOSITS	15,075.	15,225.	
PREPAID SIMPLE IRA	9,218.		
DUE FROM TENA QURESHI	500.		
TOTAL TO SCHEDULE G, LINE 5	24,793.	15,225.	

DC SCHEDULE G	OTHER CURRENT LIABILITIES	STATEMENT	5
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR	
PAYROLL LIABILITIES		13,856.	
PAYROLL TAX LIABILITY	2,874.	2,296.	
ACCRUED EXPENSES		35,638.	
TOTAL TO SCHEDULE G, LINE 17	2,874.	51,790.	

DC SCHEDULE G	OTHER LIABILITIES	STATEMENT	6
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR	
AMEX CREDIT CARD PAYABLE	13,425.	8,325.	
DUE TO CAIR	1,259,345.	941,283.	
TOTAL TO SCHEDULE G, LINE 20	1,272,770.	949,608.	

FOOTNOTES	STATEMENT	7
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CAIR-FOUNDATION, INC IS FILING AN 1120 TAX RETURN FOR THE FIRST TIME DUE TO THE REASON THAT THE EXEMPT STATUS WAS REVOKED BY THE IRS EFFECTIVE 05/17/2010.

DC SCHEDULE H-1	EXPENSES RECORDED ON BOOKS NOT DEDUCTED IN RETURN	STATEMENT	8
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DESCRIPTION	AMOUNT
TRAVEL AND ENTERTAINMENT	320.
TOTAL TO SCHEDULE H-1, LINE 5	320.

Government of the District of Columbia
Office of Tax and Revenue

2010 D-2220 Underpayment of Estimated Franchise Tax By Businesses

IMPORTANT: Please read the instructions before completing this form

Business Name (from your D-20 or D-30 return)
CAIR-FOUNDATION, INC

Person to contact if there are questions
CAIR-FOUNDATION INC

Your Federal Employer Identification Number (FEIN) or
770646756

Social Security Number (SSN)

Daytime telephone number

No penalty is due and this form should not be filed if:

- A. Your tax liability on taxable income after deducting DC applicable credits and estimated tax payments is less than \$1000, or
- B. You have made the required periodic DC estimated franchise tax payments and the total is equal to or more than 100% of last year's taxes or 90% of the current year's taxes. Note: in order to use the prior year 100% exception, you must have filed a DC franchise tax return last year and you must have been in business in DC for the entire year.

Computation of Underpayment

1 2010 DC franchise tax liability from Forms D-20, Line 37 or D-30, Line 37.	\$	59,327
2 Multiply the amount on Line 1 by 90% (.90).	\$	53,394
3 2009 DC franchise tax liability from Forms D-20, Line 37 or D-30, Line 37.	\$	
4 Minimum estimated tax requirement for tax year 2010 (lesser of lines 2 and 3).	\$	53,394
5 Multiply the amount on Line 4 by 25% (.25).	\$	13,349

Note: If your income was not evenly received over 4 periods, see instructions on the "Annualized Income" method.

	Due date of Payments			
Due dates shown are for calendar year; for fiscal year, use the 15th day of the 4th, 6th, 9th and 12th months after the end of the fiscal year.	1st Period 04/15/10	2nd Period 06/15/10	3rd Period 09/15/10	4th Period 12/15/10
6 Enter the amount from Line 5 or the annualized amount in each period (the 2nd period includes the 1st period amount, 3rd period includes the 1st and 2nd period amounts, the 4th period includes all period amounts). Check here <input type="checkbox"/> if you are using the "Annualized Income" method.	13,349	26,698	40,047	53,394
7 DC estimated taxes paid each period (the 2nd period includes the 1st period amount, 3rd period includes 1st and 2nd period amounts, the 4th period includes all period amounts).				
8 Underpayment each period (Line 6 minus Line 7).	13,349	26,698	40,047	53,394
9 Penalty Factors.	.0175	.0265	.0262	.0348
10 Line 8 multiplied by Line 9.	234	707	1,049	1,858
11 Penalty - Total of amounts from Line 10. Pay this amount. (See instructions).			\$	3,848

Revised 01/11

D-2220

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Form **4562**
 Department of the Treasury
 Internal Revenue Service (99)
 Name(s) shown on return

Depreciation and Amortization
 (Including Information on Listed Property) **OTHER**
 ▶ See separate instructions. ▶ Attach to your tax return.

OMB No. 1545-0172

2010
 Attachment
 Sequence No. **67**

CAIR-FOUNDATION, INC

OTHER DEPRECIATION

77-0646756

Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	500,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	2,000,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2009 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2011. Add lines 9 and 10, less line 12	▶ 13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year	14	812.
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	51.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2010	17	6,502.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here	<input type="checkbox"/>	

Section B - Assets Placed in Service During 2010 Tax Year Using the General Depreciation System

	(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a	3-year property						
b	5-year property		812.	5 YRS.	HY	200DB	108.
c	7-year property						
d	10-year property						
e	15-year property						
f	20-year property						
g	25-year property			25 yrs.		S/L	
h	Residential rental property	/		27.5 yrs.	MM	S/L	
		/		27.5 yrs.	MM	S/L	
i	Nonresidential real property	/		39 yrs.	MM	S/L	
		/			MM	S/L	

Section C - Assets Placed in Service During 2010 Tax Year Using the Alternative Depreciation System

20a	Class life					S/L	
b	12-year			12 yrs.		S/L	
c	40-year	/		40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	7,473.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No **24b** If "Yes," is the evidence written? Yes No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
--	-------------------------------------	--	-------------------------------	--	---------------------------	------------------------------	----------------------------------	---------------------------------------

25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use **25**

26 Property used more than 50% in a qualified business use:

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
	:	:	%					
	:	:	%					
	:	:	%					

27 Property used 50% or less in a qualified business use:

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
	:	:	%			S/L -		
	:	:	%			S/L -		
	:	:	%			S/L -		

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 **28**

29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 **29**

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
30 Total business/investment miles driven during the year (do not include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2010 tax year:	:	:			
	:	:			
43 Amortization of costs that began before your 2010 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report					44

Form **4562**
 Department of the Treasury
 Internal Revenue Service (99)
 Name(s) shown on return

Depreciation and Amortization
 (Including Information on Listed Property) **OTHER**
 ▶ See separate instructions. ▶ Attach to your tax return.

DC
 OMB No. 1545-0172
2010
 Attachment
 Sequence No. **67**

CAIR-FOUNDATION, INC **OTHER DEPRECIATION** **77-0646756**

Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	500,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	2,000,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2009 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2011. Add lines 9 and 10, less line 12	▶ 13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	51.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2010	17	6,502.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here	<input type="checkbox"/>	

Section B - Assets Placed in Service During 2010 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		1,624.	5 YRS.	HY	200DB	217.
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		39 yrs.	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2010 Tax Year Using the Alternative Depreciation System

20a	Class life				S/L	
b	12-year		12 yrs.		S/L	
c	40-year	/	40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	6,770.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No **24b** If "Yes," is the evidence written? Yes No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
--	-------------------------------------	--	-------------------------------	--	---------------------------	------------------------------	----------------------------------	---------------------------------------

25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use **25**

26 Property used more than 50% in a qualified business use:

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
	:	%						
	:	%						
	:	%						

27 Property used 50% or less in a qualified business use:

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
	:	%				S/L -		
	:	%				S/L -		
	:	%				S/L -		

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 **28**

29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 **29**

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
30 Total business/investment miles driven during the year (do not include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2010 tax year:	:				
	:				
43 Amortization of costs that began before your 2010 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report					44

Form **1120**
 Department of the Treasury
 Internal Revenue Service

U.S. Corporation Income Tax Return

For calendar year 2011 or tax year
 beginning JANUARY 1, 2011, ending AUGUST 8, 2011

2011

A Check if: 1a Consolidated return (attach Form 851) <input type="checkbox"/> b Life/nonlife consolidated return <input type="checkbox"/> 2 Personal holding co. (attach Sch. PH) <input type="checkbox"/> 3 Personal service corp. (see instructions) <input type="checkbox"/> 4 Schedule M-3 attached <input type="checkbox"/>	TYPE OR PRINT	Name CAIR-FOUNDATION, INC Number, street, and room or suite no. If a P.O. box, see instructions. 453 NEW JERSEY AVE SE City or town, state, and ZIP code WASHINGTON, DC 20003	B Employer identification number 77-0646756 C Date incorporated 02/15/2005 D Total assets (see instructions) \$ 148,950.
E Check if: (1) <input type="checkbox"/> Initial return (2) <input checked="" type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change			

Income	1a Merchant card and third-party payments. For 2011, enter -0- b Gross receipts or sales not reported on line 1a (see instructions) c Total. Add lines 1a and 1b d Returns and allowances plus any other adjustments (see instructions) e Subtract line 1d from line 1c 2 Cost of goods sold from Form 1125-A, line 8 (attach Form 1125-A) 3 Gross profit. Subtract line 2 from line 1e 4 Dividends (Schedule C, line 19) 5 Interest 6 Gross rents 7 Gross royalties 8 Capital gain net income (attach Schedule D (Form 1120)) 9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797) 10 Other income (attach schedule) SEE STATEMENT 2 11 Total income. Add lines 3 through 10	1a 0. 1b 509,963. 1c 509,963. 1d 1e 509,963. 2 3 509,963. 4 5 6 7 8 9 10 2,829. 11 512,792.	
Deductions (See instructions for limitations on deductions.)	12 Compensation of officers from Form 1125-E, line 4 (attach Form 1125-E) 13 Salaries and wages (less employment credits) 14 Repairs and maintenance 15 Bad debts 16 Rents 17 Taxes and licenses SEE STATEMENT 3 18 Interest 19 Charitable contributions 20 Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562) 21 Depletion 22 Advertising 23 Pension, profit-sharing, etc., plans 24 Employee benefit programs 25 Domestic production activities deduction (attach Form 8903) 26 Other deductions (attach schedule) SEE STATEMENT 4 27 Total deductions. Add lines 12 through 26 28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11 29a Net operating loss deduction (see instructions) b Special deductions (Schedule C, line 20) c Add lines 29a and 29b	12 13 388,872. 14 15 16 9,645. 17 39,432. 18 107. 19 20 5,904. 21 22 23 10,461. 24 41,361. 25 26 525,983. 27 1,109,265. 28 -596,473. 29a 29b 29c	
Tax, Refundable Credits, and Payments	30 Taxable income. Subtract line 29c from line 28 (see instructions) 31 Total tax (Schedule J, Part I, line 11) 32 Total payments and refundable credits (Schedule J, Part II, line 21) 33 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/> 34 Amount owed. If line 32 is smaller than the total of lines 31 and 33, enter amount owed 35 Overpayment. If line 32 is larger than the total of lines 31 and 33, enter amount overpaid 36 Enter amount from line 35 you want: Credited to 2012 estimated tax Refunded	30 -596,473. 31 0. 32 33 34 0. 35 36	

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	May the IRS discuss this return with the preparer shown below? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
G.F. JOEY MUSMAR, CPA	09/15/12	DIRECTOR	
Print/type preparer's name	Preparer's signature	Date	Check if self-employed <input type="checkbox"/> PTIN
G.F. JOEY MUSMAR, CPA	09/15/12	09/15/12	P00176506
Firm's name	Firm's EIN	Phone no.	
MILLER MUSMAR, PC	52-2010201	703-437-8877	
Firm's address			
12353 SUNRISE VALLEY DR, SUITE A RESTON, VA 20191			

Schedule C Dividends and Special Deductions (see instructions)	(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1 Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)		70	
2 Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)		80	
3 Dividends on debt-financed stock of domestic and foreign corporations		see instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities		42	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs		70	
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs		80	
8 Dividends from wholly owned foreign subsidiaries		100	
9 Total. Add lines 1 through 8			
10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11 Dividends from affiliated group members		100	
12 Dividends from certain FSCs		100	
13 Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12			
14 Income from controlled foreign corporations under subpart F (attach Form(s) 5471)			
15 Foreign dividend gross-up			
16 IC -DISC and former DISC dividends not included on lines 1, 2, or 3			
17 Other dividends			
18 Deduction for dividends paid on certain preferred stock of public utilities			
19 Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4			
20 Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b			

Schedule J Tax Computation and Payment (see instructions)

Part I - Tax Computation

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))	<input type="checkbox"/>	
2	Income tax. Check if a qualified personal service corporation (see instructions)	<input type="checkbox"/>	2 0.
3	Alternative minimum tax (attach Form 4626)		3
4	Add lines 2 and 3		4 0.
5a	Foreign tax credit (attach Form 1118)	5a	
b	Credit from Form 8834, line 30 (attach Form 8834)	5b	
c	General business credit (attach Form 3800)	5c	
d	Credit for prior year minimum tax (attach Form 8827)	5d	
e	Bond credits from Form 8912	5e	
6	Total credits. Add lines 5a through 5e		6
7	Subtract line 6 from line 4		7 0.
8	Personal holding company tax (attach Schedule PH (Form 1120))		8
9a	Recapture of investment credit (attach Form 4255)	9a	
b	Recapture of low-income housing credit (attach Form 8611)	9b	
c	Interest due under the look-back method-completed long-term contracts (attach Form 8697)	9c	
d	Interest due under the look-back method-income forecast method (attach Form 8866)	9d	
e	Alternative tax on qualifying shipping activities (attach Form 8902)	9e	
f	Other (see instructions - attach schedule)	9f	
10	Total. Add lines 9a through 9f		10
11	Total tax. Add lines 7, 8, and 10. Enter here and on page 1, line 31		11 0.

Part II - Payments and Refundable Credits

12	2010 overpayment credited to 2011	12	
13	2011 estimated tax payments	13	
14	2011 refund applied for on Form 4466	14	()
15	Combine lines 12, 13, and 14	15	
16	Tax deposited with Form 7004	16	
17	Withholding (see instructions)	17	
18	Total payments. Add lines 15, 16, and 17	18	
19	Refundable credits from:		
a	Form 2439	19a	
b	Form 4136	19b	
c	Form 3800, line 17c and Form 8827, line 8c	19c	
d	Other (attach schedule - see instructions)	19d	
20	Total credits. Add lines 19a through 19d	20	
21	Total payments and credits. Add lines 18 and 20. Enter here and on page 1, line 32	21	

Schedule K Other Information (see instructions)

1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶	Yes	No
2	See the instructions and enter the:		
a	Business activity code no. ▶ 813000		
b	Business activity ▶ CHARITY CONSULTING		
c	Product or service ▶ CHARITY CONSULTING		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If "Yes," enter name and EIN of the parent corporation ▶		X
4	At the end of the tax year:		
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G)		X
b	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G)		X

Form 1120 (2011)

Schedule K Other Information continued (see instructions)

	Yes	No
5 At the end of the tax year, did the corporation:		
a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851 , Affiliations Schedule? For rules of constructive ownership, see instructions		X
If "Yes," complete (i) through (iv) below.		

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions		X
If "Yes," complete (i) through (iv) below.		

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital

6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.)		X
If "Yes," file Form 5452 , Corporate Report of Nondividend Distributions.		
If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.		

7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of the corporation's stock entitled to vote or (b) the total value of all classes of the corporation's stock?		X
For rules of attribution, see section 318. If "Yes," enter:		

(i) Percentage owned and (ii) Owner's country

(c) The corporation may have to file **Form 5472**, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached

8 Check this box if the corporation issued publicly offered debt instruments with original issue discount		<input type="checkbox"/>
If checked, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments.		

9 Enter the amount of tax-exempt interest received or accrued during the tax year \$

10 Enter the number of shareholders at the end of the tax year (if 100 or fewer)

11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here		<input type="checkbox"/>
If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.		

12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a.) \$

13 Are the corporation's total receipts (line 1c plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000?		X
If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 5. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. <input type="text"/> \$		

14 Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement (see instructions)?		X
If "Yes," complete and attach Schedule UTP.		

15a Did the corporation make any payments in 2011 that would require it to file Form(s) 1099 (see instructions)?		X
---	--	----------

b If "Yes," did or will the corporation file all required Forms 1099?		X
--	--	----------

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash		630,492.		134,953.
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts	()		()	
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities				
6	Other current assets (att. sch.) STMT 5		15,225.		0.
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (att. sch.)				
10a	Buildings and other depreciable assets	32,094.		32,094.	
b	Less accumulated depreciation	(18,918.)	13,176.	(24,822.)	7,272.
11a	Depletable assets				
b	Less accumulated depletion	()		()	
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization	()		()	
14	Other assets (att. sch.) STMT 6				6,725.
15	Total assets		658,893.		148,950.
Liabilities and Shareholders' Equity					
16	Accounts payable				10,930.
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (att. sch.) STMT 7		51,790.		47,039.
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (att. sch.) STMT 8		949,608.		1,031,260.
22	Capital stock: a Preferred stock				
	b Common stock				
23	Additional paid-in capital				
24	Retained earnings - Appropriated (attach schedule)				
25	Retained earnings - Unappropriated		-342,505.		-940,279.
26	Adjustments to shareholders' equity (attach schedule)				
27	Less cost of treasury stock	()		()	
28	Total liabilities and shareholders' equity		658,893.		148,950.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more - see instructions

1	Net income (loss) per books	-597,774.	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books			Tax-exempt interest \$ _____	
3	Excess of capital losses over capital gains			_____	
4	Income subject to tax not recorded on books this year (itemize): _____		8	Deductions on this return not charged against book income this year (itemize):	
5	Expenses recorded on books this year not deducted on this return (itemize):			a Depreciation \$ _____	
	a Depreciation \$ _____			b Charitable contributions \$ _____	
	b Charitable contributions \$ _____			_____	
	c Travel and entertainment \$ 1,301.		9	Add lines 7 and 8	
		1,301.	10	Income (page 1, line 28) - line 6 less line 9	-596,473.
6	Add lines 1 through 5	-596,473.			

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1	Balance at beginning of year	-342,505.	5	Distributions: a Cash	
2	Net income (loss) per books	-597,774.		b Stock	
3	Other increases (itemize): _____			c Property	
	_____		6	Other decreases (itemize): _____	
	_____		7	Add lines 5 and 6	
4	Add lines 1, 2, and 3	-940,279.	8	Balance at end of year (line 4 less line 7)	-940,279.

Form **4562**
 Department of the Treasury
 Internal Revenue Service (99)
 Name(s) shown on return

Depreciation and Amortization
 (Including Information on Listed Property) **OTHER**
 ▶ See separate instructions. ▶ Attach to your tax return.

OMB No. 1545-0172
2011
 Attachment
 Sequence No. **179**
 Identifying number

CAIR-FOUNDATION, INC

OTHER DEPRECIATION

77-0646756

Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	500,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	2,000,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2010 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2012. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	51.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2011	17	5,853.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		<input type="checkbox"/>

Section B - Assets Placed in Service During 2011 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		39 yrs.	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2011 Tax Year Using the Alternative Depreciation System

20a	Class life				S/L	
b	12-year		12 yrs.		S/L	
c	40-year	/	40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	5,904.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No **24b** If "Yes," is the evidence written? Yes No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use..... 25								
26 Property used more than 50% in a qualified business use:								
	:	:	%					
	:	:	%					
	:	:	%					
27 Property used 50% or less in a qualified business use:								
	:	:	%			S/L -		
	:	:	%			S/L -		
	:	:	%			S/L -		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1								28
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1								29

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
30 Total business/investment miles driven during the year (do not include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2011 tax year:					
	:	:			
	:	:			
43 Amortization of costs that began before your 2011 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report					44

2011 DEPRECIATION AND AMORTIZATION REPORT

OTHER DEPRECIATION

OTHER

Asset No.	Description	Date Acquired	Method	Life	Conv	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	Reduction In Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
	BUILDINGS														
5	LEASEHOLD IMPROVEMENTS	01/01/07	SL	39.00		MM16	3,388.				3,388.	700.		51.	751.
	* OTHER TOTAL BUILDINGS						3,388.				3,388.	700.		51.	751.
	FURNITURE & FIXTURES														
1	FURNITURE AND FIXTURES	01/01/07	200DB	7.00		HY17	1,545.				1,545.	881.		136.	1,017.
	* OTHER TOTAL FURNITURE & FIXTURES						1,545.				1,545.	881.		136.	1,017.
	MACHINERY & EQUIPMENT														
2	COMPUTER - HARDWARE	01/01/07	200DB	5.00		HY17	18,162.				18,162.	10,230.		5,553.	15,783.
3	COMPUTER- SOFTWARE	01/01/07	200DB	3.00		HY17	7,374.				7,374.	6,187.		0.	6,187.
4	COMPUTER - HARDWARE	07/08/10	200DB	5.00		HY17	1,624.			812.	812.	108.		164.	272.
	* OTHER TOTAL MACHINERY & EQUIPMENT						27,160.			812.	26,348.	16,525.		5,717.	22,242.
	* GRAND TOTAL OTHER DEPRECIATION						32,093.			812.	31,281.	18,106.		5,904.	24,010.

FOOTNOTES

STATEMENT 1

CAIR-FOUNDATION, INC IS FILING AN 1120 TAX RETURN FOR THE PART YEAR DUE TO THE REASON THAT THE EXEMPT STATUS WAS REVOKED BY THE IRS EFFECTIVE 05/17/2010 AND THE SAME WAS RE-INSTATED BY IRS EFFECTIVE 08-09-2011.

Produced Subject to Protective Order

FORM 1120 OTHER INCOME STATEMENT 2

DESCRIPTION	AMOUNT
OTHER INCOME	2,829.
TOTAL TO FORM 1120, LINE 10	2,829.

FORM 1120 TAXES AND LICENSES STATEMENT 3

DESCRIPTION	AMOUNT
BUSINESS LICENSE	216.
PAYROLL TAXES	39,216.
TOTAL TO FORM 1120, LINE 17	39,432.

FORM 1120 OTHER DEDUCTIONS STATEMENT 4

DESCRIPTION	AMOUNT
BANK CHARGES	5.
COMMISSIONS	2,076.
CONSULTANTS	145,803.
DUES AND SUBSCRIPTION EXPENSES	4,551.
FUNDRAISING EXPENSE	4,787.
INSURANCE EXPENSE	330.
INTERNET EXPENSES	29,622.
MEALS AND ENTERTAINMENT MEETINGS	1,302.
OFFICE EXPENSES	19,923.
OUTREACH	21,358.
POSTAGE	19,418.
PRINTING AND PUBLICATIONS	15,272.
PROFESSIONAL FEES	64,151.
PUBLIC RELATIONS	71,501.
TELEPHONE AND UTILITIES	71,623.
TRAVEL EXPENSES	13,731.
TOTAL TO FORM 1120, LINE 26	40,530.
	525,983.

SCHEDULE L	OTHER CURRENT ASSETS	STATEMENT	5
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR	
PREPAID EXPENSES - PROF FEE	15,225.	0.	
TOTAL TO SCHEDULE L, LINE 6	15,225.	0.	

SCHEDULE L	OTHER ASSETS	STATEMENT	6
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR	
ADVANCES AND DEPOSITS		6,725.	
TOTAL TO SCHEDULE L, LINE 14		6,725.	

SCHEDULE L	OTHER CURRENT LIABILITIES	STATEMENT	7
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR	
ACCRUED EXPENSES	35,638.	27,975.	
PAYROLL LIABILITIES	13,856.	16,768.	
PAYROLL TAX LIABILITY	2,296.	2,296.	
TOTAL TO SCHEDULE L, LINE 18	51,790.	47,039.	

SCHEDULE L	OTHER LIABILITIES	STATEMENT	8
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR	
AMEX CREDIT CARD PAYABLE	8,325.	23,708.	
DUE TO CAIR	941,283.	1,007,399.	
OTHER LIABILITIES		153.	
TOTAL TO SCHEDULE L, LINE 21	949,608.	1,031,260.	

Government of the District of Columbia

2011 D-2030P SUB Payment Voucher

Instructions

Use the D-2030P Payment Voucher to make any payment due on your D-20 or D-30 return.

- Do not use this voucher to make estimated tax payments.
- Enter your Taxpayer Identification Number.
- Mark space based on the return type you file, D-20 or D-30 and whether you have a FEIN or SSN.
- Enter your business name and address exactly as shown on your return.
- Enter the taxable year ending for the return you are filing (month and year only).
- Enter the amount of your payment.
- Make your check or money order payable to DC Treasurer (do not send cash).
- Make sure your name and address appear on your payment (check or money order).
- Write your FEIN/SSN, tax period and either D-20 or D-30 on your payment.
- Staple your payment to the D-2030P Payment Voucher and mail with, but not attached to your tax return to the following:

Mail the D-2030P form with payment attached and your D-20 or D-30 tax return to:

Office of Tax and Revenue
 PO Box 679
 Washington, DC 20044-0679
 or

(Do not attach this voucher to your D-20 or D-30 return)

Notes:

- If you are filing a refund or no payment due return, do not use this D-2030P voucher. Visit www.taxpayerservicecenter.com
- If your liability exceeds \$10,000 in any period, you must pay electronically.
- For electronic filers, in order to comply with new banking rules, you will be asked the question "Will the funds for this payment come from an account outside of the United States". If the answer is yes, you will be required to pay by check or credit card. Please notify this agency if your response changes in the future. If your payment is rejected, you may be subject to the District's dishonored check fee and additional penalties and interest.

143181
10-19-11

Detach at perforation before mailing

Government of the District of Columbia

2011 D-2030P SUB Payment Voucher

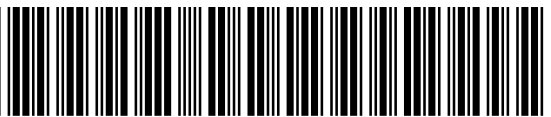
Taxpayer Identification Number **770646756** Mark if FEIN Mark if for a D-20 Return
 Mark if SSN Mark if for a D-30 Return

Business Name
CAIR FOUNDATION, INC

Mailing Address Line #1
453 NEW JERSEY AVE SE

Mailing Address Line #2

City
WASHINGTON



112300411019

SOFTWARE DEVELOPER USE ONLY

VENDOR ID# **1019**

Tax period ending (MMYY)
0811

State
DC

ZIP code + 4
20003

Amount submitted with this form \$ 250 .00

2011 D-2030P SUB P1

003493

Government of the District of Columbia

2011 D-20 SUB Corporation Franchise Tax Return



Federal Employer I.D. Number **770646756** Number of business locations **1**
 In the District: **1** Outside the District: **0**

110200311019
 SOFTWARE DEVELOPER USE ONLY
 VENDOR ID # **1019**

Name of corporation
CAIR-FOUNDATION, INC

Tax period ending (MMYY)
0811

Mark if:
 AMENDED RETURN
 CERTIFIED QHTC
 COMBINED RETURN
 FINAL RETURN

Business mailing address #1
453 NEW JERSEY AVE SE

Business mailing address #2

City
WASHINGTON

State ZIP code
DC 20003

Designated Agent Name

Designated Agent FEIN

• READ INSTRUCTIONS BEFORE PREPARING RETURN (To allocate Non-Business Items, see instructions.)

Enter dollar amounts only. If amount is zero, leave line blank, if minus, enter amount and fill in space.

GROSS INCOME

1	Gross receipts, minus returns and allowances	1	\$	509963.00
2	Cost of goods sold (from Form D-20 Schedule A) and/or operations Attach statement	2	\$	.00
3	Gross profit from sales and/or operations Line 1 minus Line 2	3	\$	509963.00
4	Dividends from Form D-20, Schedule B	4	\$	.00
5	Interest Attach statement	5	\$	.00
6	Gross rental income from D-20, Schedule I	6	\$	.00
7	Gross royalties Attach statement	7	\$	.00
8	(a) Net capital gain Attach copy of federal Form 1120, Schedule D	8(a)	\$	.00
	(b) Ordinary gain (loss) from Part II, federal Form 4797 Attach copy of completed Form 4797 SEE STATEMENT 1	8(b)	\$	.00
9	Other income (loss) Attach statement	9	\$	2829.00
10	Total gross income Add Lines 3 - 9	10	\$	512792.00

11	Compensation of officers from Form D-20, Schedule C	11	\$	87500.00
12	Salaries and wages	12	\$	388872.00
13	Repairs	13	\$	.00
14	Bad debts	14	\$	.00
15	Rent	15	\$	9645.00
16	Taxes From Form D-20, Schedule D	16	\$	39432.00

DEDUCTIONS

17	(a) Interest payments	107.00	STMT 2	
	(b) Minus nondeductible payments to related entities	.00	=	17(c) \$ 107.00
18	Contributions and/or gifts Attach statement			18 \$.00
19	Amortization Attach copy of your Federal Form 4562			19 \$.00
20	Depreciation Attach copy of your Federal Form 4562 Do not include any additional federal sec. 179 expenses or bonus depreciation.	SEE STATEMENT 3		20 \$ 6068.00
21	Depletion Attach statement			21 \$.00
22	(a) Enter royalty payments made	.00		
	(b) Minus nondeductible payments to related entities	.00	=	22(c) \$.00

Taxpayer Name: CAIR-FOUNDATION, INC



110200321019

Federal Employer I.D. Number: 770646756

Enter dollar amounts only

23	Pension, profit-sharing plans	Mark if minus	23	\$	10,461.00
24	Other deductions <i>Attach statement</i>		24	\$	567344.00
25	Total deductions <i>Add Lines 11 - 24</i>		25	\$	1109429.00
<hr/>					
26	Net income <i>Line 10 minus Line 25</i>	Mark if minus <input checked="" type="checkbox"/>	26	\$	596637.00
27	Net operating loss deduction (<i>For years before 2000</i>)		27	\$	.00
28	Net income after net operating loss deduction <i>Line 26 minus Line 27</i>	Mark if minus <input checked="" type="checkbox"/>	28	\$	596637.00
29	(a) Non-business income/state adjustment <i>Attach statement</i>	Mark if minus	29a	\$	.00
	(b) Expense related to non-business income <i>Attach statement</i>		29b	\$	.00
	(c) 29(a) minus 29(b)	Mark if minus	29c	\$	.00
30	Net income subject to apportionment <i>Line 28 minus Line 29(c)</i>	Mark if minus <input checked="" type="checkbox"/>	30	\$	596637.00
31	DC apportionment factor <i>from Form D-20, Schedule F, col. 3, line 6</i>		31	\$	1.000000.00
32	Net income from trade or business apportioned to DC <i>Line 30 amount multiplied by Line 31 factor</i>	Mark if minus <input checked="" type="checkbox"/>	32	\$	596637.00
33	Portion of Line 29(c) attributable to DC <i>Attach statement</i>	Mark if minus	33	\$	0.00
34	Total taxable income <i>before</i> apportioned NOL deduction <i>Line 32 plus or minus Line 33</i>	Mark if minus <input checked="" type="checkbox"/>	34	\$	596637.00
35	Apportioned NOL deduction (<i>Losses occurring in year 2000 and later</i>)		35	\$	.00
36	Total District taxable income <i>Line 34 minus Line 35</i>	Mark if minus <input checked="" type="checkbox"/>	36	\$	596637.00
37	TAX 9.975% of Line 36 <i>Minimum tax is \$250, unless DC gross receipts is greater than \$1M, then minimum tax is \$1,000</i>		37	\$	250.00
					SEE STATEMENT 5
<hr/>					
38	Minus nonrefundable credits from Schedule UB, Line 6		38	\$	.00
39	Net Tax See instructions for minimum requirements		39	\$	250.00
40	Payments and Refundable Credits:				
	(a) Tax paid if any, with request for an extension of time to file or paid with original return if this is an amended return		40a	\$	.00
	(b) 2011 estimated franchise tax payments		40b	\$	.00
	(c) Refundable credits from Schedule UB, Line 9		40c	\$	.00
41	Add Lines 40(a), (b) and (c)		41	\$	.00
42	Tax due <i>If Line 39 amount is larger, subtract Line 41 from Line 39</i>		42	\$	250.00
	<i>Will this payment come from an account outside the U.S.?</i> Yes No <input checked="" type="checkbox"/> See instructions				
43	Overpayment <i>If Line 41 amount is larger, subtract Line 39 from Line 41</i>		43	\$	.00
44	Amount you want to apply to your 2012 estimated franchise tax		44	\$	.00
45	Amount to be refunded <i>Line 43 minus Line 44</i>		45	\$	.00
	<i>Will this refund go to an account outside the U.S.?</i> Yes No See instructions				

Payment due return - make payment payable to the D.C. Treasurer. Include your F.E.I.N. "D-20" and tax year on your payment and attach it to the D-2030P voucher. Mail return and payment to the Office of Tax and Revenue, PO Box 679, Washington, DC 20044-0679

Refund or no payment due return - mail return to the Office of Tax and Revenue, PO Box 221, Washington, DC 20044-0221
Your return is due by the 15th day of the third month following the close of the tax year.

Under penalties of law, I declare that I have examined this return and, to the best of my knowledge, it is correct. Declaration of paid preparer is based on the information available to the preparer.

PLEASE SIGN HERE PAID PREPARER ONLY

_____ Officer's signature	DIRECTOR Title	_____ Date	7038514051 Telephone number of person to contact
_____ Preparer's signature (if other than taxpayer)	09/15/12 Date	MUSMAR, G F JOEY Firm name	_____ Firm address

Preparer's PTIN P00176506

If you want to allow the preparer to discuss this return with the Office of Tax and Revenue fill in here.

CAIR-FOUNDATION, INC
77-0646756



110200341019

Schedule F - DC Apportionment Factor (See instructions.)

Round cents to the nearest dollar.
If an amount is zero, leave the line blank.

Carry all factors to six decimal places.

	Column 1 TOTAL	Column 2 in DC	Column 3 Factor (Column 2 divided by Column 1.)
1. PROPERTY FACTOR: Average value of real estate and tangible personal property owned or rented to and used by the corporation. (Financial institutions do not complete this item.) \$	.00	\$.00	.00
2. PAYROLL FACTOR: Total compensation paid or accrued by the corporation. \$	.00	\$.00	.00
3. SALES FACTOR: All gross receipts of the corporation other than gross receipts from non-business income. \$	.00	\$.00	.00
4. SALES FACTOR: Enter factor from Column 3, Line 3			
5. SUM OF FACTORS: (Add Column 3 entries. Lines 1 through 4.)			
6. DC APPORTIONMENT FACTOR: Line 5 divided by 4 if there are 4 denominators. If fewer than 3 entries in Col. 1, divide Line 5 by the actual number of factors in Col. 3. Note: Financial institutions use a two-factor formula and divide Line 5 by 2. Enter the factor here and on D-20, Line 31.			

Schedule G - Balance Sheets

	Beginning of Taxable Year		End of Taxable Year	
	(A) Amount	(B) Total	(A) Amount	(B) Total
1. Cash		630,492.		134,953.
2. Trade notes and accounts receivable (a) MINUS: Allowance for bad debts				
3. Inventories				
4. Gov't obligations: (a) U.S. and its instrumentalities (b) States, subdivisions thereof, etc				
5. Other current assets (attach statement)	STATEMENT 6	15,225.		
6. Loans to stockholders				
7. Mortgage and real estate loans				
8. Other investments (attach statement)				
9. Buildings and other fixed depreciable assets	32,094.		32,094.	
(a) MINUS: Accumulated depreciation	18,918.	13,176.	24,822.	7,272.
10. Depletable assets (a) MINUS: Accumulated depletion				
11. Land (net of any amortization)				
12. Intangible assets (amortizable only) (a) MINUS: Accumulated amortization				
13. Other assets (attach statement)	STATEMENT 7			6,725.
14. TOTAL ASSETS		658,893.		148,950.
15. Accounts payable				10,930.
16. Mortgages, notes, bonds payable in less than 1 year				
17. Other current liabilities (attach statement)	STATEMENT 8	51,790.		47,039.
18. Loans from stockholders				
19. Mortgages, notes, bonds payable in 1 year or more				
20. Other liabilities (attach statement)	STATEMENT 9	949,608.		1,031,260.
21. Capital stock: (a) Preferred stock (b) Common stock				
22. Paid-in or capital surplus (attach statement)				
23. Retained earnings - Appropriated (attach statement)				
24. Retained earnings - Unappropriated		-342,505.		-940,279.
25. MINUS: Cost of treasury stock				
26. TOTAL LIABILITIES AND CAPITAL		658,893.		148,950.

CAIR-FOUNDATION, INC

77-0646756

Page 5

Schedule H-1 - Reconciliation of Income (Loss) per Books With Income (Loss) per Return

1. Net income per books	\$ -597,774.	7. Income recorded on books this year and not included in this return (itemize). Tax-exempt interest \$	\$
2. Federal income tax			
3. Excess of capital losses over capital gains			
4. Taxable income not recorded on books this year (itemize)			
5. Expenses recorded on books this year and not deducted on this return (itemize). (a) Depreciation \$ (b) Depletion \$		8. Deductions on this tax return and not charged against book income this year (itemize). (a) Depreciation ... \$ (b) Depletion \$	
STMT 11 1,301.	1,301.	9. TOTAL of Lines 7 and 8	\$
6. TOTAL of Lines 1 through 5	\$ -596,473.	10. Taxable Income (federal Form 1120, page 1, line 28 should equal Line 6 minus Line 9 of this Schedule.)	\$ -596,473.

Schedule H-2 - Analysis of Unappropriated Retained Earnings per Books

1. Balance at beginning of year	\$ -342,505.	5. Distributions: (a) Cash	\$
2. Net income per books	-597,774.	(b) Stock	
3. Other increases (itemize)		(c) Property	
		6. Other decreases (itemize)	
4. TOTAL of Lines 1, 2 and 3	\$ -940,279.	7. TOTAL of Lines 5 and 6	\$
		8. Balance at end of year (Line 4 minus Line 7)	\$ -940,279.

Schedule I - Income from Rent

Col. 1 Address of Property	Col. 2 Kind of Property	Col. 3 Gross Amount of Rent	Col. 4 Depreciation* or Amortization (Per Federal Form 4562)	Col. 5 Repairs (Explain in Sch. I-1)	Col. 6 Taxes, Interest and other Expenses* (Explain in Sch. I-1)
1.		\$	\$	\$	\$
2.					
3.					
4.					
5.					
6.					
7. TOTAL	(Enter the total of Col. 3, minus columns 4, 5 and 6, on D-20, Line 6.)	\$	\$	\$	\$

*excludes federal 30% and 50% bonus depreciation and additional IRC §179 expenses deductions.

Schedule I-1 - Explanation of deductions claimed in Columns 5 and 6 of Schedule I.

Column No.	Explanation	Amount	Column No.	Explanation	Amount
		\$			\$

CAIR-FOUNDATION, INC

77-0646756

Supplemental Information

1. STATE OR COUNTRY OF INCORPORATION DC	2.(a) DATE OF INCORPORATION 02/15/2005	2.(b) DATE BUSINESS BEGAN IN DC	3. IRS SERVICE CENTER WHERE FEDERAL RETURN WAS FILED FOR PERIOD COVERED BY THIS RETURN:
--	---	---------------------------------	---

4. THE CORPORATION'S BOOKS ARE IN THE CARE OF - CAIR-FOUNDATION INC	5. LOCATED AT - DC 20003
---	---------------------------------

6. During 2011, has the Internal Revenue Service made or proposed any adjustments to your federal income tax return, or did you file any amended returns with the IRS?
 YES NO If "YES", please submit separately a detailed statement, unless previously submitted, to the address shown on page 7 under Amended returns.
 If you have already provided OTR with a detailed statement, enter the date it was sent. MM/DD/YYYY

7. Is this corporation affiliated with a partnership or another corporation? YES NO If yes, explain:

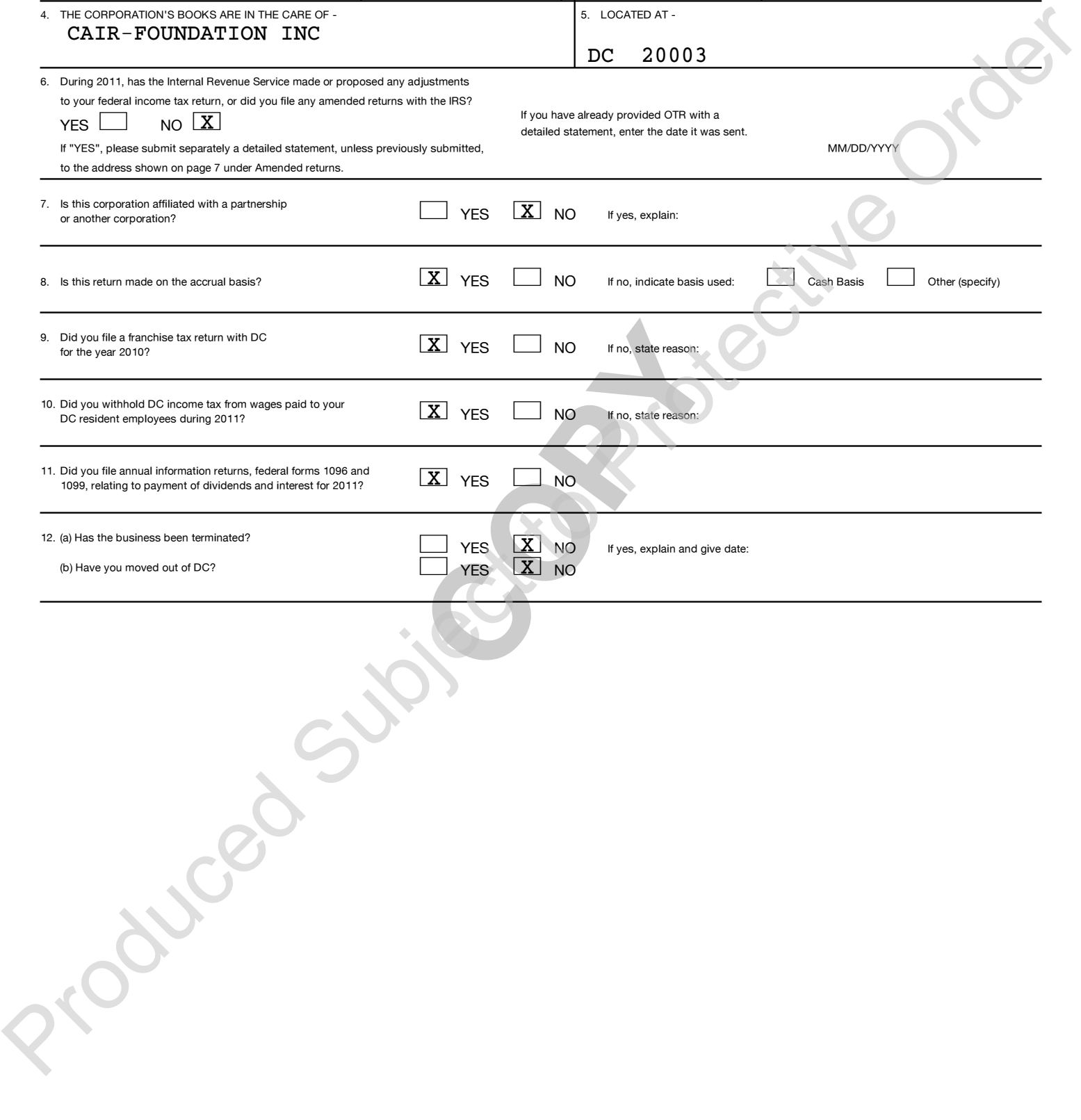
8. Is this return made on the accrual basis? YES NO If no, indicate basis used: Cash Basis Other (specify)

9. Did you file a franchise tax return with DC for the year 2010? YES NO If no, state reason:

10. Did you withhold DC income tax from wages paid to your DC resident employees during 2011? YES NO If no, state reason:

11. Did you file annual information returns, federal forms 1096 and 1099, relating to payment of dividends and interest for 2011? YES NO

12. (a) Has the business been terminated? YES NO If yes, explain and give date:
 (b) Have you moved out of DC? YES NO



DC FORM D-20 OTHER INCOME STATEMENT 1

DESCRIPTION	AMOUNT
OTHER INCOME	2,829.
TOTAL TO FORM D-20, PAGE 1, LINE 9	2,829.

DC FORM D-20 INTEREST EXPENSE STATEMENT 2

DESCRIPTION	AMOUNT
INTEREST EXPENSE	107.
TOTAL TO FORM D-20, PAGE 1, LINE 17	107.

DC FORM D-20 DEPRECIATION STATEMENT 3

DESCRIPTION	AMOUNT
DEPRECIATION FROM FORM 1120, LINE 20	5,904.
DEPRECIATION ADJUSTMENT DUE TO 179/BONUS	164.
TOTAL TO FORM D-20, PAGE 1, LINE 20	6,068.

DC FORM D-20 OTHER DEDUCTIONS STATEMENT 4

DESCRIPTION	AMOUNT
BANK CHARGES	5.
COMMISSIONS	2,076.
CONSULTANTS	145,803.
DUES AND SUBSCRIPTION EXPENSES	4,551.
FUNDRAISING EXPENSE	4,787.
INSURANCE EXPENSE	330.
INTERNET EXPENSES	29,622.
MEALS AND ENTERTAINMENT	1,302.
MEETINGS	19,923.
OFFICE EXPENSES	21,358.
OUTREACH	19,418.
POSTAGE	15,272.
PRINTING AND PUBLICATIONS	64,151.
PROFESSIONAL FEES	71,501.

CAIR-FOUNDATION, INC

77-0646756

PUBLIC RELATIONS	71,623.
TELEPHONE AND UTILITIES	13,731.
TRAVEL EXPENSES	40,530.
EMPLOYEE BENEFIT PROGRAMS	41,361.
TOTAL TO FORM D-20, PAGE 2, LINE 24	567,344.

Produced Subject to Protective Order

DC FORM D-20	DC GROSS RECEIPTS FOR MINIMUM TAX LIABILITY	STATEMENT	5
A.	DC GROSS INCOME FROM D-20, PAGE 1, LINE 10		512,792.
B.	COST OF GOODS SOLD FROM D-20, PAGE 1, LINE 2		0.
C.	COST OR OTHER BASIS OF PROPERTY FOR WHICH CAPITAL GAIN/LOSS IS REPORTED PER FORM D-20, LINE 8A; FROM FEDERAL FORM SCHEDULE D, COLUMN (E) OF LINES 1 & 6		0.
D(1).	COST OR OTHER BASIS OF PROPERTY FOR WHICH ORDINARY GAIN/LOSS IS REPORTED PER FORM D-20, LINE 8B; FROM FEDERAL FORM 4797, PART I AND PART II, COLUMN (F) AND PART III, LINE 21		0.
D(2).	ACCUMULATED DEPRECIATION OF PROPERTY FOR WHICH ORDINARY GAIN/LOSS IS REPORTED PER FORM D-20, LINE 8B; FROM FEDERAL FORM 4797, PART I AND PART II, COLUMN (E) AND PART III, LINE 22		0.
D(3).	ADJUSTED BASIS OF PROPERTY FOR WHICH ORDINARY GAIN/LOSS IS REPORTED PER FORM D-20, LINE 8B; SUBTRACT LINE D(2) FROM LINE D(1)		0.
E.	TOTAL GROSS RECEIPTS (ADD LINES A, B, C, AND D(3))		512,792.
F.	DC SALES APPORTIONMENT FACTOR PER THIS RETURN		1.000000
G.	GROSS RECEIPTS APPORTIONED TO DC (MULTIPLY LINE E BY LINE F)		512,792.
H.	NON-BUSINESS INCOME ALLOCATED OR SOURCED TO DC		0.
I.	TOTAL DC GROSS RECEIPTS (ADD LINES G AND H)		512,792.

DC SCHEDULE G	OTHER CURRENT ASSETS	STATEMENT	6
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR	
PREPAID EXPENSES - PROF FEE	15,225.	0.	
TOTAL TO SCHEDULE G, LINE 5	15,225.	0.	

DC SCHEDULE G	OTHER ASSETS	STATEMENT	7
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR	
ADVANCES AND DEPOSITS		6,725.	
TOTAL TO SCHEDULE G, LINE 13		6,725.	

DC SCHEDULE G	OTHER CURRENT LIABILITIES	STATEMENT	8
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR	
PAYROLL LIABILITIES	13,856.	16,768.	
PAYROLL TAX LIABILITY	2,296.	2,296.	
ACCRUED EXPENSES	35,638.	27,975.	
TOTAL TO SCHEDULE G, LINE 17	51,790.	47,039.	

DC SCHEDULE G	OTHER LIABILITIES	STATEMENT	9
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR	
AMEX CREDIT CARD PAYABLE	8,325.	23,708.	
DUE TO CAIR	941,283.	1,007,399.	
OTHER LIABILITIES		153.	
TOTAL TO SCHEDULE G, LINE 20	949,608.	1,031,260.	

FOOTNOTES	STATEMENT	10
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CAIR-FOUNDATION, INC IS FILING AN 1120 TAX RETURN FOR THE PART YEAR DUE TO THE REASON THAT THE EXEMPT STATUS WAS REVOKED BY THE IRS EFFECTIVE 05/17/2010 AND THE SAME WAS RE-INSTATED BY IRS EFFECTIVE 08-09-2011.

DC SCHEDULE H-1	EXPENSES RECORDED ON BOOKS NOT DEDUCTED IN RETURN	STATEMENT 11
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DESCRIPTION	AMOUNT
TRAVEL AND ENTERTAINMENT	1,301.
TOTAL TO SCHEDULE H-1, LINE 5	1,301.

Form **4562**
 Department of the Treasury
 Internal Revenue Service (99)
 Name(s) shown on return

Depreciation and Amortization
 (Including Information on Listed Property) **OTHER**
 ▶ See separate instructions. ▶ Attach to your tax return.

OMB No. 1545-0172
2011
 Attachment
 Sequence No. 179
 Identifying number

CAIR-FOUNDATION, INC

OTHER DEPRECIATION

77-0646756

Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	500,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	2,000,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2010 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2012. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	51.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2011	17	5,853.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here	<input type="checkbox"/>	

Section B - Assets Placed in Service During 2011 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		39 yrs.	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2011 Tax Year Using the Alternative Depreciation System

20a	Class life				S/L	
b	12-year		12 yrs.		S/L	
c	40-year	/	40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	5,904.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? <input type="checkbox"/> Yes <input type="checkbox"/> No		24b If "Yes," is the evidence written? <input type="checkbox"/> Yes <input type="checkbox"/> No						
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use.....								25
26 Property used more than 50% in a qualified business use:								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use:								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1								28
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1								29

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

30 Total business/investment miles driven during the year (do not include commuting miles)	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2011 tax year:					
43 Amortization of costs that began before your 2011 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report					44

Form **4562**
 Department of the Treasury
 Internal Revenue Service (99)
 Name(s) shown on return

Depreciation and Amortization
 (Including Information on Listed Property) **OTHER**
 ▶ See separate instructions. ▶ Attach to your tax return.

DC
 OMB No. 1545-0172
2011
 Attachment
 Sequence No. 179

CAIR-FOUNDATION, INC **OTHER DEPRECIATION** **77-0646756**

Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	500,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	2,000,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2010 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2012. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	51.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2011	17	6,017.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		<input type="checkbox"/>

Section B - Assets Placed in Service During 2011 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		39 yrs.	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2011 Tax Year Using the Alternative Depreciation System

20a	Class life				S/L	
b	12-year		12 yrs.		S/L	
c	40-year	/	40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	6,068.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V

Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? <input type="checkbox"/> Yes <input type="checkbox"/> No		24b If "Yes," is the evidence written? <input type="checkbox"/> Yes <input type="checkbox"/> No						
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use.....								25
26 Property used more than 50% in a qualified business use:								
	:	:	%					
	:	:	%					
	:	:	%					
27 Property used 50% or less in a qualified business use:								
	:	:	%			S/L -		
	:	:	%			S/L -		
	:	:	%			S/L -		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1								28
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1								29

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

30 Total business/investment miles driven during the year (do not include commuting miles)	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2011 tax year:					
	:				
	:				
43 Amortization of costs that began before your 2011 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report					44